



# Retirement Income

Prepared for Jon and Katie Sample

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# Comprehensive Disclaimer

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This report provides a general overview of some aspects of your personal financial situation. It is intended to review your current situation and suggest potential planning ideas and concepts that may improve your current overall situation through the use of various financial and estate planning principles. All assumptions are based on information that you have provided. You are solely responsible for the accuracy or completeness of the information you have provided. The accuracy and completeness may affect the results and any recommendations contained in the report.

This report does not attempt to address all financial issues that may impact you, but is limited to the area included in the specific financial strategy module prepared for you. Assumed rates of return, rate of inflation and other variables used are hypothetical and should not be interpreted as a guarantee of future returns or results.

Certain individual asset classes used in your model portfolio, such as Large Cap Value, Large Cap Growth, Oil & Gas, are listed for informational purposes only. This information is not reflective of the NYLIFE Securities risk classification of underlying investments, which may involve a greater degree of risk than generally associated with a particular asset category. (NYLIFE Securities is the registered broker-dealer affiliate of Eagle Strategies LLC.)

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This report provides broad and general guidelines on the advantages of financial planning concepts, and does not constitute a recommendation of any particular technique. We recommend that you review your specific plan annually, unless changes in your personal or financial circumstances require more frequent review.

Some charts used to illustrate certain estate planning strategies may not take into consideration growth of your estate and changing state tax rates.

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Indices used in the report are related to the asset classes in your model portfolio. Indices rate of returns are historical and assumed to be representative of the returns that could be expected for assets in the same class. An index is unmanaged and an investor cannot invest directly in an index. The term "plan" or "planning", when used within this report does not imply that a recommendation has been made to implement a financial planning concept. Nor is it intended to be specific legal, accounting, or tax advice. It rather

represents a summary of potential considered strategies. Consult your tax and/or legal adviser before implementing any tax or legal strategies.

This Wealth Management Solution report may provide an analysis using Monte Carlo simulation, to fully understand you are reminded to go to the Monte Carlo Assumptions page(s). Reviewing the Assumptions section initially, will enhance the clarity of the results reported in the Monte Carlo Simulation and give you a more comprehensive understanding of the content. The projections or other information generated by the Monte Carlo simulation regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time. Calculations are based upon market index and growth rate assumptions in your financial plan. Other investments not considered might have characteristics similar or superior to those analyzed. The accuracy of any calculated estimate generated in a Monte Carlo analysis is severely limited by the accuracy of the underlying capital market assumptions, however, the analysis is valuable in providing you as the client with the information to determine how best to invest in the future to increase your likelihood of meeting financial goals. Each client's results depend upon individual factors which a simulation does not account for, such as how investment decisions are implemented in reality and the costs of investing. A simulation may not capture how asset classes fall in and out of favor over time. These factors can influence a client's results materially.

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## What are the Possibilities?

### The "New Retirement"

Gone are the days when retirement meant sitting at home and growing old. Retirement is a new freedom where you can spend your time and energy on your dreams, rather than earning a paycheck. The possibilities are endless, only limited by your imagination and energy. The "New Retirement" is a new career where you are your own boss.

### When do you plan to retire?

The timing of your retirement is important for many reasons. You may have a pension that you can collect after retirement. Working longer can help you earn additional income to make your retirement assets last longer. Or, you may simply want to begin your new possibilities as soon as possible.

#### Jon

- is currently age **56**
- and plans to retire at age **65**.

#### Katie

- is currently age **51**
- and plans to retire at age **65**.

### What is important to you?

Everybody has a different vision of retirement. Family, hobbies, community, and activities mean different things to different people.

Which of the following are part of your retirement goals?

- Spending more time with my family
- Traveling and new experiences
- Staying active in my community or profession
- Developing new hobbies and activities
- Making a difference with my family, community, and associations
- Leaving a legacy for my family

| New Attitudes |   |
|---------------|---|
| <b>91%</b>    | said they would ideally like to <b>retire by age 65</b> .   |
| <b>59%</b>    | see retirement as a time to be <b>active and involved</b> . |
| <b>27%</b>    | intend to work part time or to <b>pursue an interest</b> .  |
| <b>24%</b>    | <b>plan to work</b> because they expect to need the money.  |

Rutgers Survey, 2005, Peter Hart Research, 2002.

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## ***A Strong Foundation***

### ***Living longer than ever***

Retirees your age are living longer than ever. Medical advances, etc. are keeping them healthy and active. Your money needs to last longer, but fortunately, time is also a very valuable asset. (*Longevity data based on Annuity 2000 Mortality Table.*)

| Living Longer   |
|---|
| These values could not be calculated because the client's or client's spouse's gender has not been specified in the system. |

### ***Understand your lifestyle***

The first step in a good retirement plan is to take an inventory of your assets, income, and expenses. Understand what you have, which income is reliable and which is risky, and which are your mandatory expenses and which are discretionary.

### ***Balance guarantees with returns***

Nothing in life is free. You can have a safe retirement nest egg, or a high-return but risky one. Finding the right balance is the most important step. A safe retirement plan is designed to ensure that you will always have enough income to cover your mandatory expenses.

### ***Make the most of what you have***

But hiding your money in a mattress is not the answer. You also need an investment plan that can leverage the fact that people are living longer. A well-balanced, "New Retirement" Portfolio is designed to make your assets produce a higher potential income and last as long as possible.

### ***Plan for the expected unexpected***

LTC, Health Care expenses are rising. Don't get caught off guard. Make sure that your plan incorporates these costs. Disability or premature death could derail your entire plan. We'll take a look at these risks and make sure that your future is properly protected.

***Let's get started!***

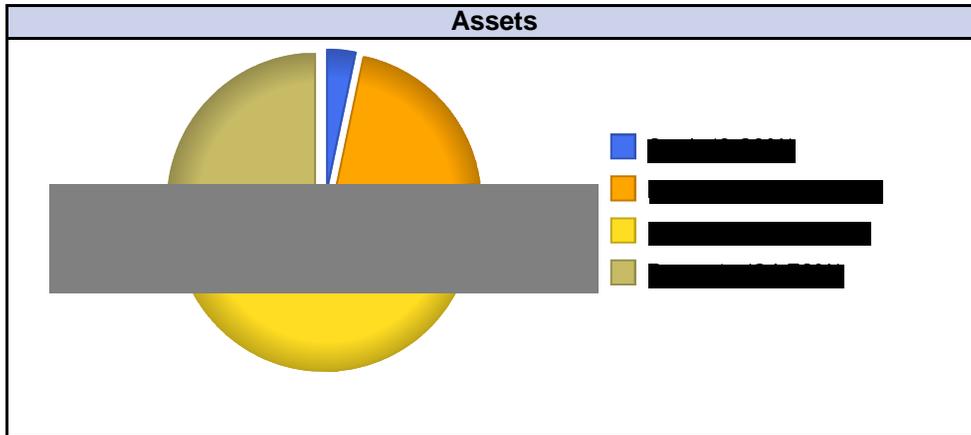
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## Where Are You Now?

### How much do you have?

Your assets are the financial engine that will keep working even when you are not. Building up a “nest egg” is even more important as you approach retirement. Your investments and even your fixed assets, such as real estate, can generate income.

These are your assets:



| Assets                   | Value              |
|--------------------------|--------------------|
| Cash and Savings         | \$40,000           |
| Investments              | \$240,123          |
| Retirement Assets        | \$634,373          |
| Real Estate and Property | \$300,000          |
| Other Assets             | \$0                |
| <b>Total Assets</b>      | <b>\$1,214,496</b> |
| Liabilities              | Value              |
| Mortgages                | (\$110,000)        |
| Loans                    | \$0                |
| <b>Total Liabilities</b> | <b>(\$110,000)</b> |
| <b>Net Worth</b>         | <b>\$1,104,496</b> |

### Where are you spending it?

Saving properly can be the largest contributor to a successful retirement. Review your income and expenses to make sure that you are saving as much as you can.

|                          |                 |
|--------------------------|-----------------|
| Income                   | \$190,000       |
| - Taxes                  | \$48,247        |
| - Expenses               | \$125,093       |
| <b>Potential Savings</b> | <b>\$16,660</b> |
| <b>Planned Savings</b>   | <b>\$19,000</b> |

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## Are You On Track?

This is a quick checkup on your progress towards retirement.

### Are you in good shape?

When you retire, you will probably need income equal to **70-80%** of your last working year's salary. In order to generate enough retirement income, you will need to have income-producing retirement and investment assets. A quick way to see if you are on track with savings today is to look at the ratio between your net worth and income. At your age, you should have a net worth of around **8.8** times your income.

| Net Worth / Income |             |
|--------------------|-------------|
| <b>5.8</b>         |             |
| Net Worth:         | \$1,104,496 |
| Income:            | \$190,000   |

### Are you saving enough?

To ensure that you are building wealth over time, you should also make sure that you are saving enough of your income. Although the national savings rate is generally only a few percent, you should target being able to save **10-12%** of your income each year.

| Savings / Income |           |
|------------------|-----------|
| <b>10.0%</b>     |           |
| Savings:         | \$19,000  |
| Income:          | \$190,000 |

### Are you managing your debt?

Your retirement budget will be easier to manage if you have a lower debt level. As you approach retirement, you should work towards bringing your debt levels to **as low as possible**. Your debt to income ratio should approach zero as you approach retirement. If you are carrying a higher debt load, make sure that you understand the costs and benefits of holding debt.

| Debt / Income |           |
|---------------|-----------|
| <b>0.6</b>    |           |
| Debt:         | \$110,000 |
| Income:       | \$190,000 |

### Are you protected?

An unexpected disability or death could deprive your family of essential income. If **Jon** were not able to work today, it would be a loss of **9** years of income, as much as **\$1,305,000**.

- Jon has disability insurance that covers **\$848,250** of this income.
- Jon has life insurance that covers **\$750,000** of this income.

For **Katie**, it would be **\$630,000**.

| Protection       |           |
|------------------|-----------|
| <b>!</b>         |           |
| Disability Risk: | \$630,000 |
| Death Risk:      | \$555,000 |

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- Katie has **no disability insurance** that protects you from this.
- Katie has life insurance that covers **\$250,000** of this income.

Note that there are also other ways to determine your insurance needs. This simply shows the income you have at risk.

Sample

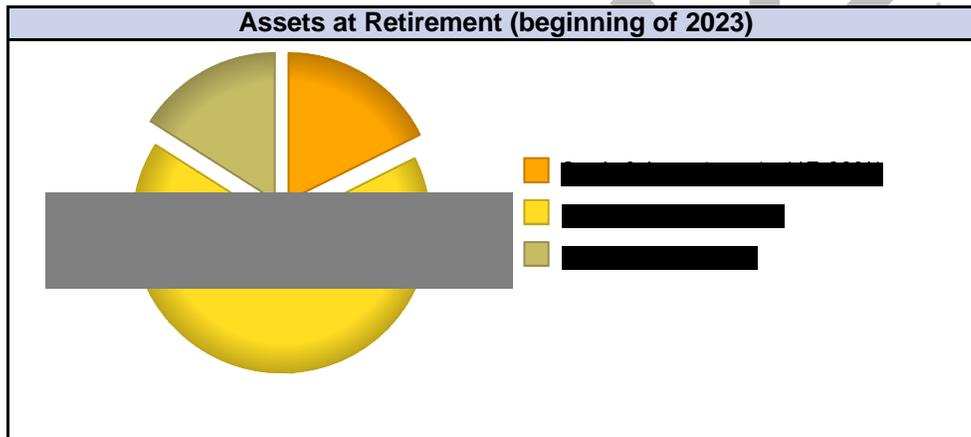
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## At Retirement

If you continue with your current savings and spending levels, and your investments perform at their historical levels, your financial picture could potentially look like this **when you retire in 2023** (ages **65/65**).

### How much will you have?

After retirement, you will be receiving less income from working sources and you will rely on your savings, investments and other assets to generate more of your income.



| <b>Assets</b>                 | <b>Value</b>       |
|-------------------------------|--------------------|
| Cash, Savings and Investments | \$412,486          |
| Retirement Assets             | \$1,552,735        |
| Real Estate and Property      | \$374,329          |
| Other Assets                  | \$0                |
| <b>Total Assets</b>           | <b>\$2,339,550</b> |

| <b>Liabilities</b>       | <b>Value</b>       |
|--------------------------|--------------------|
| Mortgages                | \$0                |
| Loans                    | \$0                |
| <b>Total Liabilities</b> | <b>\$0</b>         |
| <b>Net Worth</b>         | <b>\$2,339,550</b> |

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## Retirement Fitness

If you continue with your current savings and spending levels, and your investments perform at their historical levels, your financial picture could potentially look like this **when you retire in 2023** (ages **65/65**).

### Is your income secure?

A balanced retirement plan should include a reasonable amount of guaranteed income from *Social Security*, *pensions*, or financial products such as *annuities*. Guaranteed income sources, such as the government or financial institutions, reduce the risk of fluctuating income levels. You should have **at least 20%** of your total lifetime income from these reliable sources.

| Guaranteed Income % |             |
|---------------------|-------------|
| <b>45.6%</b>        |             |
| Guaranteed:         | \$3,045,453 |
| Total Income:       | \$6,682,401 |

### Are your expenses covered?

Your basic expenses will need to be funded throughout your retirement. A safe retirement plan will balance your guaranteed income against your expenses to make sure that you can always afford to pay for your necessities. Having at **least 60%** of your total lifetime basic expenses covered by your guaranteed income will help protect you against market risk.

| Guaranteed / Basic |             |
|--------------------|-------------|
| <b>62.5%</b>       |             |
| Guaranteed:        | \$3,045,453 |
| Basic Expenses:    | \$4,870,705 |

### Are you making appropriate withdrawals?

A key to making sure that your retirement assets last a long time is to make sure that you are conservative with the amount of assets you withdraw each year. A good plan is to withdraw **no more than 3-5%** of your assets in your first retirement year, then adjust the amount by inflation annually.

| Withdrawal Rate |             |
|-----------------|-------------|
| <b>3.8%</b>     |             |
| Withdrawals:    | \$74,270    |
| Assets:         | \$1,965,221 |

### Are you protected?

A need for long term care could put a significant dent in your retirement assets. At **\$200** a day, a typical **3-year stay** in a long-term care facility could cost **\$216,000**.

- Jon has **no insurance** to cover this expense.
- Katie has **no insurance** to cover this expense.

| Protection |           |
|------------|-----------|
| <b>!</b>   |           |
| LTC Risk:  | \$216,000 |

*Guarantees are contingent upon the claims paying ability of the issuing company(s).*

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## ***From Wealth-Building to Lifetime Income***

### ***From wealth-building...***

You spent your working years building wealth, a nest egg that would support you throughout your retirement years. Your focus was on producing income, creating savings and investments, and a home.

#### **Your tools were likely:**

- Working income
- Regular savings
- Regular investments
- Asset allocation

### ***...to lifetime income***

Retirement is the time when you can change your focus to using your wealth, rather than earning it. Since you are no longer going to focus on income production, it is important to use your assets wisely, and to generate a lifetime income that will let you realize all of your possibilities.

#### **Your retirement tools are:**

- External income - Social Security, Pension
- Lifestyle choices
- Cash flow management
- Guaranteed income products such as annuities
- Prudent investment strategy

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## The Risks in Retirement Income

The "New Retirement" has its challenges, some old, some new.

**Longevity** – your retirement assets must last longer than ever. There is a **25%** chance that at least one of you will be alive in **2059**. If you retire in **2023** at **ages 65/65**, you need to plan to make your assets last for **36** years or more. In 1965, the average retirement age was 65, and a person age 65 had a 25% chance of surviving until only age 83. Retirees only had to make their money last 18 years. (Trends in Retirement Age, by sex. *Monthly Labor Review*, July 1992. 1965 Projected Annuity Mortality Table.)

**Inflation** – the cost of everything rises over time. In recent years, the treasury has managed to keep inflation at a reasonable rate, but even at a conservative 2.49% inflation rate, the value of your money erodes over time. Also keep in mind that your **actual expenses** will probably **outpace inflation**.

