

Financial Needs Summary



Frank and Kathy Sample-Accumulator
Hartford, Connecticut

PREPARED BY:

JANET LERNER, CFP - LERNER, STEVENSON & ASSOC.

SEPTEMBER 23, 2011

The report offers a professional and personalized cover page which can also be branded to include your company's logo.

Table of Contents

To ensure that the client is only presented with relevant information, the report sections dynamically update based on modules selected.

Introduction.....	4
Cash Flow.....	6
Income Tax	7
Asset Allocation.....	8
Overview	11
Retirement.....	13
Monte Carlo Analysis.....	22
Estate Planning	28
Conclusion	29
Important Terminology	31
Disclaimer.....	32

Introduction

Explain the five-step financial planning process used to arrive at this proposal.

What is Financial Planning?

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

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

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

Why develop a financial plan?

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

By developing a financial plan, you and your family:

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

Net Worth - Proposed

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

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

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

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

Net Worth Summary

As of January 1, 2012

	Frank	Kathy	Joint	Total
Non-Qualified Assets				
Investment Portfolios	0	0	160,000	160,000
Other	0	0	125,000	125,000
Non-Qualified Annuities				
Qualified Assets				
IRAs / Spousal IRAs	90,000	40,000	0	130,000
401(k)	210,000	200,000	0	410,000
Other Qualified	39,000	27,000	0	66,000
Qualified Annuities				
Lifestyle Assets (residences, etc.)			500,000	500,000
Business Assets				
Life Insurance Cash Value				
Family Limited Partnerships (after discounts)				
Family Limited Partnerships				
Liabilities			(315,000)	(315,000)
Total Net Worth	339,000	267,000	470,000	1,076,000

Have the client review the Net Worth Summary to ensure the accuracy of all asset and liability values as well, use the page as an opportunity to open up a discussion of any assets being managed elsewhere.

A net worth summary is also available for the *Current Plan*.

Cash Flow - Current

Ensure incomes and expenses are accurately captured.

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

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

	Frank	Kathy	Family
<i>Cash Inflows</i>			
Employment Inflows	\$75,000	\$95,000	\$170,000
Investment Inflows	\$9,525	\$9,525	\$19,050
Pension Inflows	\$2,594	\$0	\$2,594
Received Capital	\$248	\$248	\$497
Total Cash Inflows	\$87,367	\$104,774	\$192,141
<i>Cash Outflows</i>			
Lifestyle Expenses	\$33,450	\$33,450	\$66,900
Taxes	\$23,411	\$28,731	\$52,142
Miscellaneous Expenses	\$2,578	\$2,398	\$4,975
Non-Qualified Contributions and Reinvestments	\$4,706	\$4,706	\$9,412
Investment Expenses	\$1,769	\$684	\$2,453
Qualified Contributions	\$6,000	\$4,800	\$10,800
Total Cash Outflows	\$71,913	\$74,768	\$146,681
Current Surplus/(Deficit)			45,460
Ending Surplus/(Deficit)			45,460

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

Consider the following:

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

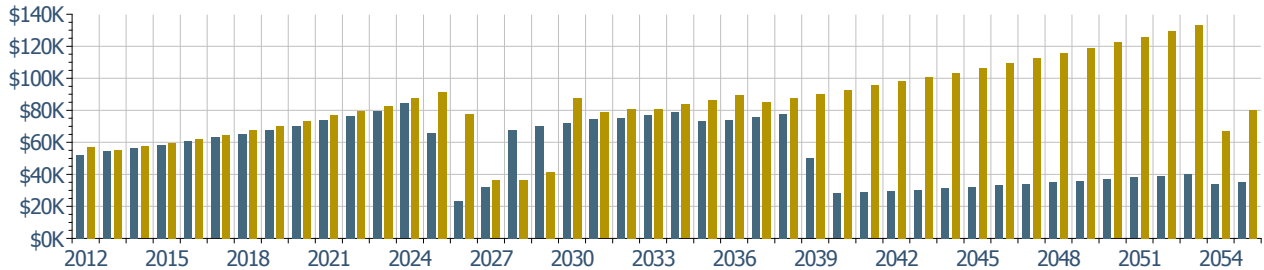
A surplus can represent an opportunity to invest more. A deficit may indicate a problem requiring further investigation.

Income Tax

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

The following graphs compare the total tax in your current plan with any scenarios. Total tax represents all income tax payable on taxable income from all sources during the current year.

Current Plan vs Proposed Plan



	Current Plan	Proposed Plan
Taxes paid in current year	\$52,142	\$56,887
Taxes paid in first year of retirement	\$65,829 (2025)	\$77,629 (2026)

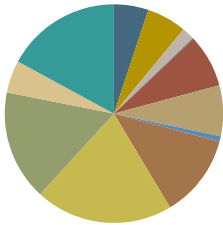
Consider the following:

- Prior to proceeding with any income tax recommendation, discuss your personal situation with your tax advisor.
- Assess options to reduce your tax liability so that you can apply savings to fund other goals.
- Evaluate your situation carefully and use tax-advantaged products and accounts as appropriate.
- Income identified as tax-free may still be subject to the Alternative Minimum Tax (AMT).
- Frank, consider making a contribution to a Traditional or Roth IRA. Depending on your adjusted gross income and participation in employer qualified plans, your contribution to a Traditional IRA may be deductible. Combined contribution limits for 2012 for both Traditional and Roth IRAs are \$5,000.
- Kathy, consider making a contribution to a Traditional or Roth IRA. Depending on your adjusted gross income and participation in employer qualified plans, your contribution to a traditional IRA may be deductible. Combined contribution limits for 2012 for both Traditional and Roth IRAs are \$5,000.
- Frank, assess converting your Traditional IRA to a Roth IRA.
- Kathy, assess converting your Traditional IRA to a Roth IRA.

Asset Allocation - Proposed

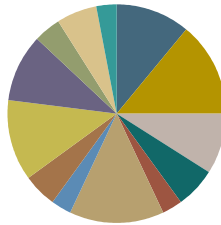
These pie graphs illustrate your current asset mix and suggested asset mix for your entire portfolio. However, the suggested asset mix will not be used in the proposed plan. Due to modifications the assumed asset mix (for pre-retirement and retirement) on the following page will be used instead.

Current Asset Mix



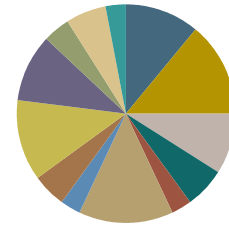
Rate of Return	6.16%
Standard Deviation	9.19%

**Suggested Asset Mix*
Pre-Retirement
Moderate**



Rate of Return	8.23%
Standard Deviation	12.98%

**Suggested Asset Mix*
Retirement
Moderate**



Rate of Return	8.23%
Standard Deviation	12.98%

*Modifications have been made to the suggested asset mix.