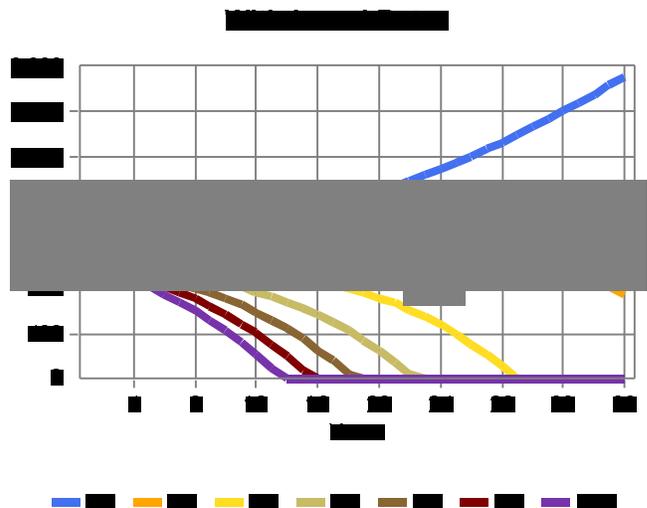
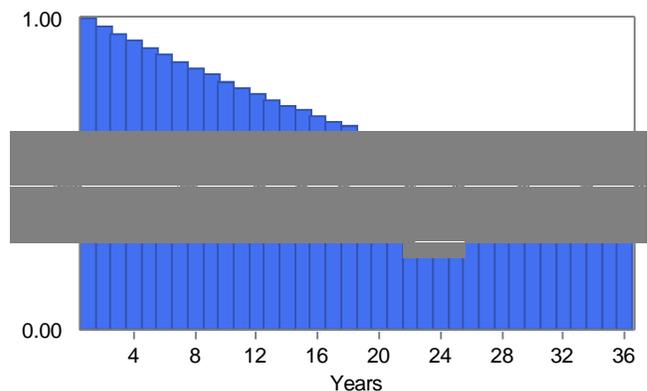
**Asset Allocation** – in the "old retirement", conventional wisdom was to take all of your assets out of the market, and place them in "risk-free" investments. Although that is a good strategy for short-term investing, the "New Retirement" is long-term, and risk-free investments may not keep your income levels ahead of your expenses.

**Health Care Costs** – living longer has its price. Costs for staying well, such as prescriptions, are **rising at 8% a year**. Critical health care and long-term care expenses can take a large bite out of your retirement assets. Retiring elderly couples will need \$200,000 in savings just to pay for the most basic medical coverage. Many experts believe that this figure is conservative and that \$300,000 may be a more realistic number (<http://www.nchc.org/facts/cost.shtml>).

**Spending** – spending too much of your assets early in retirement can dramatically lower the chance of the portfolio lasting a long time. **Prudent withdrawal rates of 4-5%** of your assets can give you a better chance for a lifetime of income.

During the last stock market boom, many retirees assumed that you can safely withdraw 7%, 8% or more per year. In bad stock market years, withdrawal rates that high can quickly deplete a portfolio. (Chart assumes a growth rate of 6.96% and an inflation rate of 2.49%.)

Value of a Dollar



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## *The Tools of Retirement Income*

Fortunately, you have many tools to help you make the most out of retirement.

### *Lifestyle choices*

You are in control of many of your expenses. You can adjust them as your income levels change.

### *Longevity*

Retirees are now living longer. Some of your retirement assets now have a longer investment time horizon. Instead of a 5-year investment plan, some of your assets should be invested on a 20- or 25-year time horizon.

### *Guarantees*

You can purchase investments and products that can guarantee part of your retirement income needs.

#### **Did you know?**

Inflation Protected Securities can generate income that automatically adjusts for inflation. Annuities are contracts that generate guaranteed income and can be purchased to generate income for your entire lifetime.

### *Technology*

The Internet and other computerized tools can help you monitor your assets, income, and spending. They can also alert you when your plan needs to be updated.

### *Protection*

You can defend against rising health care costs with supplemental insurance policies.

#### **Potential Cost vs. Insurance**

|                |                                       |
|----------------|---------------------------------------|
| Health Care    | Medicare, Medicaid, Medigap policies  |
| Prescriptions  | Medicare, other supplemental policies |
| Long-Term Care | Long-Term Care insurance              |

**Did you know?** - Medigap insurance policies can cover health care costs that Medicare forces you to pay. For more information on Medigap policies, see <http://www.medicare.gov/medigap>.

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## Analyze Your Spending

Before we can plan a retirement income strategy, we need to understand your retirement spending.

### Your retirement expenses

Below is a worksheet for creating a retirement spending budget. Figure out how much you expect to spend on housing, food, energy, and health care. Look at your retirement dreams and see what it would cost to follow your dreams of travel, recreation and social activities. It is also important to determine which items are your basic, required expenses and which are your discretionary expenses.

| Budget Item     | Basic Expense? | Monthly Amount | Growth Rate | Annual Amount |
|-----------------|----------------|----------------|-------------|---------------|
| Estimated Taxes |                | \$127          |             | \$1,524       |
| <b>Total</b>    |                | <b>127</b>     |             | <b>1,524</b>  |

### A typical budget

Typical married adults ages 65 and older spend...

- 29% on housing
  - 9% on utilities
  - 8% on taxes and insurance
  - 6% on rent/mortgage
  - 6% on maintenance
- 20% on healthcare
  - 8% on insurance
  - 6% on drugs
  - 4% on health services
  - 2% on medical supplies
- 13% on food
- 12% on transportation
- 10% on entertainment
- 10% on gifts
- 6% on other expenses



(Understanding Expenditure Patterns in Retirement, *The Urban Institute*, January 2005.)

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## *Social Security Benefits*

Social Security has historically been an important source of retirement income. It is designed so that payroll taxes you pay during your working years entitle you to a lifetime monthly income stream after retirement.

### *When am I eligible to receive Social Security benefits?*

You are eligible to receive Social Security benefits after your **62nd birthday**.

### *How much income can I expect from Social Security?*

Your Social Security income will depend on your earned income history and when you elect to receive benefits. Although you are *eligible* to begin receiving benefits at age 62, depending on your date of birth, you must **wait until either age 65 or 67** to receive your **full retirement benefit** amount. Delaying receipt of Social Security benefits until after your full retirement benefit date or later (up to age 70) will increase the amount of your monthly income.

*The following table provides an estimate of the amount of Jon & Katie's monthly Social Security benefit (in today's dollars).*

| Estimated Monthly Benefit<br>in Today's Dollars* |         |         |
|--|---------|---------|
| Social<br>Security<br>Age                        | Jon     | Katie   |
| 62   | \$1,852 | \$1,415 |
| 65   | \$2,367 | \$1,809 |
| 67   | \$2,806 | \$2,144 |
| 70   | \$3,472 | \$2,653 |

*\*Social Security information is based upon the amounts reflected in your base facts. Contact the Social Security Administration regarding your specific benefits.*

### *When should I elect to begin receiving Social Security benefits?*

This decision depends on your personal situation. If you can afford to live off other income sources for a few years, you can increase your monthly social security income later in life. Note that the Social Security Administration attempts to give everyone the same total benefit. Statistically, you will receive the same lifetime income regardless of when you elect to begin receiving benefits.

### *Is Social Security a reliable income source?*

Although younger people may not expect SS to be there by the time they retire, today's retirees near age 62 or later can start enjoying the benefits now. Most current retirees consider Social Security to be a key part of their guaranteed income sources. Once you begin receiving Social Security payments, you will continue to receive them for your lifetime.

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Assuming that you begin receiving Social Security benefits at:

- **Jon** – age 65 - \$2,367 per month (in today's dollars).
- **Katie** – age 65 - \$1,809 per month (in today's dollars).

You can count on Social Security covering a portion of your basic expenses. Note: if you elect to defer your Social Security benefits, you may need to use other sources of income during the first few retirement years.

Sample

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## A Look at Income

Your retirement income comes from many sources. You will generally begin receiving Social Security payments at age 62 or 65. You may own some annuities or may be receiving a pension. Your taxable and retirement investments may generate annual income, and the principal can be used to pay your expenses.

### What money can you count on?

You can generally count on income from annuities, pension, and Social Security. There are some risks with each type of income, but in general, they are reliable sources. Below are your sources of retirement income (in future dollars).

|                          | Starts                  | Monthly Income | Annual Income   | Growth Rate |
|--------------------------|-------------------------|----------------|-----------------|-------------|
| Jon's Social Security    | Age 65                  | \$2,953        | \$35,441        | 2.49%       |
| Katie's Social Security  | Age 65                  | \$2,563        | \$30,751        | 2.49%       |
| Katie's Hospital Pension | When Katie is 65 (2028) | \$1,000        | \$12,000        | 0.00%       |
| <b>Total</b>             |                         | <b>\$6,516</b> | <b>\$78,192</b> |             |

Note: Some of the income above may start or stop, and your total income may vary from year to year. See the appendix for detailed cash flow information.

### About your other income

Your taxable and retirement accounts will be a large portion of your retirement income. The assets themselves can generate income stream, but they will generally fluctuate from year to year. You can also withdraw the principal of the accounts to pay your expenses. Depending on your investment choices, they also have a risk of losing the principal of your investments.

|                             | Potential Value at Retirement | Assumed Growth Rate | Potential Annual Asset Growth |
|-----------------------------|-------------------------------|---------------------|-------------------------------|
| Cash, Savings & Investments | \$412,486                     | 6.31%               | \$26,028                      |
| Retirement Assets           | \$1,552,735                   | 6.31%               | \$97,977                      |
| <b>Total</b>                | <b>\$1,965,221</b>            |                     | <b>\$124,005</b>              |

Note that the actual income generated will be based upon actual investment performance, as well as the rate at which you withdraw money from the accounts.

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## ***The Retirement Balancing Act***

### ***Guaranteed Income vs. Basic Expenses***

Your basic expenses will be with you for your entire lifetime. You should match your reliable income sources to these expenses to make sure that your bills will always be covered.

### ***Variable Investments vs. Discretionary Expenses***

Once your basic expenses are covered, the remainder of your assets can be used to generate income to fund your discretionary expenses. Variable income investments typically generate higher returns, but carry the risk of losing some or all of their value.

### ***The balance***

You may choose to guarantee all of your mandatory expenses. However, guaranteed investments typically have lower overall returns. You may choose to only guarantee part of your expenses, and invest more heavily in variable products.

*Guarantees are contingent upon the claims paying ability of the issuing company(s).*

Sample

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## Your Guaranteed Income

Guaranteed Income is an important part of any successful retirement income strategy. The more guaranteed income you have to offset your non-discretionary expenses, the more likely it is that you will be able to achieve your retirement goals.

### Sources of Guaranteed Income

According to the data we have, you can expect to receive the following income. We've included guaranteed income and any income you plan to earn through working after retirement.

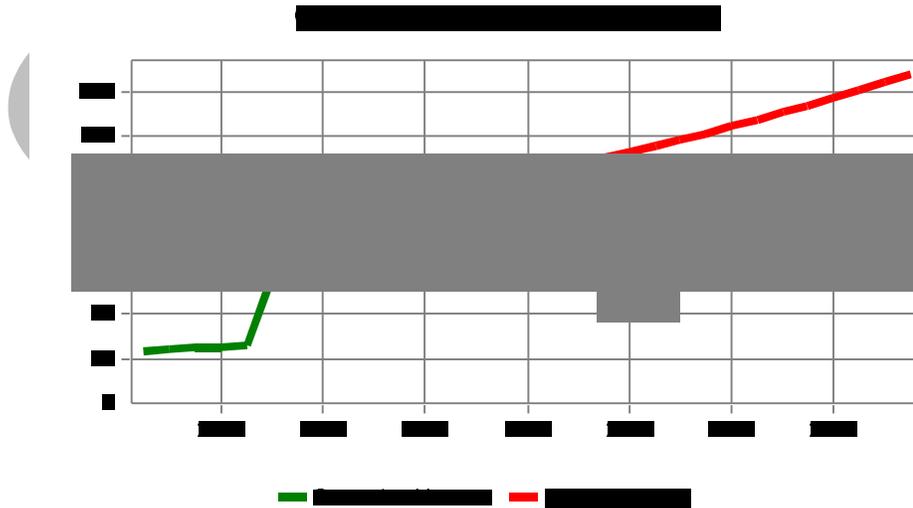
|                          | Starts                  | Monthly Income | Annual Income   | Growth Rate |
|--------------------------|-------------------------|----------------|-----------------|-------------|
| Jon's Social Security    | Age 65                  | \$2,953        | \$35,441        | 2.49%       |
| Katie's Social Security  | Age 65                  | \$2,563        | \$30,751        | 2.49%       |
| Katie's Hospital Pension | When Katie is 65 (2028) | \$1,000        | \$12,000        | 0.00%       |
| <b>Total</b>             |                         | <b>\$6,516</b> | <b>\$78,192</b> |             |

Note: Some of the income above may start or stop, and your total income may vary from year to year. See the appendix for detailed cash flow information.

### Covering your Basic Expenses

Between your Social Security benefits and your sources of Guaranteed Income, you have a reliable stream of income. Comparing this lifetime reliable income to your lifetime basic expenses will tell you how certain you can be that all of your basic needs and expenses are covered throughout retirement.

| Guaranteed / Basic |             |
|--------------------|-------------|
| <b>62.5%</b>       |             |
| Guaranteed:        | \$3,045,453 |
| Basic Expenses:    | \$4,870,705 |



Guarantees are contingent upon the claims paying ability of the issuing company(s).

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## ***Additional Guaranteed Income***

If you wish to guarantee more of your retirement income, annuities may be a suitable product. Annuities can provide a guaranteed income for a number of years or for your lifetime.

### ***What is an income annuity?***

An annuity is a contract between you and an insurance company, where the company agrees to make regular payments to you. You can purchase an annuity with a lump sum or multiple payments. In return, the issuing company agrees to guarantee payments for a period of years or your lifetime.

*Note that the guarantees of an annuity are based on the financial strength and claims paying ability of the issuing insurance company.*

### ***Laddering***

If you choose a lifetime annuity, you will receive payments for your entire lifetime. At your death, the annuity company keeps the rest of the investments. This tradeoff may allow the annuity company to offer you a higher rate of return than if you were to simply invest the money. Purchasing additional annuity contracts may subject you to additional fees and expenses.

One strategy to take advantage of this is a “laddering” strategy. Making regular annual purchases of annuities gives you the flexibility of changing strategies in early years, but takes advantage of potentially higher guaranteed rates in later years.

*Note that Laddering does not guarantee higher income payments.*

*\* Income Payment amounts are not representative of any actual annuity product. Income Payment amounts for issue ages shown above are for a hypothetical Single Life immediate annuity for a Male using the Annuity 2000 Mortality Table using a 4.20% interest rate. Amounts do not take into account the effect of taxes.*

### ***Your total guaranteed income***

Your plan does not contain any planned annuity purchases.

Hypothetical Annuity: Lifetime Income Payments for a Male for a \$100,000 Purchase Payment\*

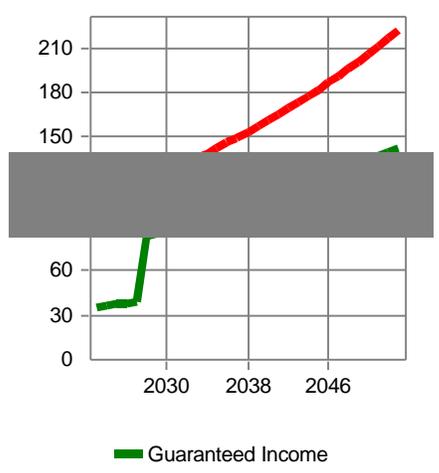
| <b>Age</b> | <b>Monthly Income</b> | <b>Annual Income</b> |
|------------|-----------------------|----------------------|
| 65         | \$535                 | \$6,414              |
| 70         | \$601                 | \$7,206              |
| 75         | \$686                 | \$8,237              |
| 80         | \$802                 | \$9,624              |

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| Monthly Guaranteed Income | At Retirement | After 2033 |
|---------------------------|---------------|------------|
| Guaranteed Income         | \$0           | \$1,000    |
| Social Security           | \$2,953       | \$6,675    |
| Total Guaranteed Income   | \$2,953       | \$7,675    |
| Total Basic Expenses      | \$8,838       | \$11,303   |

Note: some of the income above may start or stop and your total income may vary from year to year. See the appendix for detailed cash flow information.

Guaranteed Income vs. Expenses



Sample

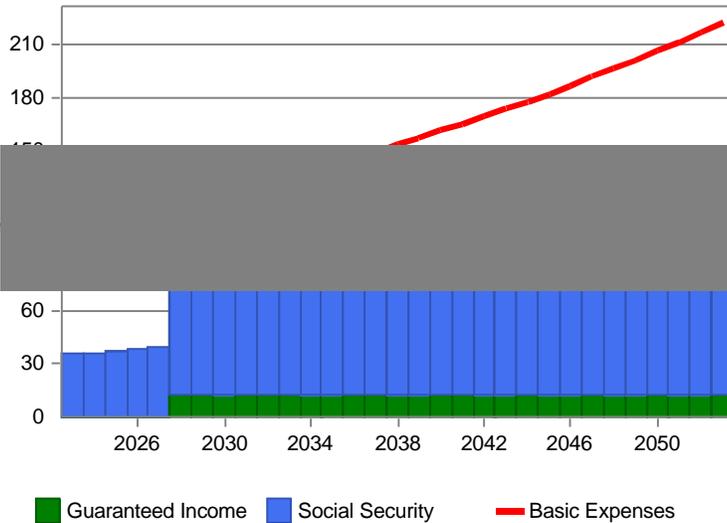
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## Make the Most of Your Money

We've already looked at your basic expenses and created a plan to cover them with various income sources. You also have other retirement assets that you will use to fund your lifestyle and your discretionary expenses. The goal is to find you an investment plan that you feel comfortable with, but will allow you to pursue a long-term lifestyle.

Take a look at your retirement expense picture:

**Guaranteed Income vs. Basic Expenses**



| Guaranteed / Basic |             |
|--------------------|-------------|
| <b>62.5%</b>       |             |
| Guaranteed:        | \$3,045,453 |
| Basic Expenses:    | \$4,870,705 |

Now that we've planned for your basic expenses, what investment plan might give you the most discretionary income? Will you be comfortable with that plan?

*Guarantees are contingent upon the claims paying ability of the issuing company(s).*

*Let's start with a few questions...*

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## What Would You Do?

Please answer the following questions:

### Age

1. To what age group do you belong?

### Desired Annuity Type

2. What is your desired annuity type?

### Life Expectancy (Longevity):

3. The average 65 year old should expect to live an additional 20 to 25 years. Given your own health status and family history do you feel you will live:

### Risk Aversion

4. Sometimes investment losses are permanent, sometimes they are prolonged, and sometimes they are short-lived. How might you respond when you experience investment losses?

5. Choose the answer that best describes your response to the following statement: I am comfortable with investments that will periodically decline in value if there is a potential for high returns.

6. Over time, inflation can have a significant negative impact on how much your money can buy. If, however, your investments keep pace with inflation, you can maintain the buying power of your money over time.

Generally, higher returns, which might be necessary to keep pace with inflation, can only be achieved by accepting greater risk. Which of the following choices best reflects your attitude toward inflation and accepting greater risk?

7. Assume your monthly income is a fixed percentage of your portfolio value. If you receive \$1,000 per month and your portfolio value declines, at what point in the first year would you consider becoming more conservative with your investments?

8. "If the U.S. stock portion of my portfolio were to lose 10% of its value over a one month period, consistent with the overall market, I would prefer to cut my losses and shift into a more conservative investment strategy."

How do you feel about the previous statement?

9. Inflation can have a significant negative impact on the purchasing power of your income stream. Below are three model portfolios and their risk-return tradeoffs that take into account purchasing power after inflation. Which would you choose?

### Wealth

10. During retirement, how much annual, after-tax income do you expect from sources such as Social Security, pensions, payout annuities, and other guaranteed income sources?

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**11. At retirement, what savings accounts would you be willing to use to generate retirement income, including retirement plans (401k, IRA), brokerage accounts, or other accounts? Enter a total dollar value for all accounts you wish to use.**

**12. How much annual after-tax income will you need *or desire* during the first year of your retirement?**

### **Bequest**

**13. The size of an inheritance may affect how much income you have to fund your retirement. If your plan to leave an inheritance reduces your ability to meet income needs in retirement, how might you respond?**

### **Income Stability**

**14. In general, lower income levels in retirement tend to be more stable, while higher income levels tend to be more volatile. Which do you prefer?**

Please note that a separate application will need to be submitted for any investment or managed portfolio program you ultimately decide to purchase. These applications will result in their own investor suitability and analyses, which may vary from the suggested recommendations contained in this report. In the event that there is an inconsistency between the recommendation(s) contained in this report and the determination arrived at as a result of the separate specific product/program suitability process, the information in the product/program Investor Profile shall govern.

## Types of Investments

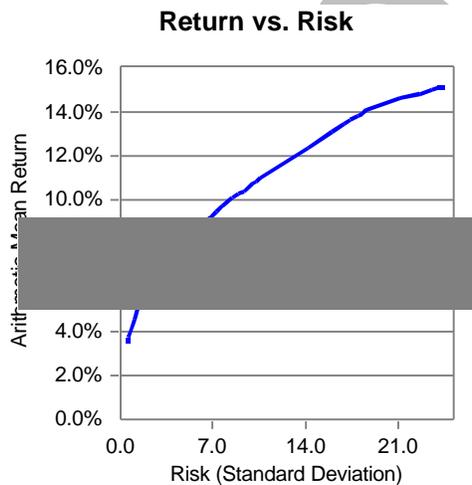
When choosing investments for generating retirement income, you should have a blend of assets that generates reliable income along with some investments that can generate higher returns.

### What types of investments are low-risk?

Some types of investments are generally considered less risky than traditional stock or equity investments:

- Certificates of Deposit
- Government Savings Bonds
- Municipal Bonds
- "Investment Grade" Bonds

Although these investments may carry the risk of losing their value, with proper management, you should feel comfortable with their security. The trade-off is that these investments will have an overall lower total return on your investment.



### What types of investments generate higher returns?

The following types of investments typically generate higher returns, but with greater risk, than those listed above:

- "High-Yield" Bonds
- Stocks
- International Investments

These investments typically generate a higher return for **long-term investments**. However, they carry a greater risk of losing their value, particularly in the short term. "High Yield" Bonds may also include risk of default.

*Certificates of Deposit are FDIC or NCUA insured up to certain limits per depositor, provide a fixed rate of return and must hold until maturity in order to avoid a penalty. Investments in high yield bonds include investment risk, including risk of default. International securities are subject to political influences, currency fluctuations and economic cycles that are unrelated to those affecting the domestic financial markets and may experience wider price fluctuations.*

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## Understanding Risk

Lower risk investments, such as CDs, typically only generate returns around the inflation rate. Placing a large portion of your assets in these could make you fall behind your cost of living. So, some of your assets should be placed in potentially higher-return investments. These investments can lose money. How can you make the decision on where to place your money?

### Would you regret it?

If you invest in the market, you may lose principal. What are the chances that you would be better off taking the safe investment than investing in the market? This is called the "Risk of Regret".

For this example, let's assume that you can make a hypothetical "risk-free" investment with a return of 2.40%. If you invest in the market for only one year, there is a good chance that you could lose money, or make less money than your hypothetical risk-free investment. However, look at what happens over time.

| Investment        | Average Return (Arithmetic Mean) | Risk of Regret |         |         |          |          |
|-------------------|----------------------------------|----------------|---------|---------|----------|----------|
|                   |                                  | 1 Year         | 3 Years | 5 Years | 10 Years | 20 Years |
| Cash              | 3.04%                            | 15%            | 3%      | 1%      | 0%       | 0%       |
| Commodities       | 4.80                             | 46             | 43      | 41      | 38       | 33       |
| Short Term Bond   | 4.46                             | 10             | 1       | 0       | 0        | 0        |
| International     | 7.50                             | 42             | 36      | 32      | 26       | 18       |
| Int/Long Term Bnd | 6.31                             | 21             | 8       | 4       | 0        | 0        |
| IPS               | 7.47                             | 20             | 8       | 3       | 0        | 0        |
| Balanced          | 8.61                             | 28             | 16      | 10      | 3        | 0        |
| Hgh Yld Bond      | 8.59                             | 26             | 14      | 8       | 2        | 0        |
| Large Cap         | 9.75                             | 34             | 24      | 18      | 10       | 4        |
| Absolute Return   | 8.97                             | 20             | 8       | 3       | 0        | 0        |
| REITs             | 12.80                            | 33             | 23      | 17      | 9        | 3        |
| Small Cap         | 12.84                            | 33             | 22      | 16      | 8        | 2        |
| Emerg Mkts        | 15.13                            | 35             | 26      | 20      | 12       | 5        |
| Mid Cap           | 13.39                            | 30             | 18      | 12      | 5        | 1        |

### Safe Bet vs. Balanced Investing

Notice that the longer you hold an investment, the risk of regret goes down. In any single year, any investment could go up or down. But if you hold the investment for multiple years, the chances are that you are going to do better than the hypothetical risk-free investment. As the chart illustrates, holding your investments over 20 years gives you the highest probability of being better off than the "safe bet". (*Risk of Regret is based upon the growth and risk assumptions of the given asset class and an exponential Brownian motion model.*)

### Use this to your advantage

- The longer you hold a diversified set of investments (as opposed to holding one asset class), the chances of greater return improve.
- Individual investments are at a higher risk of losing money and never recovering. A well-balanced, diversified portfolio is considered a good strategy for investing, though there are no guarantees a well-diversified portfolio will perform as expected.
- Your retirement plan lasts **31 years**, so some of your investment dollars can take advantage of this.

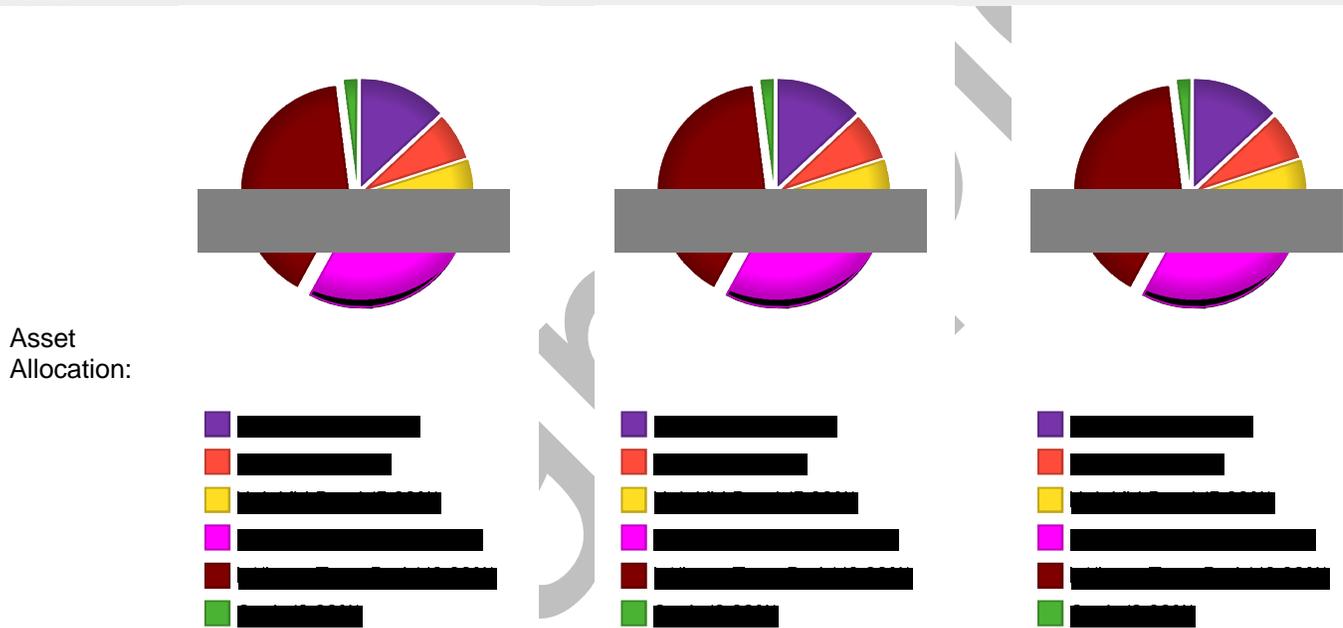
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## The Right Portfolio

Deciding on the right portfolio for you depends on how much risk you are willing to take and your investment time horizon, among other things. According to your answers to the questionnaire, the overall portfolio that fits your risk profile is **(Please Complete the Risk Questionnaire)**.

However, as your income needs change over time, the composition of your portfolio should change to reflect these needs.

| Time Period:   | At Retirement                    | Mid-Retirement                   | Later Retirement                 |
|----------------|----------------------------------|----------------------------------|----------------------------------|
| Starting:      | Age 65/60                        | Age 75/70                        | Age 85/80                        |
| Model:         | Income with Capital Preservation | Income with Capital Preservation | Income with Capital Preservation |
| Relative Risk: | 3.6                              | 3.6                              | 3.6                              |



| Time Period:        | At Retirement | Mid-Retirement | Later Retirement |
|---------------------|---------------|----------------|------------------|
| Assumed Return:     | 6.31%         | 6.31%          | 6.31%            |
| Est. Assets:        | \$1,965,221   | \$2,738,592    | \$3,958,448      |
| Est. Annual Growth: | \$124,005     | \$172,805      | \$249,778        |

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## Your Retirement Plan

### Assumptions

- **Jon** is currently age **56**, and plans to retire at age **65**.
- **Katie** is currently age **51**, and plans to retire at age **65**.
- **Jon** plans to begin Social Security payments at age 65 of \$2,367 per month (in today's dollars).
- **Katie** plans to begin Social Security payments at age 65 of \$1,809 per month (in today's dollars).

### Retirement Resources

| Asset / Liability        | Value Now        | At Retirement    |
|--------------------------|------------------|------------------|
| Cash and Savings         | \$40,000         | \$0              |
| Investments              | 240,123          | 412,486          |
| Retirement Assets        | 634,373          | 1,552,735        |
| Real Estate and Property | 300,000          | 374,329          |
| Other Assets             | 0                | 0                |
| <b>Total Assets</b>      | <b>1,214,496</b> | <b>2,339,550</b> |
| Mortgages                | (110,000)        | 0                |
| Loans                    | 0                | 0                |
| <b>Total Liabilities</b> | <b>(110,000)</b> | <b>0</b>         |
| <b>Net Worth</b>         | <b>1,104,496</b> | <b>2,339,550</b> |

### Income Sources

|                          | Starts                  | Monthly Income | Annual Income   | Growth Rate |
|--------------------------|-------------------------|----------------|-----------------|-------------|
| Jon's Social Security    | Age 65                  | \$2,953        | \$35,441        | 2.49%       |
| Katie's Social Security  | Age 65                  | \$2,563        | \$30,751        | 2.49%       |
| Katie's Hospital Pension | When Katie is 65 (2028) | \$1,000        | \$12,000        | 0.00%       |
| <b>Total</b>             |                         | <b>\$6,516</b> | <b>\$78,192</b> |             |

Note: Some of the income above may start or stop, and your total income may vary from year to year. See the appendix for detailed cash flow information.

### Retirement Expenses

| Budget Item     | Basic Expense? | Monthly Amount | Growth Rate | Annual Amount |
|-----------------|----------------|----------------|-------------|---------------|
| Estimated Taxes |                | \$127          |             | \$1,524       |
| <b>Total</b>    |                | <b>127</b>     |             | <b>1,524</b>  |

| Other Expense | Annual Amount in Today's Dollars | Starts | Ends |
|---------------|----------------------------------|--------|------|
|               |                                  |        |      |

### Guaranteed Income Plan

Assuming that you purchase an annuity for \$0 each year, from year 2023 to 2033, at the end of the period, the annuities will generate an estimated monthly income of \$0. This covers 0.0% of your Basic Expenses. In that year, along with other sources of guaranteed income, your guaranteed income will cover 68% of your basic expenses.