Asset Class	Current Asset Mix		Assumed Asset Mix		Assumed Asset Mix
	(%)	(\$)	(%)	(\$)	(%)
Large Cap Growth Equity	5.1	38,850	11.0	84,260	11.0
Large Cap Value Equity	5.9	45,250	14.0	107,240	14.0
Mid Cap Equity	1.9	14,350	9.0	68,940	9.0
Small Cap Equity	0.1	1,000	6.0	45,960	6.0
US REITs	7.8	60,000	3.0	22,980	3.0
International Equity	7.5	57,100	14.0	107,240	14.0
Emerging Markets Equity	0.8	5,950	3.0	22,980	3.0
Long Term Bonds	12.3	94,000	5.0	38,300	5.0
Intermediate Term Bonds	20.4	156,800	12.0	91,920	12.0
Short Term Bonds		300	10.0	76,600	10.0
High Yield Bonds	16.3	125,100	4.0	30,640	4.0
International Bonds	4.8	36,450	6.0	45,960	6.0
Cash	17.1	130,850	3.0	22,980	3.0
Total	100.0	766,000	100.0	766,000	100.0

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

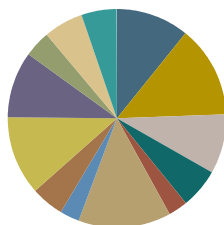
© 2011 Ibbotson Associated, Inc., All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license to use the asset allocation tools. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified. Ibbotson Associates is a registered investment advisor and wholly owned subsidiary of Morningstar, Inc. Morningstar and Ibbotson are not affiliated with EISI.

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

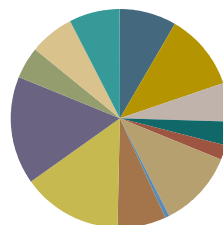
Assumed Asset Mix for Entire Portfolio

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

**Assumed Asset Mix
Pre-Retirement
Moderate**



**Assumed Asset Mix
Retirement
Blended Mix**



Rate of Return	8.10%
Standard Deviation	12.69%

Rate of Return	6.83%
Standard Deviation	9.79%

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

Asset Class	Current Asset Mix		Change		Assumed Asset Mix		Assumed Asset Mix
	(%)	(\$)	(%)	(\$)	Pre-Retirement (%)	Pre-Retirement (\$)	Retirement (%)
Large Cap Growth Equity	5.1	38,850	+5.7	+43,540	10.8	82,390	8.4
Large Cap Value Equity	5.9	45,250	+7.7	+59,610	13.6	104,860	11.4
Mid Cap Equity	1.9	14,350	+6.9	+53,060	8.8	67,410	5.7
Small Cap Equity	0.1	1,000	+5.8	+43,940	5.9	44,940	3.5
US REITs	7.8	60,000	-4.9	-37,530	2.9	22,470	2.2
International Equity	7.5	57,100	+6.2	+47,760	13.7	104,860	11.4
Emerging Markets Equity	0.8	5,950	+2.1	+16,520	2.9	22,470	0.6
Long Term Bonds	12.3	94,000	-7.4	-56,550	4.9	37,450	7.2
Intermediate Term Bonds	20.4	156,800	-8.7	-66,920	11.7	89,880	14.8
Short Term Bonds		300	+9.8	+74,600	9.8	74,900	16.0
High Yield Bonds	16.3	125,100	-12.4	-95,140	3.9	29,960	4.7
International Bonds	4.8	36,450	+1.1	+8,490	5.9	44,940	6.6
Cash	17.1	130,850	-11.9	-91,380	5.2	39,470	7.5
Total	100.0	766,000	+0.0	+0	100.0	766,000	100.0

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

© 2011 Ibbotson Associated, Inc., All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license to use the asset allocation tools. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified. Ibbotson Associates is a registered investment advisor and wholly owned subsidiary of Morningstar, Inc. Morningstar and Ibbotson are not affiliated with EISI.

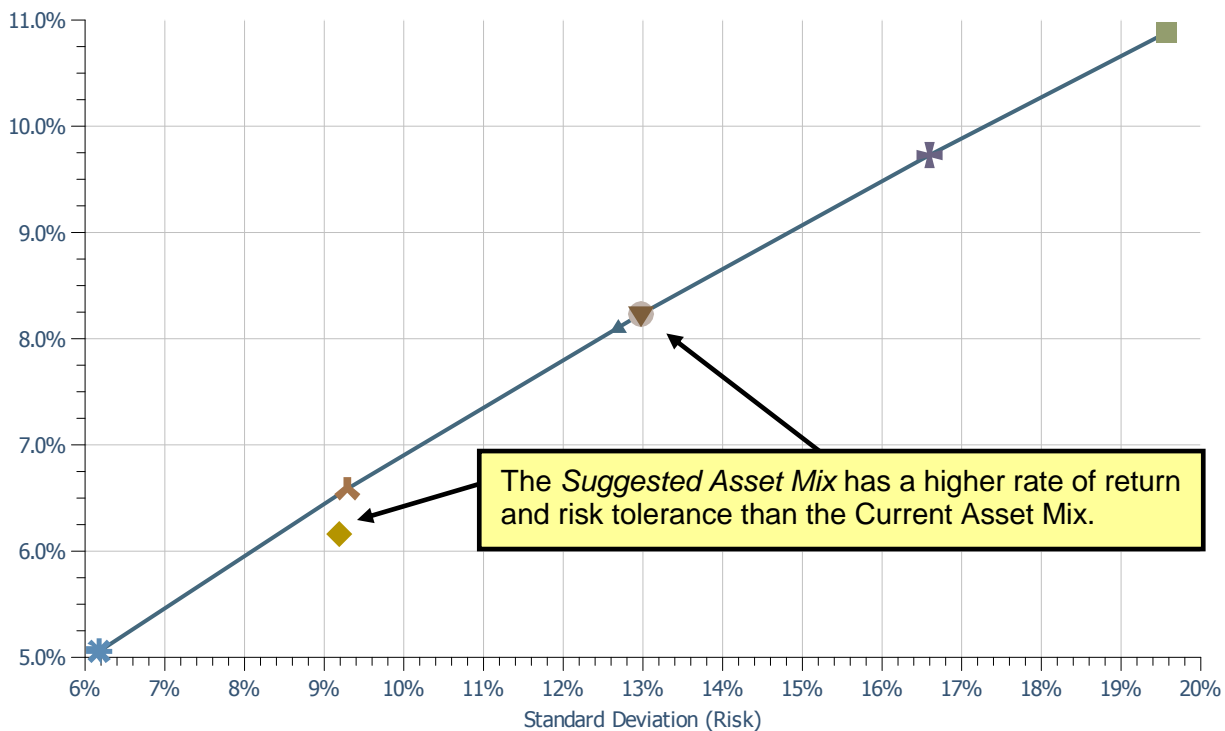
Modifications required to the current portfolio to arrive at the asset mix in the suggested portfolio.

Important: The calculations or other information generated by NaviPlan® version 12.1 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Efficient Frontier Analysis