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## ***Investment Plan***

| Time Period:    | <b>At Retirement</b>             | <b>Mid-Retirement</b>            | <b>Later Retirement</b>          |
|-----------------|----------------------------------|----------------------------------|----------------------------------|
| Starting:       | Age 65/60                        | Age 75/70                        | Age 85/80                        |
| Model:          | Income with Capital Preservation | Income with Capital Preservation | Income with Capital Preservation |
| Assumed Return: | 6.31%                            | 6.31%                            | 6.31%                            |
| Relative Risk:  | 3.6                              | 3.6                              | 3.6                              |

*Guarantees are contingent upon the claims paying ability of the issuing company(s).*

Sample

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## Your Income Plan

Your retirement income is from several sources:

- Social Security and Pension
- Annuities and other Guaranteed Income Sources
- Earnings and withdrawals from your retirement portfolio

The table below shows how your income is derived throughout retirement. See the appendix for more detail on estimated income and expenses.

| Year | Age   | Income Sources    |                 |                      | Income from Assets  |                             |                           |                   | Total Income |
|------|-------|-------------------|-----------------|----------------------|---------------------|-----------------------------|---------------------------|-------------------|--------------|
|      |       | Guaranteed Income | Social Security | Total Income Sources | Req'd Distributions | Add'l Qualified Withdrawals | Non-Qualified Withdrawals | Total Withdrawals |              |
| 2023 | 65/60 | \$0               | \$35,441        | \$35,441             | \$0                 | \$0                         | \$74,270                  | \$74,270          | \$109,711    |
| 2024 | 66/61 | 0                 | 36,323          | 36,323               | 0                   | 0                           | 73,804                    | 73,804            | 110,127      |
| 2025 | 67/62 | 0                 | 37,227          | 37,227               | 0                   | 0                           | 75,479                    | 75,479            | 112,706      |
| 2026 | 68/63 | 0                 | 38,154          | 38,154               | 0                   | 0                           | 77,192                    | 77,192            | 115,346      |
| 2027 | 69/64 | 0                 | 39,104          | 39,104               | 0                   | 0                           | 78,940                    | 78,940            | 118,044      |
| 2028 | 70/65 | 12,000            | 70,829          | 82,829               | 45,026              | 0                           | 4,567                     | 49,593            | 132,422      |
| 2029 | 71/66 | 12,000            | 72,593          | 84,593               | 47,794              | 0                           | 3,550                     | 51,344            | 135,937      |
| 2030 | 72/67 | 12,000            | 74,401          | 86,401               | 50,729              | 0                           | 2,420                     | 53,149            | 139,550      |
| 2031 | 73/68 | 12,000            | 76,253          | 88,253               | 53,842              | 0                           | 1,179                     | 55,021            | 143,274      |
| 2032 | 74/69 | 12,000            | 78,151          | 90,151               | 57,141              | 0                           | 0                         | 57,141            | 147,292      |
| 2033 | 75/70 | 12,000            | 80,097          | 92,097               | 82,149              | 0                           | 0                         | 82,149            | 174,246      |
| 2034 | 76/71 | 12,000            | 82,092          | 94,092               | 87,178              | 0                           | 0                         | 87,178            | 181,270      |
| 2035 | 77/72 | 12,000            | 84,136          | 96,136               | 92,187              | 0                           | 0                         | 92,187            | 188,323      |
| 2036 | 78/73 | 12,000            | 86,231          | 98,231               | 97,817              | 0                           | 0                         | 97,817            | 196,048      |
| 2037 | 79/74 | 12,000            | 88,378          | 100,378              | 103,389             | 0                           | 0                         | 103,389           | 203,767      |
| 2038 | 80/75 | 12,000            | 90,578          | 102,578              | 109,254             | 0                           | 0                         | 109,254           | 211,832      |
| 2039 | 81/76 | 12,000            | 92,833          | 104,833              | 115,421             | 0                           | 0                         | 115,421           | 220,254      |
| 2040 | 82/77 | 12,000            | 95,145          | 107,145              | 121,746             | 0                           | 0                         | 121,746           | 228,891      |
| 2041 | 83/78 | 12,000            | 97,515          | 109,515              | 128,541             | 0                           | 0                         | 128,541           | 238,056      |
| 2042 | 84/79 | 12,000            | 99,943          | 111,943              | 135,479             | 0                           | 0                         | 135,479           | 247,422      |
| 2043 | 85/80 | 12,000            | 102,431         | 114,431              | 142,024             | 0                           | 0                         | 142,024           | 256,455      |
| 2044 | 86/81 | 12,000            | 104,981         | 116,981              | 148,784             | 0                           | 0                         | 148,784           | 265,765      |
| 2045 | 87/82 | 12,000            | 107,595         | 119,595              | 155,751             | 0                           | 0                         | 155,751           | 275,346      |
| 2046 | 88/83 | 12,000            | 110,274         | 122,274              | 162,909             | 0                           | 0                         | 162,909           | 285,183      |
| 2047 | 89/84 | 12,000            | 113,020         | 125,020              | 170,240             | 0                           | 0                         | 170,240           | 295,260      |
| 2048 | 90/85 | 12,000            | 115,834         | 127,834              | 176,260             | 0                           | 0                         | 176,260           | 304,094      |
| 2049 | 91/86 | 12,000            | 118,718         | 130,718              | 182,233             | 0                           | 0                         | 182,233           | 312,951      |

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| Year | Age   | Income Sources       |                    |                            | Income from Assets     |                                   |                              | Total<br>Income |                      |
|------|-------|----------------------|--------------------|----------------------------|------------------------|-----------------------------------|------------------------------|-----------------|----------------------|
|      |       | Guaranteed<br>Income | Social<br>Security | Total<br>Income<br>Sources | Req'd<br>Distributions | Add'l<br>Qualified<br>Withdrawals | Non-Qualified<br>Withdrawals |                 | Total<br>Withdrawals |
| 2050 | 92/87 | 12,000               | 121,674            | 133,674                    | 188,112                | 0                                 | 0                            | 188,112         | 321,786              |
| 2051 | 93/88 | 12,000               | 124,703            | 136,703                    | 193,836                | 0                                 | 0                            | 193,836         | 330,539              |
| 2052 | 94/89 | 12,000               | 127,808            | 139,808                    | 197,788                | 0                                 | 0                            | 197,788         | 337,596              |
| 2053 | 95/90 | 12,000               | 130,991            | 142,991                    | 200,828                | 0                                 | 0                            | 200,828         | 343,819              |

Guarantees are contingent upon the claims paying ability of the issuing company(s).

Sample

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## Testing Your Plan - Stress Test

One of the worst things that could happen to a retirement plan is to have a market crash just as you retire. Market losses combined with retirement withdrawals can quickly deplete your retirement assets. Also, an increase in income taxes could cause you to withdraw additional funds from your qualified retirement plans to pay for your expenses.

The Stress Test lets you look at the behavior of your retirement plan in the worst of market conditions.

### The Stress Test

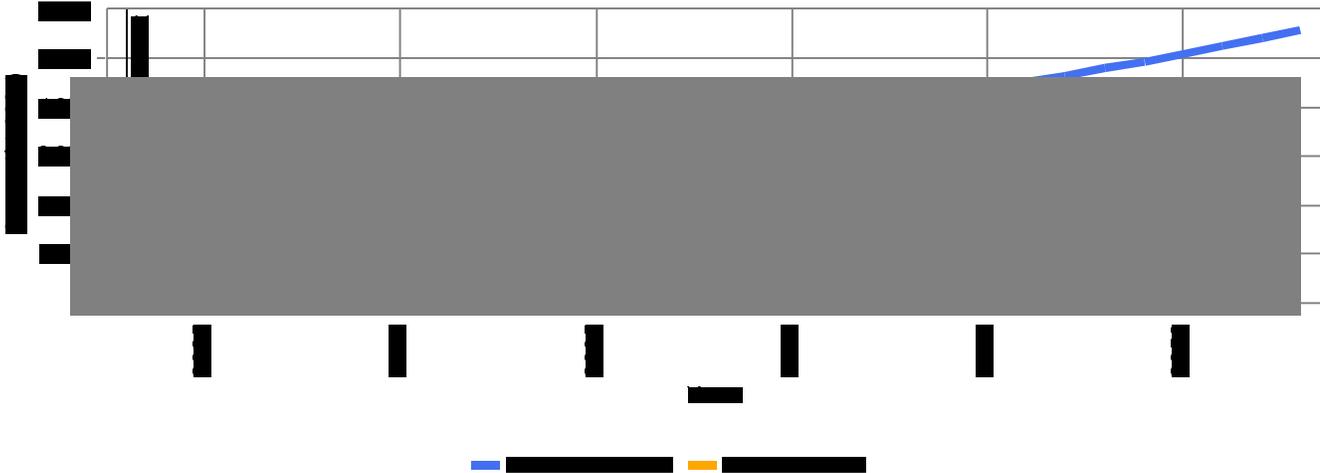
To test your plan, we looked at what would happen if, in most years, inflation and market returns were average, except for years **2023** to **2024**, when:

Inflation: **10.00%**  
Portfolio Rate of Return: **-20.00%**  
Income Tax Adjustment (+/-): **5.00%**

### How did your plan do?

During the Stress Test:

- Your retirement portfolio had **\$391,401** remaining in **2053**.
- You were able to fund **all of your retirement expenses**.



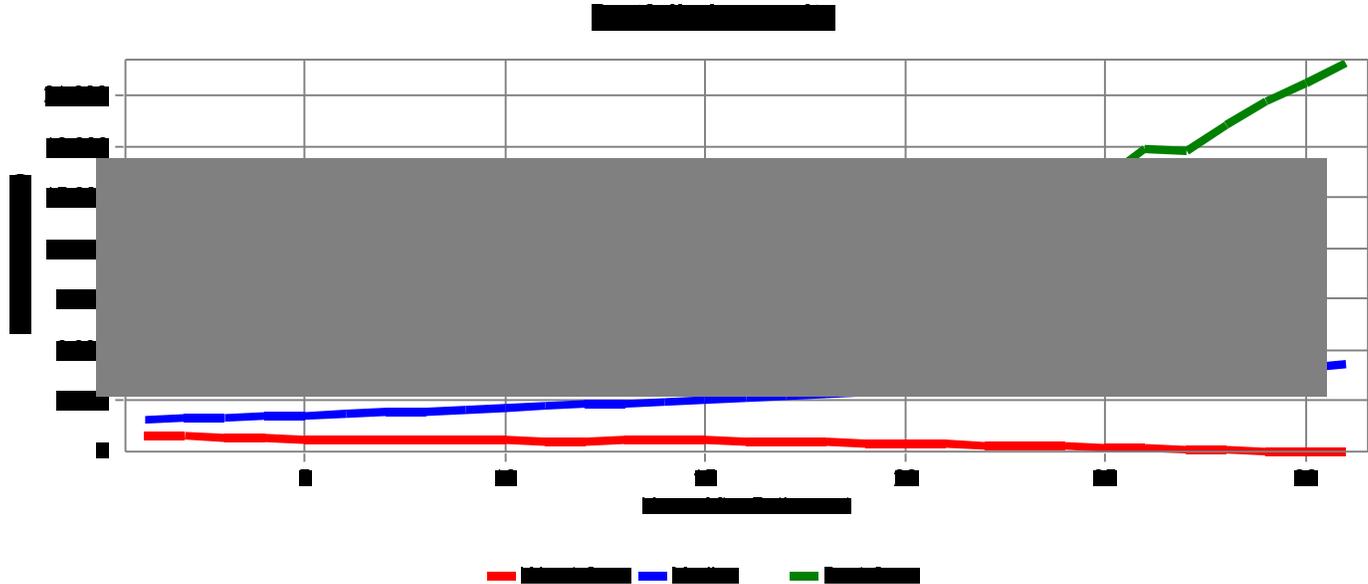
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## Testing Your Plan - Monte Carlo

Another way of testing your plan is to analyze the statistics. *Monte Carlo Analysis* runs multiple simulations of your retirement plan against possible future market conditions. Looking at the results can give you a measure of confidence that your plan will succeed in a wide variety of conditions.

After running your plan for a total of **1000 different possible futures**, we've calculated the following statistics for your retirement plan. The table below shows the best, worst, and middle-of-the-road cases for how long you can expect to be able to meet your retirement expenses with this plan.

**Chance of Success**  
**100%**  
Your plan is successful in  
100% of the trials.



| Portfolio Lasts...      | Worst Case | Median Case | Best Case |
|-------------------------|------------|-------------|-----------|
| Years After Retirement: | 28 years   | 31 years    | 31 years  |
| Until:                  | 2050       | 2053        | 2053      |
| Age:                    | 92/87      | 95/90       | 95/90     |

This Monte Carlo analysis illustrates the potential results of your financial plan using up to 1000 randomly generated market returns and volatility called trial runs. In each trial run, the mean and standard deviation of a selected benchmark index for each account or portfolio is used for a randomly chosen year. This hypothetical investment performance is combined with the detailed cash flow and tax calculations for your plan. The trial runs produce a range of potential results and are one way of illustrating and evaluating the probability of your plan's results.

Limitations of this Monte Carlo simulation include: (a) Investments assigned fixed rates of return reflect a constant growth rate, which is compounded on an annual basis with no variation and have no underlying correlation data. The growth on investments is the flat rate throughout the Monte Carlo simulation. (b) Market volatility may be more extreme than what is represented by the simulation. (c) The accuracy of the simulation is reduced in periods of market crisis. (d) The simulation does not consider all investments, and those not considered might have characteristics similar or superior to those analyzed in this report.

**IMPORTANT:** The projections or other information generated by this Monte Carlo simulation regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time. Calculations are based upon market index and growth rate assumptions in your financial plan. Other investments not considered might have characteristics similar or superior to those analyzed in this report.

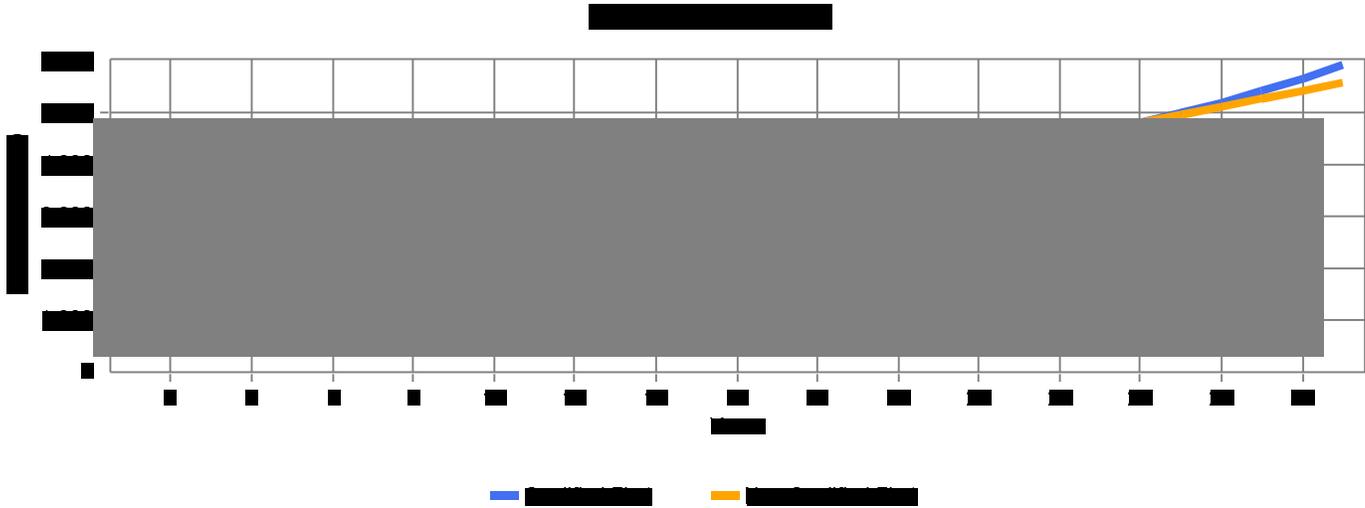
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## Using Your Retirement Assets

When you begin to use your retirement assets to fund your expenses, the decision on which assets to spend first can have a significant impact on how long the assets last. Some important factors in this decision are risk/return and tax consequences. The investment plan that we've outlined already covers the risk/return decision.

### Minimize your taxes

In general, if you can defer your tax-favored retirement withdrawals, then you defer your taxes as long as possible. You should consider spending your minimum distributions first, then taxable investment income and gains, saving your tax-deferred assets for last. The chart below shows which strategy is likely to be better for your plan.



#### Required Minimum Distributions

Generally, the IRS requires that you begin withdrawing money from your qualified retirement accounts the year when you reach **age 70.5**. Each year, you must withdraw money from the accounts, and it is taxed as income. You can spend this money or you can reinvest it in other vehicles.

| Age  | Approx. Minimum Annual Withdrawal |
|------|-----------------------------------|
| 70.5 | 3.6%                              |
| 71.5 | 3.8%                              |
| 72.5 | 3.9%                              |
| 73.5 | 4.0%                              |
| 74.5 | 4.2%                              |
| 75.5 | 4.4%                              |
| 80.5 | 5.3%                              |

Consult your tax advisor for withdrawal rates specific to your situation.

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## *Protecting Your Plan*

To better protect your plan, you should take a few things into consideration.

### *Cover your medical expenses*

Medicare is a government program that covers the costs of certain medical services and items in hospitals and other medical settings. It is available for people age 65 and older. Medicare can also cover a portion of your medical prescription costs. For more information on Medicare, see <http://www.medicare.gov>.

A Medigap policy is health insurance sold by private insurance companies to fill the “gaps” in Original Medicare Plan coverage. Medigap policies help pay some of the health care costs that the Original Medicare Plan doesn’t cover. If you are in the Original Medicare Plan and have a Medigap policy, then Medicare and your Medigap policy will pay both their shares of covered health care costs. For more information on Medigap policies, see <http://www.medicare.gov/medigap>.

Other private health insurance policies may cover more or less of your health costs than the Medicare/Medigap plan.

### *Consider Long-Term Care insurance*

The chances of you or your spouse requiring long-term care in your lifetime is significant. About 19% of Americans aged 65 and older experience some degree of physical impairment. This rises to 55% for people 85 or older. (America's Health Insurance Plans: Guide to Long Term Care Insurance, 2004. MetLife Mature Market Institute, Summary of Nursing Home and Home Health Care Costs, September 2004.) For a couple turning **age 65**, there is a **75% chance** that one of you will need long-term care eventually. A typical stay of **3 years** could cost you **\$70,000 per year**, or **\$210,000**.

If this were to occur today, you would **deplete your retirement assets in 2041, 12 years earlier** than expected with your retirement plan.

- You have no insurance to protect you from this risk.
- A Long-Term Care policy with a benefit of \$70,000 per year would mitigate this risk.

## *Notes*

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# Appendix - Plan Changes

## Retirement Income

Prepared for Jon and Katie Sample

The Fact Changes Details report shows the changes made to your facts within a scenario.

### FAMILY INFORMATION

No changes have been made to the client's Family Information within this scenario

### ASSETS

No changes have been made to the client's Assets within this scenario

### INCOME AND SAVINGS

#### SOCIAL SECURITY

##### Jon's Social Security (updated)

Use Estimated Values  
Years Employed: 25

Start Collecting at: age 65  
Last Year Employed: 2013

Highest Salary Earned: \$135,000

##### Katie's Social Security (updated)

Use Estimated Values  
Years Employed: 20

Start Collecting at: age 65  
Last Year Employed: 2013

Highest Salary Earned: \$85,000

#### INCOME, IMMEDIATE ANNUITIES

##### Annuity Purchase Strategy (added)

Based on the life of: Jon and Katie  
(Joint/ROS)  
Purchase Plan Type: Annual \$ Amount  
Last Purchase: Year 2033

Minimum Payment Term: 0 years

Annual \$ Amount: \$0

Payments deposited to: Core Cash  
Account  
First Purchase: Year 2023

##### Liquidation Priority

No Liquidation Priority information has  
been defined

### INSURANCE

No changes have been made to the client's Insurance information within this scenario

### LIABILITIES AND EXPENSES

#### LIQUIDATION STRATEGY (UPDATED)

Current: By Type

Retirement: Qualified / Non-Qualified  
Ratio

Qualified/Non-Qualified Ratio: 0%/100%

### ESTATE

No changes have been made to the client's Estate information within this scenario

### ASSUMPTIONS

#### RETIREMENT AND DEATH (UPDATED)

##### Jon Sample

Retirement Age: 65 (2023)  
Final Expenses: \$0

Assumed Age of Death: 90 (2048)

Probate Rate:

##### Katie Sample

Retirement Age: 65 (2028)

Assumed Age of Death: 90 (2053)

Probate Rate:

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Final Expenses: \$0

Estate Analysis Reports will end in 2053  
(39 years)

### INFLATION/MARKET ASSUMPTIONS (UPDATED)

Average Inflation Rate: 2.49%

### OTHER

#### REINVESTMENTS

##### Recommended at At Retirement (added)

Occurs: Client's Retirement (age 65 in 2023)      Apply Taxes: No

##### Assets Selected for Reinvestment

Name: All Assets

##### Current Allocation

|                           |                     |                        |
|---------------------------|---------------------|------------------------|
| Int/Long Term Bnd: 23.74% | Large Cap: 30.12%   | Short Term Bond: 9.69% |
| International: 4.07%      | Hgh Yld Bond: 5.05% | Cash: 0.35%            |
| Mid Cap: 18.51%           | Commodities: 2.58%  | Small Cap: 5.80%       |
| Emerg Mkts: 0.10%         |                     |                        |

##### New Allocation - Income with Capital Preservation

|                         |                           |                     |
|-------------------------|---------------------------|---------------------|
| Large Cap: 13.00%       | Mid Cap: 7.00%            | Hgh Yld Bond: 5.00% |
| Short Term Bond: 33.00% | Int/Long Term Bnd: 40.00% | Cash: 2.00%         |

##### Recommended at Mid-Retirement (added)

Occurs: When Jon is 75 (2033)      Apply Taxes: No

##### Assets Selected for Reinvestment

Name: All Assets

##### Current Allocation

|                           |                     |                        |
|---------------------------|---------------------|------------------------|
| Int/Long Term Bnd: 23.74% | Large Cap: 30.12%   | Short Term Bond: 9.69% |
| International: 4.07%      | Hgh Yld Bond: 5.05% | Cash: 0.35%            |
| Mid Cap: 18.51%           | Commodities: 2.58%  | Small Cap: 5.80%       |
| Emerg Mkts: 0.10%         |                     |                        |

##### New Allocation - Income with Capital Preservation

|                         |                           |                     |
|-------------------------|---------------------------|---------------------|
| Large Cap: 13.00%       | Mid Cap: 7.00%            | Hgh Yld Bond: 5.00% |
| Short Term Bond: 33.00% | Int/Long Term Bnd: 40.00% | Cash: 2.00%         |

##### Recommended at Senior Years (added)

Occurs: When Jon is 85 (2043)      Apply Taxes: No

##### Assets Selected for Reinvestment

Name: All Assets

##### Current Allocation

|                           |                     |                        |
|---------------------------|---------------------|------------------------|
| Int/Long Term Bnd: 23.74% | Large Cap: 30.12%   | Short Term Bond: 9.69% |
| International: 4.07%      | Hgh Yld Bond: 5.05% | Cash: 0.35%            |
| Mid Cap: 18.51%           | Commodities: 2.58%  | Small Cap: 5.80%       |
| Emerg Mkts: 0.10%         |                     |                        |

##### New Allocation - Income with Capital Preservation

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Large Cap: 13.00%  
Short Term Bond: 33.00%

Mid Cap: 7.00%  
Int/Long Term Bnd: 40.00%

Hgh Yld Bond: 5.00%  
Cash: 2.00%

Sample

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# Appendix - Plan Comparison

## Prepared for Jon and Katie Sample

The Plan Comparison report shows the potential impact of making the suggested retirement plan changes.

**Assumptions** - The assumptions of the plan determine when significant events occur, such as retiring and electing to receive Social Security payments.

| Assumptions                      | Before Plan | With Plan |
|----------------------------------|-------------|-----------|
| Jon's Retirement Age             | 65          | 65        |
| Katie's Retirement Age           | 65          | 65        |
| Jon's Social Security Election   | 65          | 65        |
| Katie's Social Security Election | 65          | 65        |
| Jon's Longevity                  | 90          | 90        |
| Katie's Longevity                | 90          | 90        |

**Saving & Spending** - Changes to your saving and spending rates can have the largest impact upon your retirement income.

| Saving & Spending                           | Before Plan | With Plan   |
|---|-------------|-------------|
| Estimated Portfolio Value at Retirement     | \$2,013,193 | \$2,014,956 |
| Retirement Spending - Basic Expenses        | \$106,060   | \$106,060   |
| Retirement Spending - Total Living Expenses | \$110,514   | \$108,187   |
| Ending Portfolio Value                      | \$5,345,913 | \$5,592,919 |

**Analysis** - The analysis of the plan shows how long your money can last in retirement and the total income you will be generating throughout retirement.

| Analysis  | Before Plan     | With Plan       |
|---|-----------------|-----------------|
| Portfolio Longevity After Retirement                    | 30 years (2053) | 30 years (2053) |
| Maximum Supported Retirement Spending (Today's Dollars) | \$123,000       | \$125,000       |
| Lifetime Retirement Income                              | \$6,296,578     | \$6,683,312     |
| Chance of Success                                       | 100%            | 100%            |

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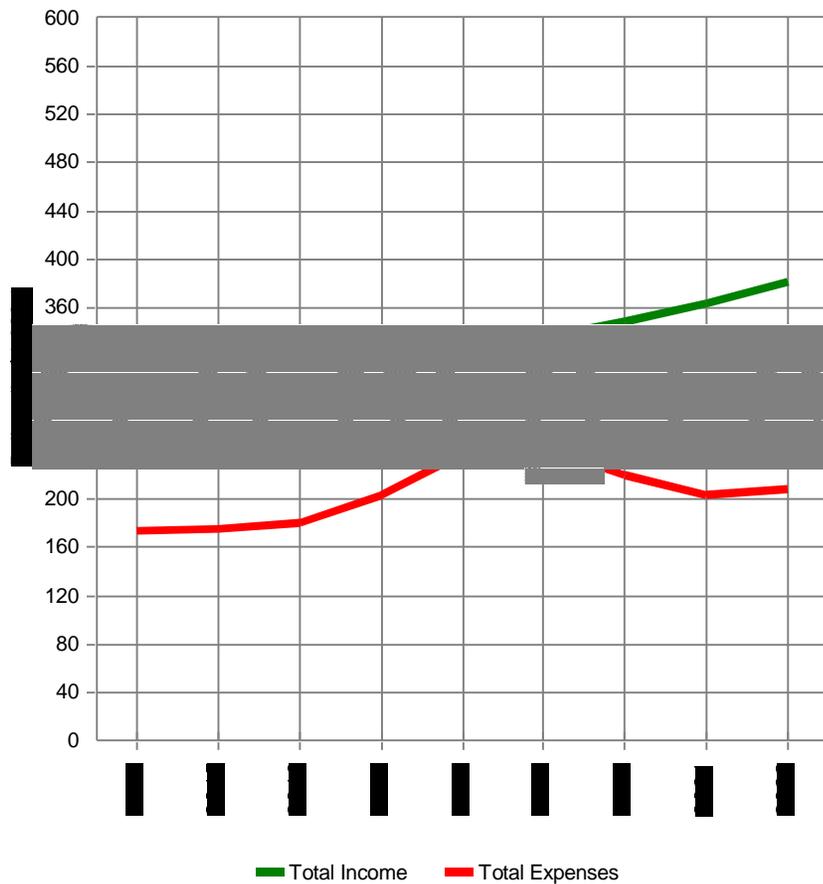
# Appendix - Pre-Retirement Cash Flow

## Base Facts

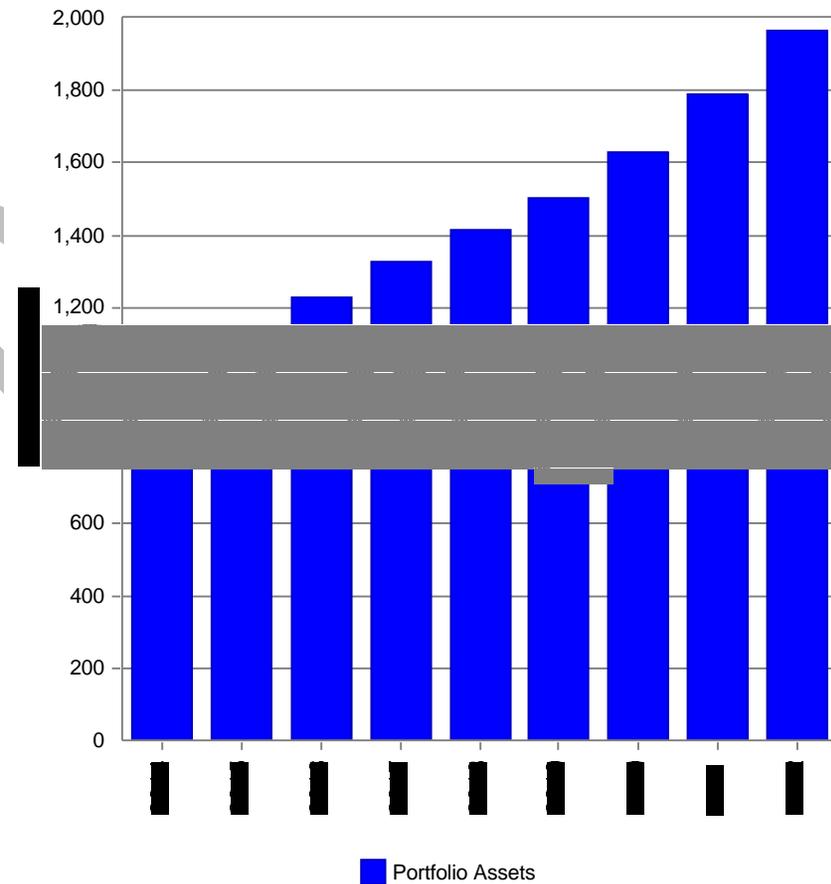
Prepared for Jon and Katie Sample

The Pre-Retirement Cash Flow report shows how your income and expenses contribute to your savings up until your planned retirement.