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

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



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

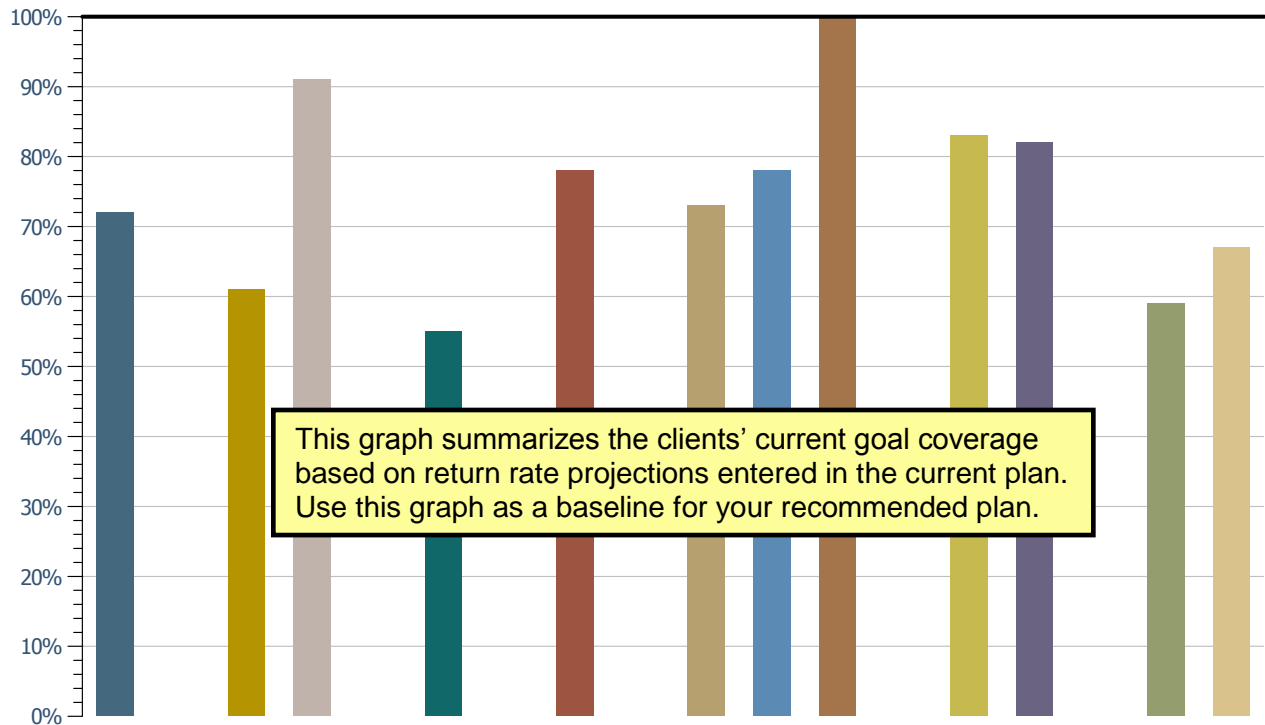
The table below provides the actual values for the points on the graph above.

	Return	Risk
Current Asset Mix	6.16%	9.19%
Suggested Asset Mix	8.23%	12.98%
Assumed Asset Mix	8.10%	12.69%
Conservative	5.06%	6.18%
Moderate Conservative	6.59%	9.29%
Moderate	8.23%	12.98%
Moderate Aggressive	9.73%	16.60%
Aggressive	10.88%	19.58%

Overview

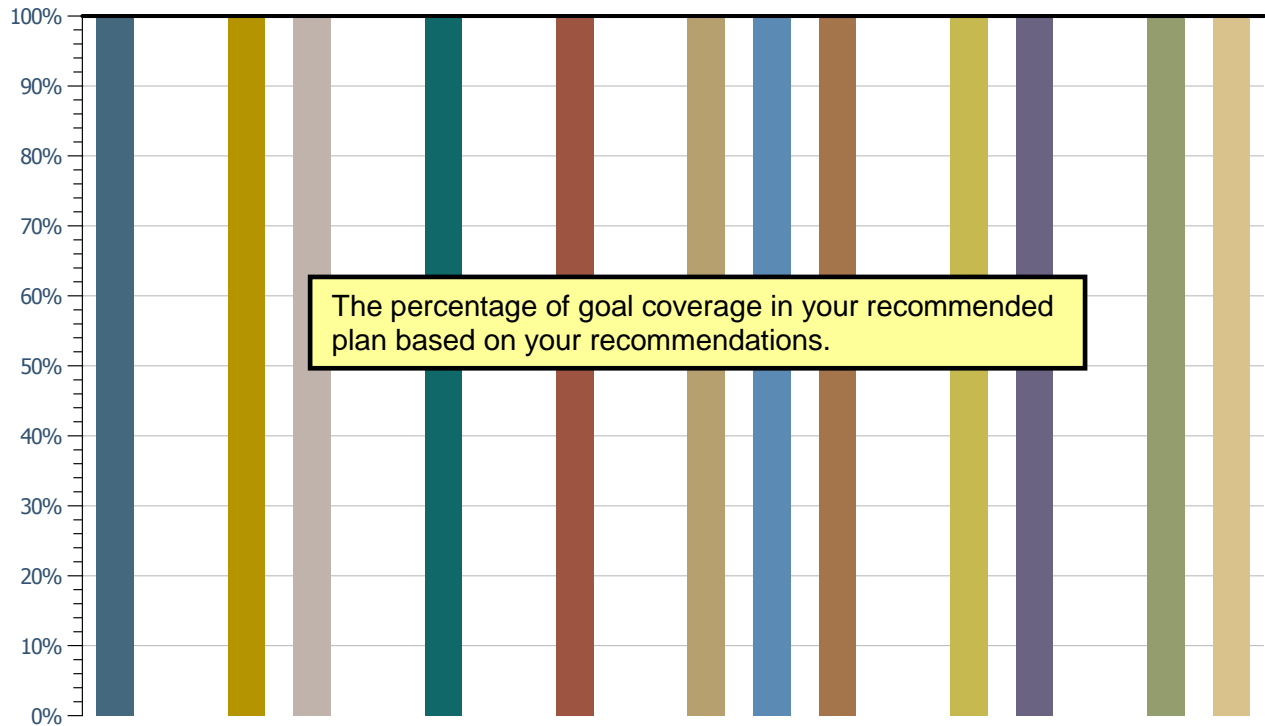
The Goal Coverage graph(s) illustrate the percentage of all cash outflows that occur during the goal period, except for income and estate taxes, which can be covered using all goal resources and the specified goal dates.

Current



Goal Description	Goal Coverage
Retirement	72.00%
Tasha's Education Goal	61.00%
James' Education Goal	91.00%
Fifth-Wheel Trailer	55.00%
Emergency Fund	78.00%
Life Insurance - Frank	73.00%
Life Insurance - Kathy	78.00%
Life Insurance - Frank and Kathy	100.00%
Disability Insurance - Frank	83.00%
Disability Insurance - Kathy	82.00%
Long-term care Insurance - Frank	59.00%
Long-term care Insurance - Kathy	67.00%

Proposed

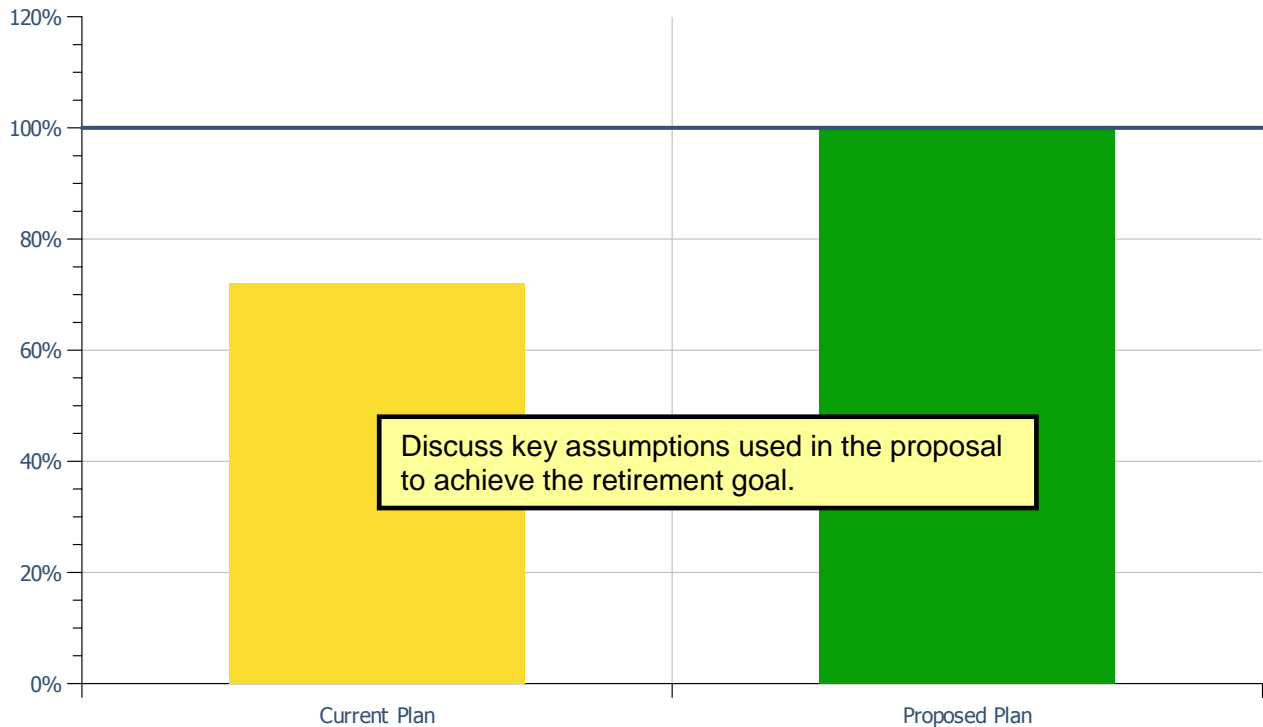


Goal Description	Goal Coverage
Tasha's Education Goal	100.00%
James' Education Goal	100.00%
Fifth-Wheel Trailer	100.00%
Emergency Fund	100.00%
Life Insurance - Frank	100.00%
Life Insurance - Kathy	100.00%
Life Insurance - Frank and Kathy	100.00%
Disability Insurance - Frank	100.00%
Disability Insurance - Kathy	100.00%
Long-term care Insurance - Frank	100.00%
Long-term care Insurance - Kathy	100.00%

Retirement Comparison Summary

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

Scenario Coverage



	Goal Coverage*	Net Worth at Retirement	Net Worth at Death	Year Capital Exhausted	% Fixed Needs Covered by Total Resources
Current	72%	\$2,252,935	-\$306,106	2039	90%
Proposed	100%	\$2,912,051	\$2,198,674	Never	100%

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

Scenario Assumption Comparison

Key Differences	Current	Alternative 1
Objectives:		
Retirement Age/Year (Frank)	62/Oct 2025	63/Oct 2026
Retirement Age/Year (Kathy)	60/Sep 2025	61/Sep 2026
Life Expectancy (Frank)	90/2053	90/2053
Life Expectancy (Kathy)	90/2055	90/2055
Inflation Rate for Plan	3.00%	3.00%
Retirement Inflation Rate	3.00%	3.00%

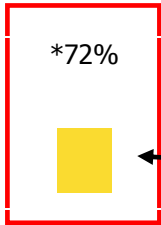
Important: The calculations or other information generated by NaviPlan® version 12.1 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Key Differences	Current	Alternative 1
Annual Retirement Expenses (Fixed)	100%	100%
Annual Retirement Expenses (Discretionary)	100%	100%
Additional Lump Sum Savings	\$0	\$0
Current Monthly Savings	\$1,050	\$1,150
Additional Monthly Savings	\$0	\$250
Additional Monthly Savings Indexed at	0.00%	0.00%
Additional Monthly Savings Start Date	Jan 1, 2012	Jan 1, 2012
Investment Objective (Pre-Retirement)	Current - Rebalanced	Moderate
Investment Objective (Retirement)	Current - Rebalanced	Moderate
Assumed Return Rate: Pre-Retirement	6.52%	8.23%
Assumed Return Rate: Retirement	6.51%	6.59%
Transfer Strategies: †		N/A
Liquidation Strategies:		
Capital Liquidation Order	Non-Qualified - Roth - Qualified Retirement	Non-Qualified - Roth - Qualified Retirement
Qualified assets are available for redemption at age (Frank)		
Qualified assets are available for redemption at age (Kathy)	Retirement	Retirement
Redemption Strategies	Current Plan	Modified
Social Security:		
Start Age (Frank)	62	67
Start Age (Kathy)	62	67
Income and Expenses:	Current Plan	Modified
Annuitization: †		N/A
Goal Funding Strategy:	Current Plan	Modified
New Accounts: †		New accounts/annuities have been added

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

† What-if strategies are not applicable to the Current Plan scenario.

Retirement - Current



This scenario covers 72% of the desired Retirement goal objectives.

In the *Current Plan*, Frank and Kathy can only cover 72% of their retirement goal. Without changes to their plan, they will likely have unmet needs throughout retirement.

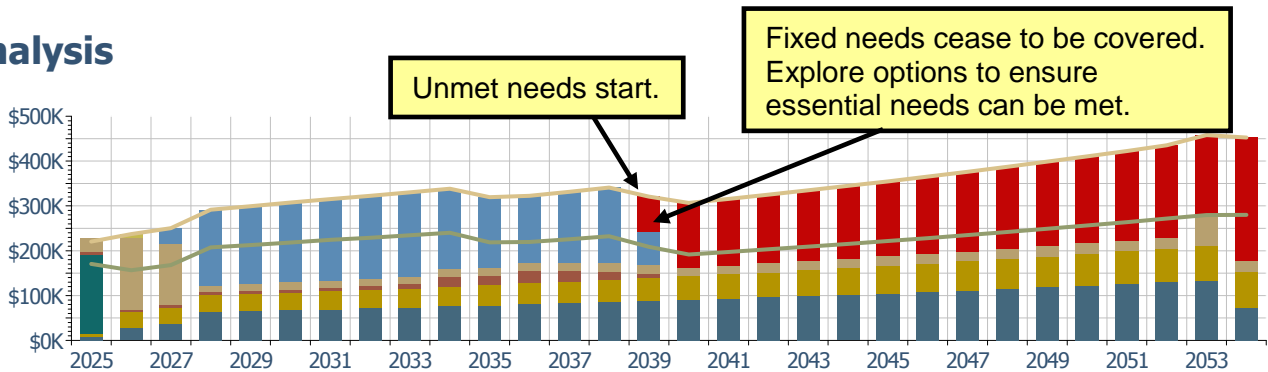
* This value indicates the percentage of your total retirement needs that can be covered by your total retirement resources during your retirement time period.

Assumptions

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

	Frank	Kathy
Retirement Age/Year	62/2025	60/2025
Life Expectancy	90/2053	90/2055
Desired Fixed Expenses Covered	100%	
Desired Discretionary Expenses Covered	100%	
Current Monthly Savings	\$1,050	
Annual Inflation Rate	3.00%	
Investment Objective (ROR) pre-retirement	Current - Rebalanced (6.52%)	
Investment Objective (ROR) retirement	Current - Rebalanced (6.52%)	

Analysis



Social Security	Earned Income	Additional Qualified Distributions	Shortfall
Pensions	RMD	Other Inflows	Fixed Needs
Annuities	Non-Qualified Distributions	Previous Year Surplus Used	Total Needs

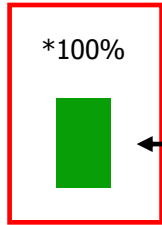
- Net Worth at Retirement: \$2,252,935
- Net Worth at Death: (\$306,106)
- Year Capital Exhausted: 2039
- % Fixed Needs Covered by Total Resources: 90%

Additional Assumptions

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

Scenario Settings	Frank	Kathy
Capital Liquidation Order	Non-Qualified - Roth - Qualified	
Social Security Start Age	62.1	62.1

Retirement - Proposed



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

In the *Proposed Plan*, which includes additional assumptions and strategies, Frank and Kathy achieve 100% goal coverage and are not likely to have unmet needs in retirement.