Pre-Retirement Cash Flow



Portfolio Assets



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| Year | Age   | Income       |              |                  |              | Expenses        |                |          |                | Net Cash Flow | Ending Portfolio Assets |
|------|-------|--------------|--------------|------------------|--------------|-----------------|----------------|----------|----------------|---------------|-------------------------|
|      |       | Income Flows | Other Income | Portfolio Growth | Total Income | Living Expenses | Other Expenses | Taxes    | Total Expenses |               |                         |
| 2014 | 56/51 | \$190,000    | \$6,600      | \$70,550         | \$267,150    | \$117,093       | \$8,000        | \$48,247 | \$173,340      | \$93,810      | \$1,008,306             |
| 2015 | 57/52 | 194,732      | 6,764        | 78,227           | 279,723      | 119,306         | 8,000          | 49,119   | 176,425        | 103,298       | \$1,111,604             |
| 2016 | 58/53 | 199,580      | 6,933        | 86,584           | 293,097      | 121,804         | 8,000          | 50,146   | 179,950        | 113,147       | \$1,224,751             |
| 2017 | 59/54 | 204,550      | 7,106        | 95,686           | 307,342      | 125,687         | 24,213         | 54,016   | 203,916        | 103,426       | \$1,328,177             |
| 2018 | 60/55 | 209,643      | 7,283        | 105,595          | 322,521      | 127,093         | 54,639         | 56,199   | 237,931        | 84,590        | \$1,412,767             |
| 2019 | 61/56 | 214,863      | 7,464        | 113,182          | 335,509      | 131,352         | 56,013         | 56,706   | 244,071        | 91,438        | \$1,504,205             |
| 2020 | 62/57 | 220,213      | 7,650        | 119,686          | 347,549      | 155,753         | 8,000          | 56,221   | 219,974        | 127,575       | \$1,631,780             |
| 2021 | 63/58 | 225,697      | 7,840        | 129,530          | 363,067      | 146,145         | 0              | 56,983   | 203,128        | 159,939       | \$1,791,719             |
| 2022 | 64/59 | 231,317      | 8,036        | 142,334          | 381,687      | 149,552         | 0              | 58,633   | 208,185        | 173,502       | \$1,965,221             |

Sample

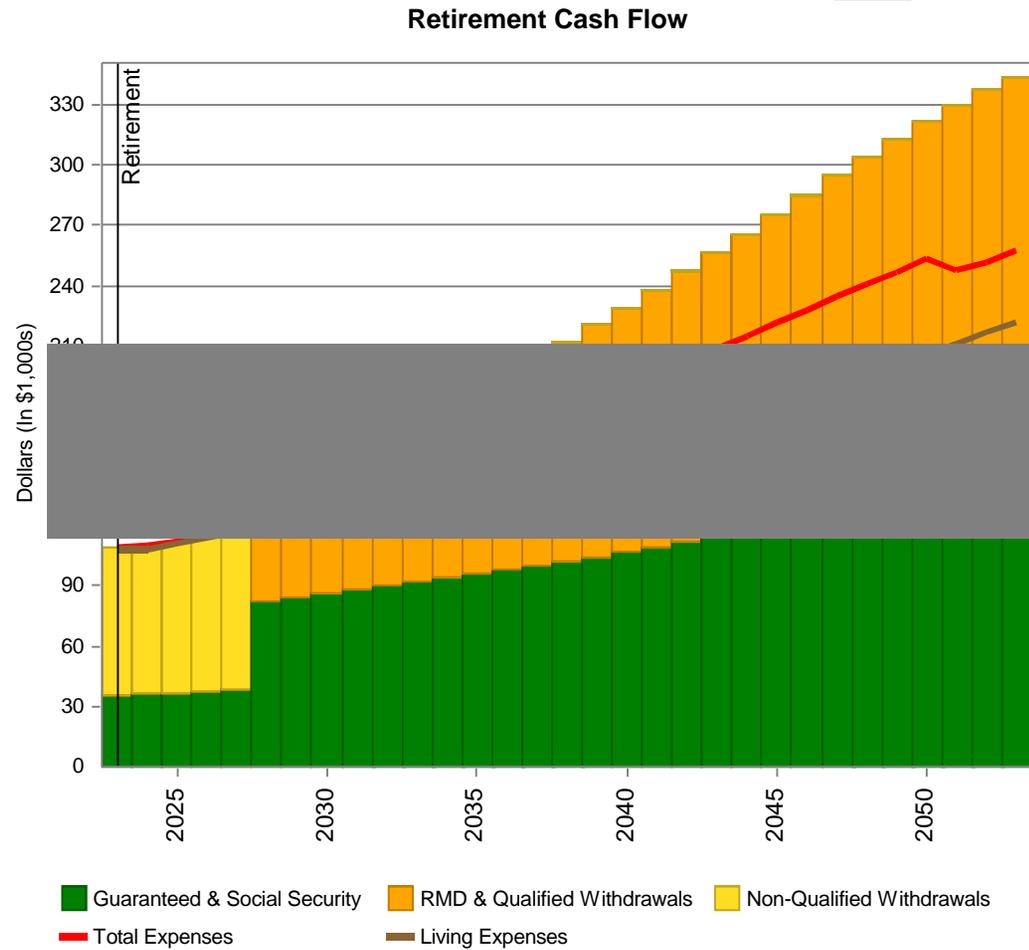
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# Appendix - Retirement Cash Flow

## Base Facts

Prepared for Jon and Katie Sample

The Retirement Cash Flow report shows how expenses are paid from income sources, investment returns, and asset withdrawals throughout retirement.



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| Year | Age   | Income Sources    |                 |              | Expenses        |         |                        | Income from Assets    |                 | Portfolio Growth | Ending Portfolio Assets |
|------|-------|-------------------|-----------------|--------------|-----------------|---------|------------------------|-----------------------|-----------------|------------------|-------------------------|
|      |       | Guaranteed Income | Social Security | Total Income | Living Expenses | Taxes   | Total Expenses & Taxes | Portfolio Withdrawals | Withdrawal Rate |                  |                         |
| 2023 | 65/60 | \$0               | \$35,441        | \$35,441     | \$108,187       | \$1,524 | \$109,711              | \$74,270              | 3.8%            | \$124,005        | \$2,014,956             |
| 2024 | 66/61 | 0                 | 36,323          | 36,323       | 108,701         | 1,426   | 110,127                | 73,804                | 3.7             | 127,144          | 2,068,296               |
| 2025 | 67/62 | 0                 | 37,227          | 37,227       | 111,408         | 1,298   | 112,706                | 75,479                | 3.6             | 130,365          | 2,123,182               |
| 2026 | 68/63 | 0                 | 38,154          | 38,154       | 114,182         | 1,164   | 115,346                | 77,192                | 3.6             | 133,825          | 2,179,815               |
| 2027 | 69/64 | 0                 | 39,104          | 39,104       | 117,025         | 1,019   | 118,044                | 78,940                | 3.6             | 137,387          | 2,238,262               |
| 2028 | 70/65 | 12,000            | 70,829          | 82,829       | 119,939         | 12,483  | 132,422                | 49,593                | 2.2             | 141,064          | 2,329,733               |
| 2029 | 71/66 | 12,000            | 72,593          | 84,593       | 122,925         | 13,012  | 135,937                | 51,344                | 2.2             | 147,006          | 2,425,395               |
| 2030 | 72/67 | 12,000            | 74,401          | 86,401       | 125,986         | 13,564  | 139,550                | 53,149                | 2.2             | 153,042          | 2,525,288               |
| 2031 | 73/68 | 12,000            | 76,253          | 88,253       | 129,123         | 14,151  | 143,274                | 55,021                | 2.2             | 159,346          | 2,629,613               |
| 2032 | 74/69 | 12,000            | 78,151          | 90,151       | 132,338         | 14,763  | 147,101                | 57,141                | 2.2             | 165,929          | 2,738,592               |
| 2033 | 75/70 | 12,000            | 80,097          | 92,097       | 135,633         | 20,520  | 156,153                | 82,149                | 3.0             | 172,792          | 2,847,328               |
| 2034 | 76/71 | 12,000            | 82,092          | 94,092       | 139,010         | 21,712  | 160,722                | 87,178                | 3.1             | 178,513          | 2,959,211               |
| 2035 | 77/72 | 12,000            | 84,136          | 96,136       | 142,471         | 22,937  | 165,408                | 92,187                | 3.1             | 184,276          | 3,074,215               |
| 2036 | 78/73 | 12,000            | 86,231          | 98,231       | 146,019         | 24,323  | 170,342                | 97,817                | 3.2             | 190,086          | 3,192,190               |
| 2037 | 79/74 | 12,000            | 88,378          | 100,378      | 149,655         | 25,684  | 175,339                | 103,389               | 3.2             | 195,909          | 3,313,138               |
| 2038 | 80/75 | 12,000            | 90,578          | 102,578      | 153,381         | 27,115  | 180,496                | 109,254               | 3.3             | 201,747          | 3,436,967               |
| 2039 | 81/76 | 12,000            | 92,833          | 104,833      | 157,200         | 28,640  | 185,840                | 115,421               | 3.4             | 207,583          | 3,563,543               |
| 2040 | 82/77 | 12,000            | 95,145          | 107,145      | 161,114         | 30,210  | 191,324                | 121,746               | 3.4             | 213,399          | 3,692,763               |
| 2041 | 83/78 | 12,000            | 97,515          | 109,515      | 165,126         | 31,882  | 197,008                | 128,541               | 3.5             | 219,181          | 3,824,451               |
| 2042 | 84/79 | 12,000            | 99,943          | 111,943      | 169,238         | 33,610  | 202,848                | 135,479               | 3.5             | 224,902          | 3,958,448               |
| 2043 | 85/80 | 12,000            | 102,431         | 114,431      | 173,452         | 35,277  | 208,729                | 142,024               | 3.6             | 230,543          | 4,094,693               |
| 2044 | 86/81 | 12,000            | 104,981         | 116,981      | 177,771         | 37,311  | 215,082                | 148,784               | 3.6             | 236,130          | 4,232,722               |
| 2045 | 87/82 | 12,000            | 107,595         | 119,595      | 182,197         | 39,091  | 221,288                | 155,751               | 3.7             | 241,641          | 4,372,670               |
| 2046 | 88/83 | 12,000            | 110,274         | 122,274      | 186,734         | 40,915  | 227,649                | 162,909               | 3.7             | 247,061          | 4,514,356               |
| 2047 | 89/84 | 12,000            | 113,020         | 125,020      | 191,384         | 42,788  | 234,172                | 170,240               | 3.8             | 252,371          | 4,657,575               |
| 2048 | 90/85 | 12,000            | 115,834         | 127,834      | 196,149         | 44,356  | 240,505                | 176,260               | 3.8             | 257,552          | 4,802,456               |
| 2049 | 91/86 | 12,000            | 118,718         | 130,718      | 201,033         | 45,883  | 246,916                | 182,233               | 3.8             | 262,683          | 4,948,941               |
| 2050 | 92/87 | 12,000            | 121,674         | 133,674      | 206,039         | 47,442  | 253,481                | 188,112               | 3.8             | 267,760          | 5,096,894               |
| 2051 | 93/88 | 12,000            | 124,703         | 136,703      | 211,169         | 36,313  | 247,482                | 193,836               | 3.8             | 272,785          | 5,258,900               |
| 2052 | 94/89 | 12,000            | 127,808         | 139,808      | 216,427         | 35,357  | 251,784                | 197,788               | 3.8             | 277,766          | 5,424,690               |
| 2053 | 95/90 | 12,000            | 130,991         | 142,991      | 221,816         | 35,759  | 257,575                | 200,828               | 3.7             | 282,813          | 5,592,919               |

Guarantees are contingent upon the claims paying ability of the issuing company(s).

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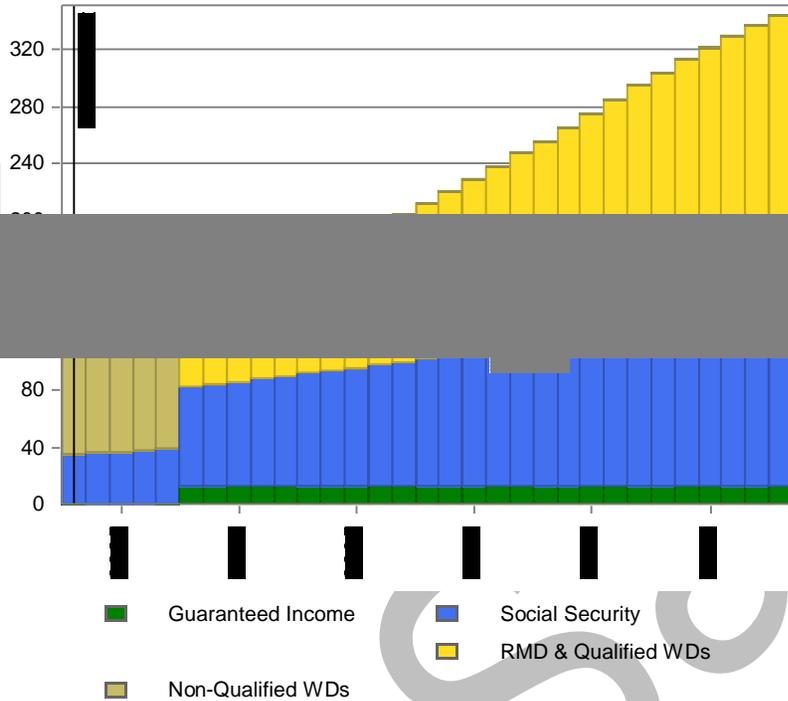
# Appendix - Retirement Income Detail

## Base Facts

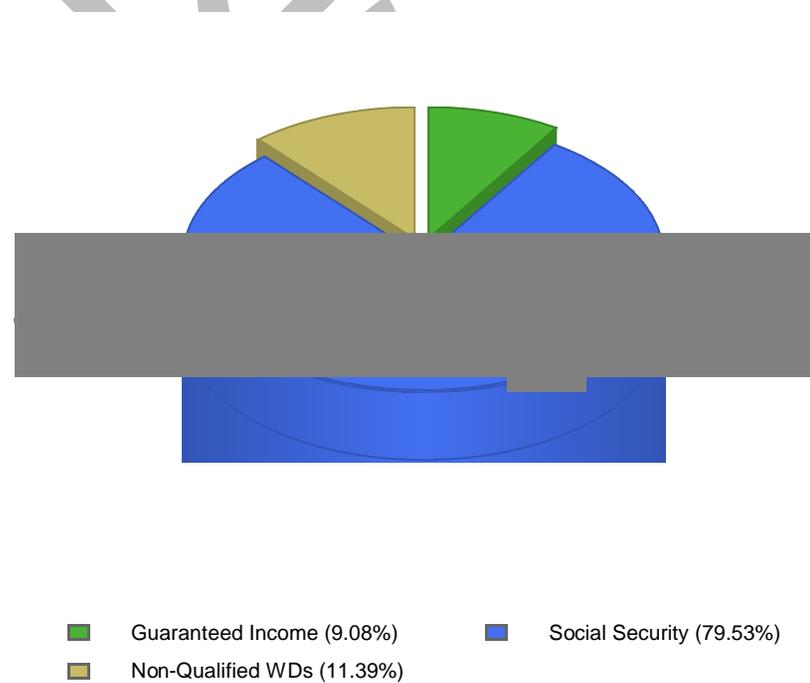
Prepared for Jon and Katie Sample

The Retirement Income Detail report shows expected income sources.

Retirement Income by Year



Lifetime Income Breakdown



| Year | Age   | Income Sources    |                 |                      | Income from Assets  |                             |                           |                   | Total Income |
|------|-------|-------------------|-----------------|----------------------|---------------------|-----------------------------|---------------------------|-------------------|--------------|
|      |       | Guaranteed Income | Social Security | Total Income Sources | Req'd Distributions | Add'l Qualified Withdrawals | Non-Qualified Withdrawals | Total Withdrawals |              |
| 2023 | 65/60 | \$0               | \$35,441        | \$35,441             | \$0                 | \$0                         | \$74,270                  | \$74,270          | \$109,711    |
| 2024 | 66/61 | 0                 | 36,323          | 36,323               | 0                   | 0                           | 73,804                    | 73,804            | 110,127      |

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| Year | Age   | Income Sources    |                 |                      | Income from Assets  |                             |                           |                   | Total Income |
|------|-------|-------------------|-----------------|----------------------|---------------------|-----------------------------|---------------------------|-------------------|--------------|
|      |       | Guaranteed Income | Social Security | Total Income Sources | Req'd Distributions | Add'l Qualified Withdrawals | Non-Qualified Withdrawals | Total Withdrawals |              |
| 2025 | 67/62 | 0                 | 37,227          | 37,227               | 0                   | 0                           | 75,479                    | 75,479            | 112,706      |
| 2026 | 68/63 | 0                 | 38,154          | 38,154               | 0                   | 0                           | 77,192                    | 77,192            | 115,346      |
| 2027 | 69/64 | 0                 | 39,104          | 39,104               | 0                   | 0                           | 78,940                    | 78,940            | 118,044      |
| 2028 | 70/65 | 12,000            | 70,829          | 82,829               | 45,026              | 0                           | 4,567                     | 49,593            | 132,422      |
| 2029 | 71/66 | 12,000            | 72,593          | 84,593               | 47,794              | 0                           | 3,550                     | 51,344            | 135,937      |
| 2030 | 72/67 | 12,000            | 74,401          | 86,401               | 50,729              | 0                           | 2,420                     | 53,149            | 139,550      |
| 2031 | 73/68 | 12,000            | 76,253          | 88,253               | 53,842              | 0                           | 1,179                     | 55,021            | 143,274      |
| 2032 | 74/69 | 12,000            | 78,151          | 90,151               | 57,141              | 0                           | 0                         | 57,141            | 147,292      |
| 2033 | 75/70 | 12,000            | 80,097          | 92,097               | 82,149              | 0                           | 0                         | 82,149            | 174,246      |
| 2034 | 76/71 | 12,000            | 82,092          | 94,092               | 87,178              | 0                           | 0                         | 87,178            | 181,270      |
| 2035 | 77/72 | 12,000            | 84,136          | 96,136               | 92,187              | 0                           | 0                         | 92,187            | 188,323      |
| 2036 | 78/73 | 12,000            | 86,231          | 98,231               | 97,817              | 0                           | 0                         | 97,817            | 196,048      |
| 2037 | 79/74 | 12,000            | 88,378          | 100,378              | 103,389             | 0                           | 0                         | 103,389           | 203,767      |
| 2038 | 80/75 | 12,000            | 90,578          | 102,578              | 109,254             | 0                           | 0                         | 109,254           | 211,832      |
| 2039 | 81/76 | 12,000            | 92,833          | 104,833              | 115,421             | 0                           | 0                         | 115,421           | 220,254      |
| 2040 | 82/77 | 12,000            | 95,145          | 107,145              | 121,746             | 0                           | 0                         | 121,746           | 228,891      |
| 2041 | 83/78 | 12,000            | 97,515          | 109,515              | 128,541             | 0                           | 0                         | 128,541           | 238,056      |
| 2042 | 84/79 | 12,000            | 99,943          | 111,943              | 135,479             | 0                           | 0                         | 135,479           | 247,422      |
| 2043 | 85/80 | 12,000            | 102,431         | 114,431              | 142,024             | 0                           | 0                         | 142,024           | 256,455      |
| 2044 | 86/81 | 12,000            | 104,981         | 116,981              | 148,784             | 0                           | 0                         | 148,784           | 265,765      |
| 2045 | 87/82 | 12,000            | 107,595         | 119,595              | 155,751             | 0                           | 0                         | 155,751           | 275,346      |
| 2046 | 88/83 | 12,000            | 110,274         | 122,274              | 162,909             | 0                           | 0                         | 162,909           | 285,183      |
| 2047 | 89/84 | 12,000            | 113,020         | 125,020              | 170,240             | 0                           | 0                         | 170,240           | 295,260      |
| 2048 | 90/85 | 12,000            | 115,834         | 127,834              | 176,260             | 0                           | 0                         | 176,260           | 304,094      |
| 2049 | 91/86 | 12,000            | 118,718         | 130,718              | 182,233             | 0                           | 0                         | 182,233           | 312,951      |
| 2050 | 92/87 | 12,000            | 121,674         | 133,674              | 188,112             | 0                           | 0                         | 188,112           | 321,786      |
| 2051 | 93/88 | 12,000            | 124,703         | 136,703              | 193,836             | 0                           | 0                         | 193,836           | 330,539      |
| 2052 | 94/89 | 12,000            | 127,808         | 139,808              | 197,788             | 0                           | 0                         | 197,788           | 337,596      |
| 2053 | 95/90 | 12,000            | 130,991         | 142,991              | 200,828             | 0                           | 0                         | 200,828           | 343,819      |

Guarantees are contingent upon the claims paying ability of the issuing company(s).

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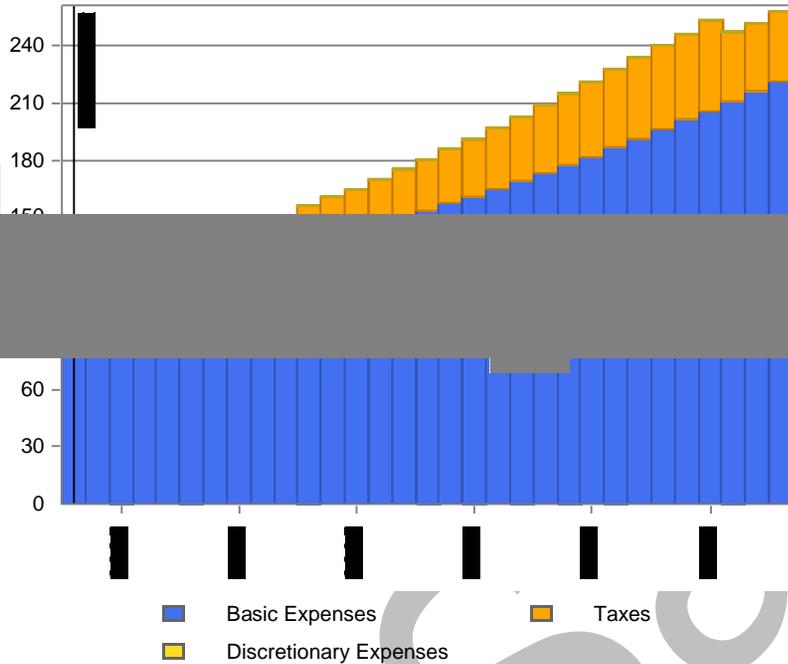
# Appendix - Retirement Expense Detail

## Base Facts

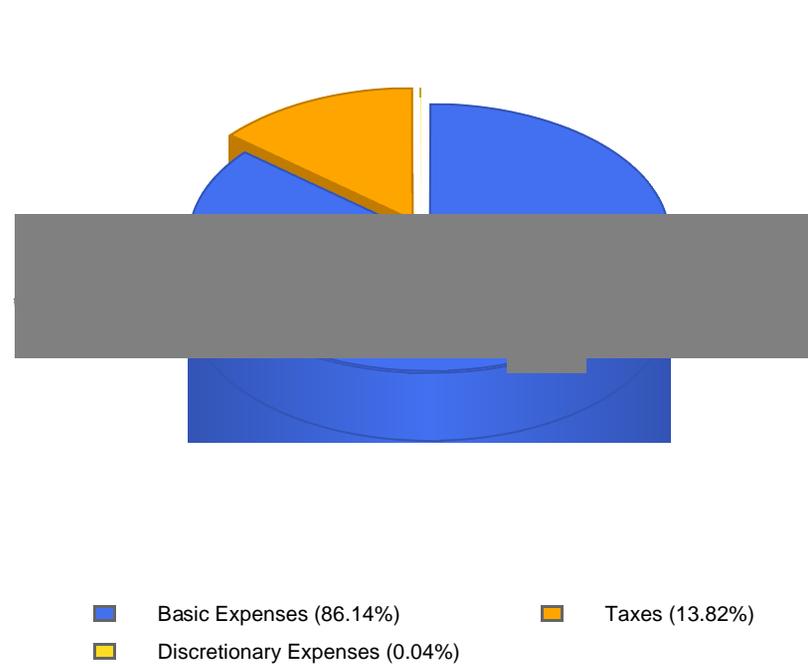
Prepared for Jon and Katie Sample

The Retirement Expense Detail report shows expected expenses throughout retirement.

Retirement Expenses by Year



Lifetime Expense Breakdown



| Year | Age   | Basic Living Expenses | Discretionary Living Expenses | Taxes*  | Other Expenses | Total Expenses |
|------|-------|-----------------------|-------------------------------|---------|----------------|----------------|
| 2023 | 65/60 | \$106,060             | \$2,127                       | \$1,524 | \$0            | \$109,711      |
| 2024 | 66/61 | 108,701               | 0                             | 1,426   | 0              | 110,127        |
| 2025 | 67/62 | 111,408               | 0                             | 1,298   | 0              | 112,706        |
| 2026 | 68/63 | 114,182               | 0                             | 1,164   | 0              | 115,346        |
| 2027 | 69/64 | 117,025               | 0                             | 1,019   | 0              | 118,044        |

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| Year | Age   | Basic Living Expenses | Discretionary Living Expenses | Taxes* | Other Expenses | Total Expenses |
|------|-------|-----------------------|-------------------------------|--------|----------------|----------------|
| 2028 | 70/65 | 119,939               | 0                             | 12,483 | 0              | 132,422        |
| 2029 | 71/66 | 122,925               | 0                             | 13,012 | 0              | 135,937        |
| 2030 | 72/67 | 125,986               | 0                             | 13,564 | 0              | 139,550        |
| 2031 | 73/68 | 129,123               | 0                             | 14,151 | 0              | 143,274        |
| 2032 | 74/69 | 132,338               | 0                             | 14,763 | 0              | 147,101        |
| 2033 | 75/70 | 135,633               | 0                             | 20,520 | 0              | 156,153        |
| 2034 | 76/71 | 139,010               | 0                             | 21,712 | 0              | 160,722        |
| 2035 | 77/72 | 142,471               | 0                             | 22,937 | 0              | 165,408        |
| 2036 | 78/73 | 146,019               | 0                             | 24,323 | 0              | 170,342        |
| 2037 | 79/74 | 149,655               | 0                             | 25,684 | 0              | 175,339        |
| 2038 | 80/75 | 153,381               | 0                             | 27,115 | 0              | 180,496        |
| 2039 | 81/76 | 157,200               | 0                             | 28,640 | 0              | 185,840        |
| 2040 | 82/77 | 161,114               | 0                             | 30,210 | 0              | 191,324        |
| 2041 | 83/78 | 165,126               | 0                             | 31,882 | 0              | 197,008        |
| 2042 | 84/79 | 169,238               | 0                             | 33,610 | 0              | 202,848        |
| 2043 | 85/80 | 173,452               | 0                             | 35,277 | 0              | 208,729        |
| 2044 | 86/81 | 177,771               | 0                             | 37,311 | 0              | 215,082        |
| 2045 | 87/82 | 182,197               | 0                             | 39,091 | 0              | 221,288        |
| 2046 | 88/83 | 186,734               | 0                             | 40,915 | 0              | 227,649        |
| 2047 | 89/84 | 191,384               | 0                             | 42,788 | 0              | 234,172        |
| 2048 | 90/85 | 196,149               | 0                             | 44,356 | 0              | 240,505        |
| 2049 | 91/86 | 201,033               | 0                             | 45,883 | 0              | 246,916        |
| 2050 | 92/87 | 206,039               | 0                             | 47,442 | 0              | 253,481        |
| 2051 | 93/88 | 211,169               | 0                             | 36,313 | 0              | 247,482        |
| 2052 | 94/89 | 216,427               | 0                             | 35,357 | 0              | 251,784        |
| 2053 | 95/90 | 221,816               | 0                             | 35,759 | 0              | 257,575        |

\*Comprised of Annualized Income Tax, Gift Tax, and Generation Skipping Tax, where applicable.

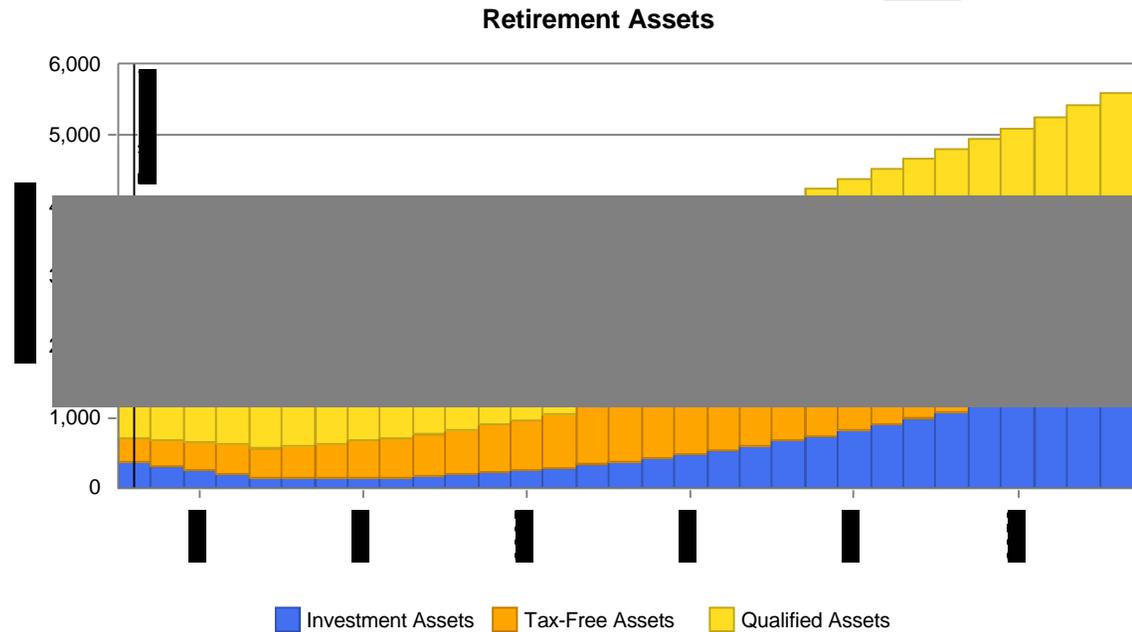
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# Appendix - Retirement Assets

## Base Facts

Prepared for Jon and Katie Sample

The Retirement Portfolio report shows the longevity and distribution of your assets.



| Year | Age   | Beginning Portfolio Assets | Asset Growth | Withdrawals            |                       |                           | Ending Values     |                 |                   | Total Ending Portfolio Assets | Withdrawal Rate |
|------|-------|----------------------------|--------------|------------------------|-----------------------|---------------------------|-------------------|-----------------|-------------------|-------------------------------|-----------------|
|      |       |                            |              | Required Distributions | Qualified Withdrawals | Non-Qualified Withdrawals | Investment Assets | Tax-Free Assets | Retirement Assets |                               |                 |
| 2023 | 65/60 | \$1,965,221                | \$124,005    | \$0                    | \$0                   | \$74,270                  | \$364,244         | \$345,034       | \$1,305,678       | \$2,014,956                   | 3.8%            |
| 2024 | 66/61 | 2,014,956                  | 127,144      | 0                      | 0                     | 73,804                    | 313,424           | 366,806         | 1,388,066         | 2,068,296                     | 3.7             |
| 2025 | 67/62 | 2,068,296                  | 130,365      | 0                      | 0                     | 75,479                    | 257,578           | 389,951         | 1,475,653         | 2,123,182                     | 3.6             |
| 2026 | 68/63 | 2,123,182                  | 133,825      | 0                      | 0                     | 77,192                    | 196,491           | 414,557         | 1,568,767         | 2,179,815                     | 3.6             |
| 2027 | 69/64 | 2,179,815                  | 137,387      | 0                      | 0                     | 78,940                    | 129,790           | 440,716         | 1,667,756         | 2,238,262                     | 3.6             |
| 2028 | 70/65 | 2,238,262                  | 141,064      | 45,026                 | 0                     | 4,567                     | 133,243           | 468,525         | 1,727,965         | 2,329,733                     | 2.2             |
| 2029 | 71/66 | 2,329,733                  | 147,006      | 47,794                 | 0                     | 3,550                     | 138,101           | 498,089         | 1,789,205         | 2,425,395                     | 2.2             |
| 2030 | 72/67 | 2,425,395                  | 153,042      | 50,729                 | 0                     | 2,420                     | 144,395           | 529,518         | 1,851,375         | 2,525,288                     | 2.2             |