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

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

Assumptions

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

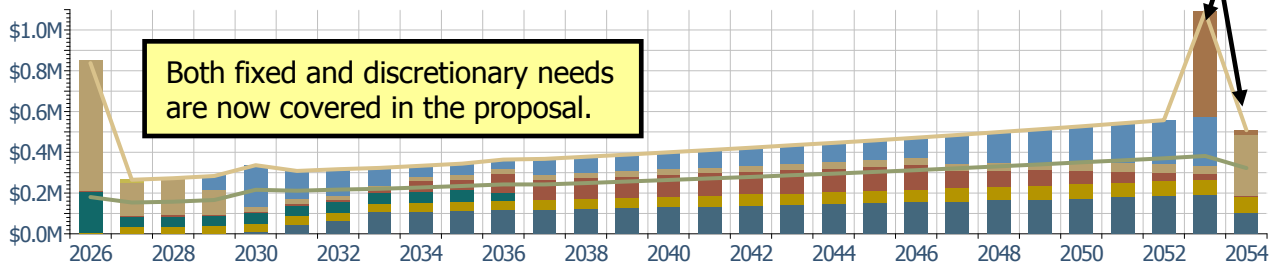
	Frank	Kathy
Retirement Age/Year	63/2026	61/2026
Life Expectancy	90/2053	90/2055
Desired Fixed Expenses Covered		100%
Desired Discretionary Expenses Covered		100%
Additional Lump-Sum Savings		\$0
Current Monthly Savings		\$1,050
Change in Monthly Savings		\$350
Total Monthly Savings		\$1,400
Annual Inflation Rate		3.00%
Investment Objective (ROR) pre-retirement	Moderate (8.23%)	
Investment Objective (ROR) retirement	Moderate Conservative (6.59%)	

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

Note: Information in the table above is for the February 1, 2012 period. Any strategies occurring in the future are not displayed in this table.

Analysis

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



Social Security	Earned Income	Additional Qualified Distributions	Shortfall
Pensions	RMD	Other Inflows	Fixed Needs
Annuities	Non-Qualified Distributions	Previous Year Surplus Used	Total Needs

- Net Worth at Retirement: \$2,912,051
- Net Worth at Death: \$2,198,674
- Year Capital Exhausted: Never
- % Fixed Needs Covered by Total Resources: 100%

Additional Assumptions

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

Scenario Settings	Frank	Kathy
Capital Liquidation Order	Non-Qualified - Roth - Qualified	
Social Security Start Age	67.0	67.0
Additional Retirement Income (Kathy)		\$2,500
Indexed at		3.00%
Start Age/End Age		Ret - Ret + 10
Frequency		Monthly
Additional Retirement Expense (Joint)	\$200	
Indexed at	3.00%	
Start Age/End Age	Ret - Death	
Frequency	Monthly	
Additional Retirement Expense (Joint)	\$120	
Indexed at	3.00%	
Start Age/End Age	Ret - Death	
Frequency	Monthly	
Additional Retirement Expense (Joint)	\$15,000	
Indexed at	3.00%	
Start Age/End Age	Ret - Ret + 5	
Frequency	Annual	
Annual amount to Annuitize to during Retirement		\$0

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

Tasha's Education Goal

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

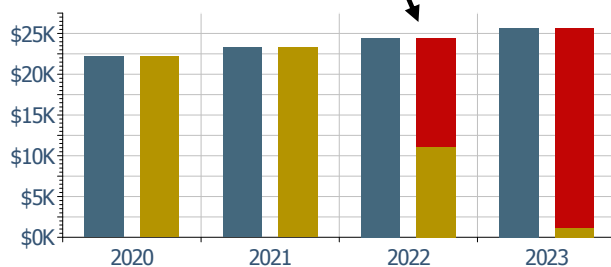
	Member	Current Age	Education Starts at	Estimated Costs/yr	Years of Education	Index Rate	Estimated Actual Cost
Current	Tasha	10	18	\$15,000	4	5.00%	\$95,520
Proposed	Tasha	10	18	\$15,000	4	5.00%	\$95,520

The graphs below illustrate needs vs. abilities for your education scenarios.

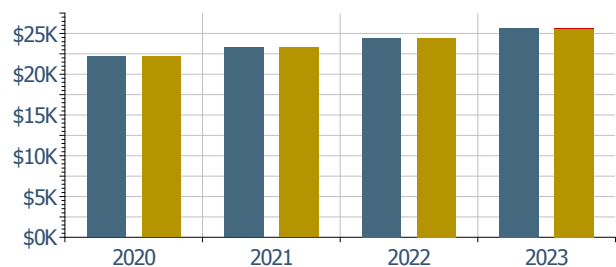
In the *Current Plan*, Frank and Kathy are unable to meet their goal of providing Tasha with a four year college education, as shortfalls start in year three.

Education Needs Vs. Abilities

Current



Proposed



■ Desired Needs	■ Ability to Cover Needs	■ Shortfall	■ Surplus
---	--	--	--

	Current	Proposed
Available Assets	\$27,000	\$27,000
Return Rate	5.62%	8.23%
Assumed Monthly Savings	\$100	\$238
Required Additional Monthly Savings	\$234	\$0
Required Additional Lump Sum Savings	\$25,202	\$46

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

Consider the following:

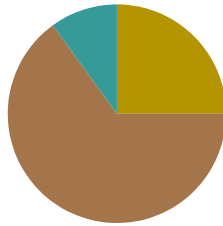
- Alternatively, increase your monthly savings by \$0 to fund your education goal.
- Consider allocating additional assets to meet your education goals.
- If you have not already reviewed the benefits of a Coverdell Education Savings Account, consult with your tax advisor to determine your eligibility to contribute to this type of account.
- Review opportunities and eligibility for scholarship programs and financial aid. Keep in mind that not all financial aid is based on need.

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

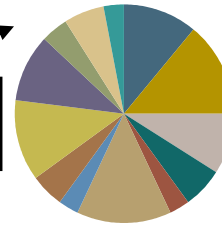
Asset Allocation for Tasha's Education Goal - Proposed

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

Current Asset Mix



**Suggested Asset Mix
Moderate**



Suggested portfolio for Tasha's education accounts.

Rate of Return	5.62%	Rate of Return	8.23%
Standard Deviation	9.23%	Standard Deviation	12.98%

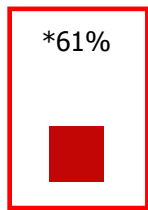
The table below provides a breakdown of the percentages and dollar values for each asset class in the current asset mix and suggested asset mix. The *Change* column indicates the rebalancing required to reach the suggested asset mix.

Asset Class	Current Asset Mix		Change		Suggested Asset Mix	
	(%)	(\$)	(%)	(\$)	(%)	(\$)
Large Cap Growth Equity			+11.0	+2,970	11.0	2,970
Large Cap Value Equity	25.0	6,750	-11.0	-2,970	14.0	3,780
Mid Cap Equity			+9.0	+2,430	9.0	2,430
Small Cap Equity			+6.0	+1,620	6.0	1,620
US REITs			+3.0	+810	3.0	810
International Equity			+14.0	+3,780	14.0	3,780
Emerging Markets Equity			+3.0	+810	3.0	810
Long Term Bonds	65.0	17,550	-60.0	-16,200	5.0	1,350
Intermediate Term Bonds			+12.0	+3,240	12.0	3,240
Short Term Bonds			+10.0	+2,700	10.0	2,700
High Yield Bonds			+4.0	+1,080	4.0	1,080
International Bonds			+6.0	+1,620	6.0	1,620
Cash	10.0	2,700	-7.0	-1,890	3.0	810
Total	100.0	27,000	+0.0	+0	100.0	27,000

© 2011 Ibbotson Associated, Inc., All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license to use the asset allocation tools. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified. Ibbotson Associates is a registered investment advisor and wholly owned subsidiary of Morningstar, Inc. Morningstar and Ibbotson are not affiliated with EISI.

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

Tasha's Education Goal - Current



This scenario covers 61% of the desired Tasha's Education goal objectives.

In the *Current Plan*, Frank and Kathy are unable to meet their goal of providing Tasha with a four year college education as they are only able to cover 61% of the goal.

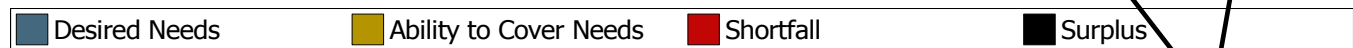
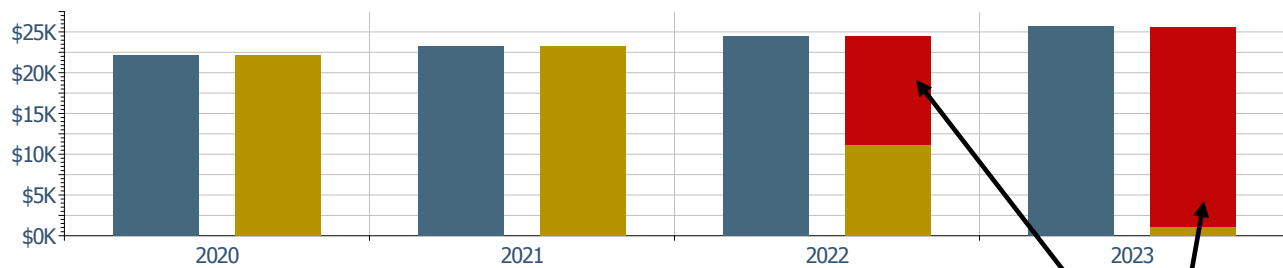
*This represents your total education needs covered by your total education resources during the education period.

Assumptions

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

Desired Expenses Covered (Annual Goal Amount)	100% (\$15,000)
Start Year (Duration)	2020 (4 years)
Current Monthly Savings	\$100
Index Rate	5.00%
Investment Objective (ROR)	Current - Rebalanced (5.62%)

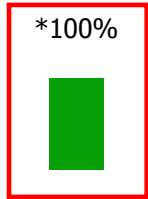
Analysis



- Capital at Start of Goal: \$52,009
- Capital at End of Goal: \$0
- Year Capital Exhausted: 2023

The red bars show that without implementing additional strategies such as allocating additional accounts or increasing savings, Frank and Kathy's goal of providing Tasha with a four year college education will have to be reduced.

Tasha's Education Goal - Proposed



This scenario covers 100% of the desired Tasha's Education goal objectives.

Education goal coverage based on recommendations.

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

Assumptions

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

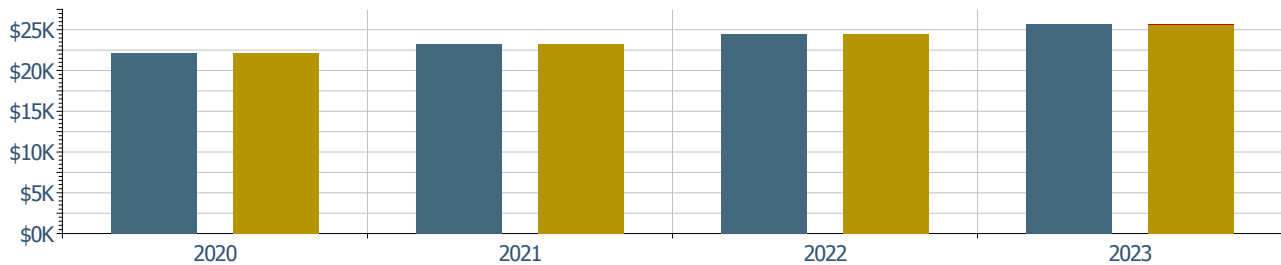
Desired Expenses Covered (Annual Goal Amount)	100% (\$15,000)
Start Year (Duration)	2020 (4 years)
Additional Lump-Sum Savings	\$0
Current Monthly Savings	\$100
Change in Monthly savings	\$138
Total Monthly Savings	\$238
Index Rate	5.00%
Investment Objective (ROR)	Moderate (8.23%)

Discuss key assumptions used to achieve the education goal.

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

Note: Information in the table above is for the February 1, 2012 period. Any strategies occurring in the future are not displayed in this table.

Analysis



Desired Needs	Ability to Cover Needs	Shortfall	Surplus
---------------	------------------------	-----------	---------

- Capital at Start of Goal: \$78,806
- Capital at End of Goal: \$0
- Year Capital Exhausted: 2023

Monte Carlo Analysis

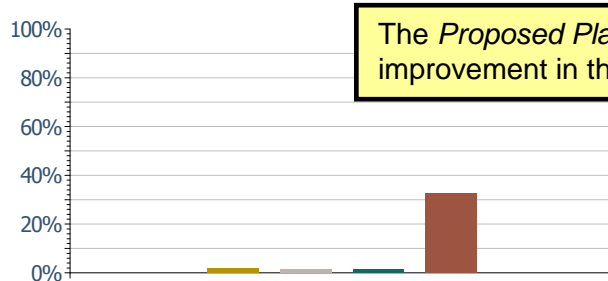
Explain how the variability of financial markets might affect financial objectives.