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| Year | Age   | Beginning Portfolio Assets | Asset Growth | Withdrawals            |                       |                           | Ending Values     |                 |                   | Total Ending Portfolio Assets | Withdrawal Rate |
|------|-------|----------------------------|--------------|------------------------|-----------------------|---------------------------|-------------------|-----------------|-------------------|-------------------------------|-----------------|
|      |       |                            |              | Required Distributions | Qualified Withdrawals | Non-Qualified Withdrawals | Investment Assets | Tax-Free Assets | Retirement Assets |                               |                 |
| 2031 | 73/68 | 2,525,288                  | 159,346      | 53,842                 | 0                     | 1,179                     | 152,327           | 562,931         | 1,914,355         | 2,629,613                     | 2.2             |
| 2032 | 74/69 | 2,629,613                  | 165,929      | 57,141                 | 0                     | 0                         | 162,130           | 598,452         | 1,978,010         | 2,738,592                     | 2.2             |
| 2033 | 75/70 | 2,738,592                  | 172,792      | 82,149                 | 0                     | 0                         | 190,441           | 636,214         | 2,020,673         | 2,847,328                     | 3.0             |
| 2034 | 76/71 | 2,847,328                  | 178,513      | 87,178                 | 0                     | 0                         | 221,852           | 676,359         | 2,061,000         | 2,959,211                     | 3.1             |
| 2035 | 77/72 | 2,959,211                  | 184,276      | 92,187                 | 0                     | 0                         | 256,316           | 719,037         | 2,098,862         | 3,074,215                     | 3.1             |
| 2036 | 78/73 | 3,074,215                  | 190,086      | 97,817                 | 0                     | 0                         | 294,299           | 764,408         | 2,133,483         | 3,192,190                     | 3.2             |
| 2037 | 79/74 | 3,192,190                  | 195,909      | 103,389                | 0                     | 0                         | 335,779           | 812,642         | 2,164,717         | 3,313,138                     | 3.2             |
| 2038 | 80/75 | 3,313,138                  | 201,747      | 109,254                | 0                     | 0                         | 380,991           | 863,920         | 2,192,056         | 3,436,967                     | 3.3             |
| 2039 | 81/76 | 3,436,967                  | 207,583      | 115,421                | 0                     | 0                         | 430,156           | 918,433         | 2,214,954         | 3,563,543                     | 3.4             |
| 2040 | 82/77 | 3,563,543                  | 213,399      | 121,746                | 0                     | 0                         | 483,405           | 976,386         | 2,232,972         | 3,692,763                     | 3.4             |
| 2041 | 83/78 | 3,692,763                  | 219,181      | 128,541                | 0                     | 0                         | 541,124           | 1,037,996       | 2,245,331         | 3,824,451                     | 3.5             |
| 2042 | 84/79 | 3,824,451                  | 224,902      | 135,479                | 0                     | 0                         | 603,421           | 1,103,494       | 2,251,533         | 3,958,448                     | 3.5             |
| 2043 | 85/80 | 3,958,448                  | 230,543      | 142,024                | 0                     | 0                         | 669,989           | 1,173,124       | 2,251,580         | 4,094,693                     | 3.6             |
| 2044 | 86/81 | 4,094,693                  | 236,130      | 148,784                | 0                     | 0                         | 740,703           | 1,247,148       | 2,244,871         | 4,232,722                     | 3.6             |
| 2045 | 87/82 | 4,232,722                  | 241,641      | 155,751                | 0                     | 0                         | 816,056           | 1,325,843       | 2,230,771         | 4,372,670                     | 3.7             |
| 2046 | 88/83 | 4,372,670                  | 247,061      | 162,909                | 0                     | 0                         | 896,228           | 1,409,504       | 2,208,624         | 4,514,356                     | 3.7             |
| 2047 | 89/84 | 4,514,356                  | 252,371      | 170,240                | 0                     | 0                         | 981,383           | 1,498,444       | 2,177,748         | 4,657,575                     | 3.8             |
| 2048 | 90/85 | 4,657,575                  | 257,552      | 176,260                | 0                     | 0                         | 1,070,557         | 1,592,996       | 2,138,903         | 4,802,456                     | 3.8             |
| 2049 | 91/86 | 4,802,456                  | 262,683      | 182,233                | 0                     | 0                         | 1,163,792         | 1,693,514       | 2,091,635         | 4,948,941                     | 3.8             |
| 2050 | 92/87 | 4,948,941                  | 267,760      | 188,112                | 0                     | 0                         | 1,261,013         | 1,800,375       | 2,035,506         | 5,096,894                     | 3.8             |
| 2051 | 93/88 | 5,096,894                  | 272,785      | 193,836                | 0                     | 0                         | 1,374,811         | 1,913,979       | 1,970,110         | 5,258,900                     | 3.8             |
| 2052 | 94/89 | 5,258,900                  | 277,766      | 197,788                | 0                     | 0                         | 1,493,303         | 2,034,751       | 1,896,636         | 5,424,690                     | 3.8             |
| 2053 | 95/90 | 5,424,690                  | 282,813      | 200,828                | 0                     | 0                         | 1,614,290         | 2,163,144       | 1,815,485         | 5,592,919                     | 3.7             |

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# Appendix - Growth Rates Summary

## Base Facts

Prepared for Jon and Katie Sample

The Growth Rates Summary report shows assets and the assigned growth models.

### PRE-RETIREMENT RATES OF RETURN

| Investment Account Type     | Value     | Rate of Return | Model Portfolio (Rate) | Allocation % |
|-----------------------------|-----------|----------------|------------------------|--------------|
| <b>Cash Equivalents</b>     | \$40,000  | 0.00%          | No Growth (0.00%)      | 100.00%      |
| <b>Taxable Investments</b>  | \$240,123 | 9.72%          | By Asset Mix (9.72%)   | 100.00%      |
| <b>Qualified Retirement</b> | \$501,154 | 6.66%          | By Asset Mix (6.66%)   | 100.00%      |
| <b>529 Plans</b>            | \$51,300  | 6.62%          | By Asset Mix (6.62%)   | 100.00%      |
| <b>Roth IRAs</b>            | \$133,219 | 10.40%         | By Asset Mix (10.40%)  | 100.00%      |

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## Base Facts

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### POST-RETIREMENT RATES OF RETURN

| Investment Account Type     | Value     | Rate of Return | Model Portfolio (Rate)                   | Allocation % |
|-----------------------------|-----------|----------------|--|--------------|
| <b>Cash Equivalents</b>     |           |                |  |              |
|                             | \$40,000  | 0.00%          | No Growth (0.00%)                        | 100.00%      |
| <b>Taxable Investments</b>  |           |                |  |              |
|                             | \$240,123 | 6.31%          | Income with Capital Preservation (6.31%) | 100.00%      |
| <b>Qualified Retirement</b> |           |                |  |              |
|                             | \$501,154 | 6.31%          | Income with Capital Preservation (6.31%) | 100.00%      |
| <b>529 Plans</b>            |           |                |  |              |
|                             | \$51,300  | 6.62%          | By Asset Mix (6.62%)                     | 100.00%      |
| <b>Roth IRAs</b>            |           |                |  |              |
|                             | \$133,219 | 6.31%          | Income with Capital Preservation (6.31%) | 100.00%      |

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# Appendix - Growth Rates Summary

## Base Facts

Prepared for Jon and Katie Sample

The Growth Rates Summary report shows assets and the assigned growth models.

### DEFAULT GROWTH RATES

| <b>Assets</b>              | <b>Pre-Retirement Rate of Return</b> | <b>Post Retirement Rate of Return</b> |
|----------------------------|--------------------------------------|---------------------------------------|
| <b>Retirement Assets</b>   | By Asset Mix                         | By Asset Mix                          |
| <b>Taxable Investments</b> | By Asset Mix                         | By Asset Mix                          |
| <b>Cash Equivalents</b>    | By Asset Mix                         | By Asset Mix                          |
| <b>529 Plans</b>           | By Asset Mix                         | By Asset Mix                          |
| <b>Insurance</b>           | <b>Cash Value Growth Rate</b>        | <b>Proceeds Reinvested at</b>         |
| <b>Life Insurance</b>      | Inflation (2.49%)                    | Inflation (2.49%)                     |

Sample

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# Appendix - Growth Rates Summary

## Base Facts

Prepared for Jon and Katie Sample

The Growth Rates Summary report shows assets and the assigned growth models.

### MODEL PORTFOLIOS

The table below displays the underlying assumptions used for the gross growth rates of investment assets. Indexes are unmanaged, are not available for direct investment and they are not indicative of the performance of any particular investment. The index information is updated periodically and the model portfolio growth rates may change over time as the index rates change. Past performance does not guarantee future results.

| Market Index                                 | Percent        | Rate of Return | Mean Rate | Standard Deviation | Time Period (years) | Period Ending |
|--|----------------|----------------|-----------|--------------------|---------------------|---------------|
| <b>Inflation Rate</b>                        |                |                |           |                    |                     |               |
| Consumer Price Index                         | 100.00%        | 2.49%          | 2.50%     | 1.19%              | 20                  | 9/30/2012     |
| <b>Total</b>                                 | <b>100.00%</b> | <b>2.49%</b>   |           |                    |                     |               |
| <b>Income with Capital Preservation</b>      |                |                |           |                    |                     |               |
| S&P 500 Index                                | 13.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index                                | 7.00%          | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |
| Ibbotson Domestic High Yield Corp Bond Index | 5.00%          | 8.11%          | 8.59%     | 9.00%              | 20                  | 9/30/2012     |
| Barclays U.S. 1-3 Year Treasury Bond Index   | 33.00%         | 4.43%          | 4.46%     | 1.61%              | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                | 40.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                           | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>                                 | <b>100.00%</b> | <b>6.31%</b>   |           |                    |                     |               |
| <b>Income with Moderate Growth</b>           |                |                |           |                    |                     |               |
| S&P 500 Index                                | 25.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index                                | 10.00%         | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |
| S&P 600 Index                                | 5.00%          | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| Ibbotson Domestic High Yield Corp Bond Index | 5.00%          | 8.11%          | 8.59%     | 9.00%              | 20                  | 9/30/2012     |
| Barclays U.S. 1-3 Year Treasury Bond Index   | 23.00%         | 4.43%          | 4.46%     | 1.61%              | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                | 30.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                           | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>                                 | <b>100.00%</b> | <b>7.15%</b>   |           |                    |                     |               |
| <b>Growth with Income - Recommended</b>      |                |                |           |                    |                     |               |
| S&P 500 Index                                | 30.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index                                | 16.00%         | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |
| S&P 600 Index                                | 14.00%         | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| Ibbotson Domestic High Yield Corp Bond Index | 5.00%          | 8.11%          | 8.59%     | 9.00%              | 20                  | 9/30/2012     |
| Barclays U.S. 1-3 Year Treasury Bond Index   | 15.00%         | 4.43%          | 4.46%     | 1.61%              | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                | 18.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                           | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>                                 | <b>100.00%</b> | <b>8.15%</b>   |           |                    |                     |               |
| <b>Growth</b>                                |                |                |           |                    |                     |               |
| S&P 500 Index                                | 41.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index                                | 21.00%         | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |
| S&P 600 Index                                | 18.00%         | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| Barclays U.S. 1-3 Year Treasury Bond Index   | 8.00%          | 4.43%          | 4.46%     | 1.61%              | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                | 10.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                           | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>                                 | <b>100.00%</b> | <b>8.88%</b>   |           |                    |                     |               |
| <b>Aggressive Growth</b>                     |                |                |           |                    |                     |               |
| S&P 500 Index                                | 55.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index                                | 23.00%         | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |

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| Market Index  | Percent        | Rate of Return | Mean Rate | Standard Deviation | Time Period (years) | Period Ending |
|---|----------------|----------------|-----------|--------------------|---------------------|---------------|
| S&P 600 Index   | 20.00%         | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                                      | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>  | <b>100.00%</b> | <b>9.55%</b>   |           |                    |                     |               |
| <b>Income with Capital Preservation - International</b> |                |                |           |                    |                     |               |
| S&P 500 Index   | 13.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index   | 7.00%          | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |
| Ibbotson Domestic High Yield Corp Bond Index            | 5.00%          | 8.11%          | 8.59%     | 9.00%              | 20                  | 9/30/2012     |
| Barclays U.S. 1-3 Year Treasury Bond Index              | 33.00%         | 4.43%          | 4.46%     | 1.61%              | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                           | 40.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                                      | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>  | <b>100.00%</b> | <b>6.31%</b>   |           |                    |                     |               |
| <b>Income with Moderate Growth - International</b>      |                |                |           |                    |                     |               |
| S&P 500 Index   | 22.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index   | 8.00%          | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |
| S&P 600 Index   | 5.00%          | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| MSCI EAFE Index   | 5.00%          | 5.91%          | 7.50%     | 17.05%             | 20                  | 9/30/2012     |
| Ibbotson Domestic High Yield Corp Bond Index            | 5.00%          | 8.11%          | 8.59%     | 9.00%              | 20                  | 9/30/2012     |
| Barclays U.S. 1-3 Year Treasury Bond Index              | 23.00%         | 4.43%          | 4.46%     | 1.61%              | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                           | 30.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                                      | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>  | <b>100.00%</b> | <b>6.96%</b>   |           |                    |                     |               |
| <b>Growth with Income - International</b>               |                |                |           |                    |                     |               |
| S&P 500 Index   | 26.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index   | 12.00%         | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |
| S&P 600 Index   | 10.00%         | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| MSCI EAFE Index   | 12.00%         | 5.91%          | 7.50%     | 17.05%             | 20                  | 9/30/2012     |
| Ibbotson Domestic High Yield Corp Bond Index            | 5.00%          | 8.11%          | 8.59%     | 9.00%              | 20                  | 9/30/2012     |
| Barclays U.S. 1-3 Year Treasury Bond Index              | 15.00%         | 4.43%          | 4.46%     | 1.61%              | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                           | 18.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                                      | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>  | <b>100.00%</b> | <b>7.62%</b>   |           |                    |                     |               |
| <b>Growth - International</b>                           |                |                |           |                    |                     |               |
| S&P 500 Index   | 34.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index   | 18.00%         | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |
| S&P 600 Index   | 13.00%         | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| MSCI EAFE Index   | 15.00%         | 5.91%          | 7.50%     | 17.05%             | 20                  | 9/30/2012     |
| Barclays U.S. 1-3 Year Treasury Bond Index              | 8.00%          | 4.43%          | 4.46%     | 1.61%              | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                           | 10.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                                      | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>  | <b>100.00%</b> | <b>8.29%</b>   |           |                    |                     |               |
| <b>Aggressive Growth - International</b>                |                |                |           |                    |                     |               |
| S&P 500 Index   | 45.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 400 Index   | 18.00%         | 11.61%         | 13.39%    | 17.49%             | 20                  | 9/30/2012     |
| S&P 600 Index   | 15.00%         | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| MSCI EAFE Index   | 20.00%         | 5.91%          | 7.50%     | 17.05%             | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                                      | 2.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>  | <b>100.00%</b> | <b>8.76%</b>   |           |                    |                     |               |
| <b>Income with Capital Preservation - Retirement</b>    |                |                |           |                    |                     |               |
| S&P 500 Index   | 15.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| MSCI EAFE Index   | 5.00%          | 5.91%          | 7.50%     | 17.05%             | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                           | 65.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                                      | 15.00%         | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |

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| Market Index                                    | Percent        | Rate of Return | Mean Rate | Standard Deviation | Time Period (years) | Period Ending |
|---|----------------|----------------|-----------|--------------------|---------------------|---------------|
| <b>Total</b>                                    | <b>100.00%</b> | <b>6.03%</b>   |           |                    |                     |               |
| <b>Income with Moderate Growth - Retirement</b> |                |                |           |                    |                     |               |
| S&P 500 Index                                   | 26.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 600 Index                                   | 5.00%          | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| MSCI EAFE Index                                 | 11.00%         | 5.91%          | 7.50%     | 17.05%             | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                   | 48.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                              | 10.00%         | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>                                    | <b>100.00%</b> | <b>6.66%</b>   |           |                    |                     |               |
| <b>Growth with Income - Retirement</b>          |                |                |           |                    |                     |               |
| S&P 500 Index                                   | 35.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 600 Index                                   | 9.00%          | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| MSCI EAFE Index                                 | 16.00%         | 5.91%          | 7.50%     | 17.05%             | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                   | 35.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                              | 5.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>                                    | <b>100.00%</b> | <b>7.19%</b>   |           |                    |                     |               |
| <b>Growth - Retirement</b>                      |                |                |           |                    |                     |               |
| S&P 500 Index                                   | 43.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 600 Index                                   | 13.00%         | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| MSCI EAFE Index                                 | 22.00%         | 5.91%          | 7.50%     | 17.05%             | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                   | 19.00%         | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| 30 Day T-Bill Rate                              | 3.00%          | 3.02%          | 3.04%     | 0.59%              | 20                  | 9/30/2012     |
| <b>Total</b>                                    | <b>100.00%</b> | <b>7.61%</b>   |           |                    |                     |               |
| <b>Aggressive Growth - Retirement</b>           |                |                |           |                    |                     |               |
| S&P 500 Index                                   | 50.00%         | 8.47%          | 9.75%     | 15.11%             | 20                  | 9/30/2012     |
| S&P 600 Index                                   | 17.00%         | 10.79%         | 12.84%    | 18.89%             | 20                  | 9/30/2012     |
| MSCI EAFE Index                                 | 28.00%         | 5.91%          | 7.50%     | 17.05%             | 20                  | 9/30/2012     |
| Barclays 10yr Muni Bond Index                   | 5.00%          | 6.17%          | 6.31%     | 4.67%              | 20                  | 9/30/2012     |
| <b>Total</b>                                    | <b>100.00%</b> | <b>8.03%</b>   |           |                    |                     |               |

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