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

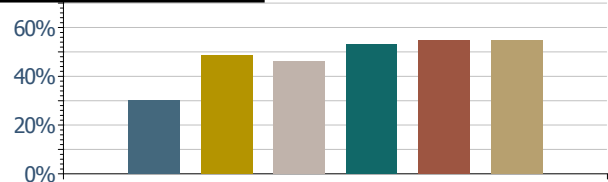
The following graphs and tables summarize the probability of the success of each of your goals:

Current

Proposed



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



All Goals - 0.00%	Tasha's Education Goal - 1.33%
Retirement Goal - 2.00%	James' Education Goal - 32.67%
All Education Goals - 1.33%	Fifth-Wheel Trailer - 0.00%

All Goals - 30.00%	Tasha's Education Goal - 53.33%
Retirement Goal - 48.67%	James' Education Goal - 54.67%
All Education Goals - 46.00%	Fifth-Wheel Trailer - 54.67%

Current

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
All Goals	0.00%			
Retirement Goal	2.00%	(\$1,079,523)	(\$600,825)	\$459,912
All Education Goals	1.33%			
Tasha's Education Goal	1.33%	\$41,786	\$58,084	\$77,719
James' Education Goal	32.67%	\$60,253	\$78,469	\$94,570
Fifth-Wheel Trailer	0.00%	\$21,528	\$25,456	\$29,225

Proposed

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
All Goals	30.00%			
Retirement Goal	48.67%	(\$382,760)	\$1,631,340	\$10,077,837
All Education Goals	46.00%			
Tasha's Education Goal	53.33%	\$64,949	\$96,273	\$135,038
James' Education Goal	54.67%	\$59,789	\$84,510	\$116,640
Fifth-Wheel Trailer	54.67%	\$34,042	\$45,982	\$57,312

Important: The calculations or other information generated by NaviPlan® version 12.1 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Disability Insurance - Frank

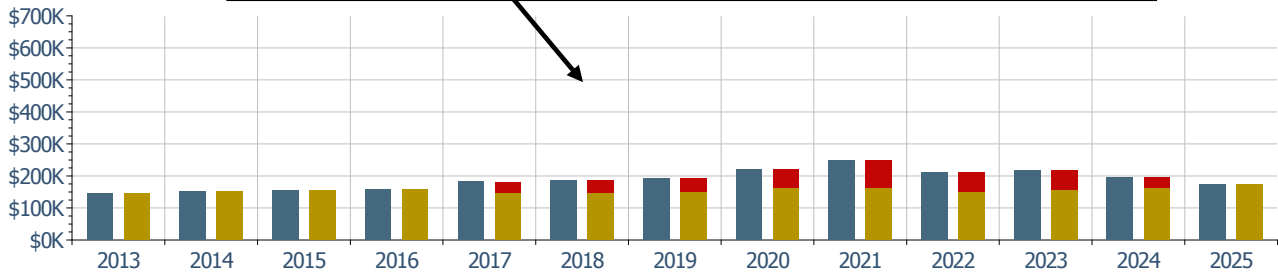
Disability insurance pays benefits when you are unable to earn an income because of a disabling injury or sickness as defined in the policy. Most disability policies pay a benefit that replaces a portion of your earned income (usually 50 percent to 70 percent) when you are unable to work due to an injury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

The following graph(s) provides an analysis of each of the years during which you might receive disability benefits.

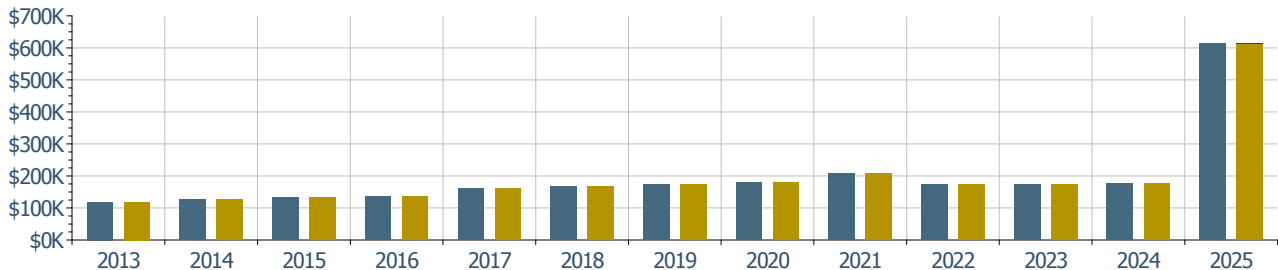
Disability Needs Vs. Abilities

Current

In the event that Frank is disabled, the red bars indicate needs that may go unmet unless additional disability insurance is purchased.



Proposed



Disability Insurance Assumptions

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

Objectives	Current	Proposed
Frank's Retirement Age/Year for Disability Analysis	62 / 2025	62 / 2025
Frank's Life Expectancy for Disability Analysis	90 / 2053	90 / 2053
Kathy's Retirement Age/Year for Disability Analysis	60 / 2025	60 / 2025
Kathy's Life Expectancy for Disability Analysis	90 / 2055	90 / 2055
Analyze Disability Through	62	62
Total Rate of Return on Surpluses and Liquidations		
Pre-Retirement	6.00%	6.00%
Retirement	6.00%	6.00%
Existing Disability Insurance		
Long Term	\$1,200	\$1,200
Short Term	\$900	\$900
Individual	\$0	\$1,377
Additional Disability Insurance		
Disability Benefit	\$0	\$1,033
Premium	\$0	\$105
Additional Monthly Disability Coverage Required*	\$32,687	\$0
Income prior to Disability (includes investment income)	\$88,051	\$98,457
Deficit in the first year of disability	\$0	\$0

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

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

Consider the following

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

Life Insurance - Frank

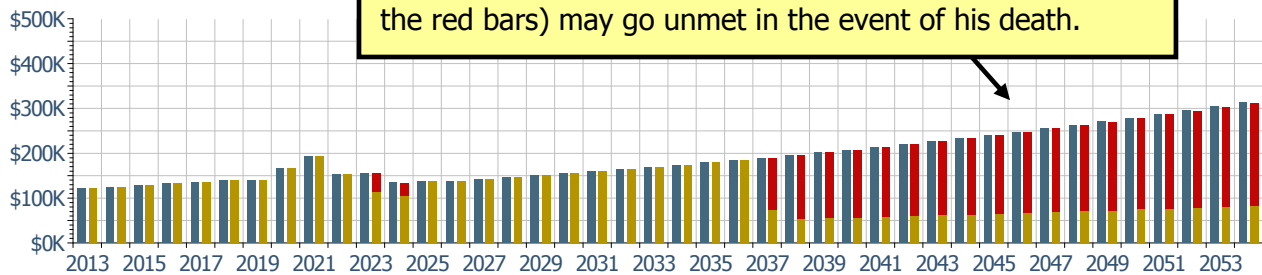
A life insurance analysis should ensure that when a death occurs in your family, there is sufficient income and capital to cover the cash flow needs for the surviving family members over the entire planning period. When you are young, a major reason for survivorship planning is to provide financial protection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

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

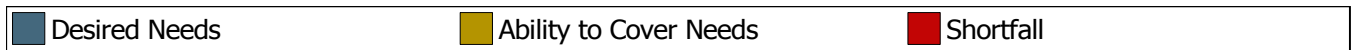
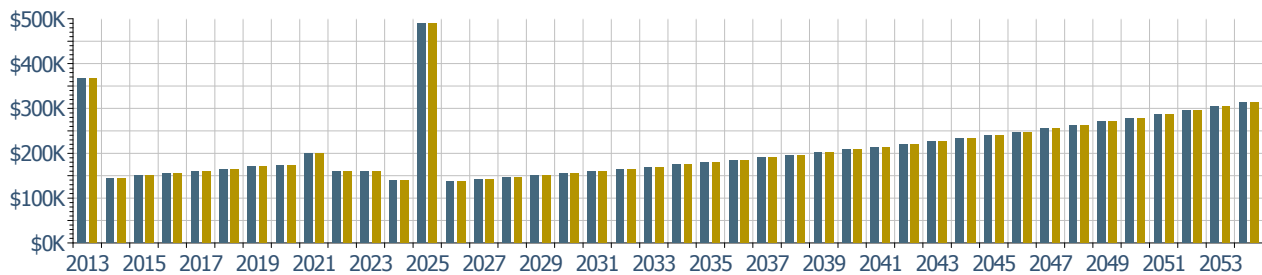
In the event of Frank's death, you want to ensure Kathy has enough income and capital to cover both the family's expenses and any investment plans needed to fund your goals.

Life Insurance Needs Vs. Abilities

Current



Proposed



Objectives	Current	Proposed
Retirement Age/Year for the Survivor	60	60
Survivor Life Expectancy	90	90
Total Rate of Return on Life Insurance Proceeds, Surpluses and Liquidations		
Pre-Retirement	6.00%	6.00%
Retirement	6.00%	6.00%
Existing Life Insurance	\$225,000	\$740,958
Additional Life Insurance		
Death Benefit	\$0	\$515,958
Premium	\$0	\$0
Additional Life Insurance Required	\$617,640	\$0

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

Life Insurance Summary

At Death	Current	Proposed
Immediate Capital Needs		
Lump Sum Needs	10,000	10,000
Probate, Admin and Estate Taxes	0	0
Liabilities	308,883	308,883
Other	0	0
Total Immediate Capital Needs	318,883	318,883
Available Resources for Immediate Capital Needs		
Life Insurance Coverage Held	225,000	740,958
Lifestyle/Real Estate Assets Available	0	0
Non-Qualified Assets Available	169,114	175,127
Qualified Assets Available	0	0
Additional Assets Redeemed for Estate Settlement	9,323	0
Other	2,096	2,094
Total Available Resources for Immediate Capital Needs	405,534	918,179
Available Resources Redeemed (Gross)	318,883	318,883
Available Resources Remaining	86,651	599,296
Additional Recommended Coverage for Immediate Needs	0	0
Survivorship Period		
Present Value of Future Outflows		
Lifestyle and Medical Expenses	3,873,233	4,096,161
Taxes	907,416	1,532,577
Qualified Contributions	47,705	47,705
Non-Qualified Contributions and Reinvestments	55,905	447,392
Other Outflows	258,111	282,027
Total Future Outflows	5,142,370	6,405,861
Present Value of Future Inflows		
Regular Income	1,203,333	1,203,333
Social Security	849,316	1,046,759
Pension	0	0
Qualified Proceeds	1,101,677	2,095,935
Non-Qualified Proceeds	967,602	2,373,063
Other Inflows	93,612	238,219
Total Future Inflows	4,215,541	6,957,310
Present Value of Future Deficits	1,226,643	9
Additional Recommended Coverage for Survivorship	617,640	0

Additional life insurance needed to meet the needs of Frank's survivors.

Summary	Current	Proposed
Life Insurance Coverage Required	842,640	740,958
Life Insurance Coverage Held	225,000	740,958
Additional Recommended Coverage	617,640	0

Consider the following:

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

Estate Planning

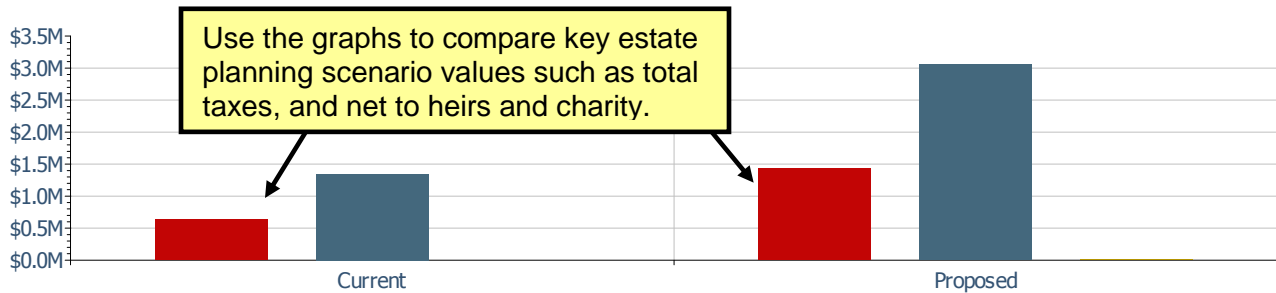
Use the *Estate Planning* page to discuss the risks associated with not having sufficient control over your estate, such as increased estate taxes and lesser net amounts to heirs and charity.

If Frank were to die in 2022, and Kathy were to die in 2027.

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

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

Estate Planning Comparison Summary



	Total Taxes	Net to Heirs	Net To Charity	Total to Heirs and Charity
Current	\$639,937	\$1,346,067	\$0	\$1,346,067
Proposed	\$1,431,681	\$3,054,482	\$13,169	\$3,067,651

Consider the following

- Make sure you have up-to-date wills to help ensure that assets will be distributed according to your wishes.
- Review the importance of having Durable Powers of Attorney, Health Care Proxies/Declarations and/or Living Wills.
- You should review your current estate planning documents with your attorney in light of the Economic Growth and Tax Relief Reconciliation Act of 2001.
- Review the beneficiary designations on life insurance policies and retirement plans.
- Carefully examine the estate implications of your retirement plan assets. Remember that these assets may be subject to both federal estate and income tax upon death.
- Review your choice of personal representative who will handle the administration of your estate.

Conclusion

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

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

A final thought!

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

Prepare next steps and set up next meeting.

Plan Data Summary

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

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

Regular Income

Income Source	Member	Applicable	Amount	Indexed
Frank's Salary	Frank	Jan 1 2012 to Sep 30 2025	\$6,250/mo	Inflation
Kathy's Salary	Kathy	Jan 1 2012 to Aug 31 2025	\$7,917/mo	Inflation

Defined Benefit Pension Plans - Estimate Benefit

Description:	Pension	Annual Benefit:	\$23,000
Plan Owner:	Frank	Indexed by:	3.00%
Pct. payable to survivor:	100.00%		

Description:	Pension	Annual Benefit:	\$0
Plan Owner:	Kathy	Indexed by:	3.00%
Pct. payable to survivor:	0.00%		

Social Security Retirement Benefits

Member	Start Date/Age	Calculated Monthly Benefit (% / \$) OR Est. Monthly Benefit (today's \$)	Indexed	Eligible for Spousal Benefits
Frank	At Retirement	100% / \$1,570	Inflation	Yes
Kathy	At Retirement	100% / \$1,743	Inflation	Yes

Social Security Survivor Benefits

Member	Monthly Benefit to Survivor and Eligible Dependents (% / \$)	Monthly Benefit to Survivor at Retirement (% / \$)	Spouse's Revised Start Date During Retirement	Indexed
Frank	100% / \$3,272	100% / \$1,560	At Retirement	Inflation
Kathy	100% / \$3,634	100% / \$1,930	At Retirement	Inflation

Regular Expenses

Expense	Member	Applicable	Amount	Indexed	Fixed Expense
Housing (e.g. utilities, repairs)	Joint	Jan 1 2012 to Aug 31 2025	\$3,500/mo	Inflation	Yes
Ongoing Expenses	Tasha	Not applicable	\$20/yr	Inflation	No
LTC Expense	Frank	Not applicable	\$200/day	Inflation	No
LTC Expense	Kathy	Not applicable	\$200/day	Inflation	No
Retirement goal expense	Joint	Sep 1 2025 to Dec 31 2055	\$5,900/mo	Inflation	Yes
Travel	Joint	Sep 1 2025 to Dec 31 2055	\$1,670/mo	Inflation	No
Discretionary expenses	Joint	Sep 1 2025 to Dec 31 2055	\$2,500/mo	Inflation	No
Property Taxes for Residence	Joint	Dec 31 2002 to Never	\$1,195/year	Inflation	Yes

Important: The calculations or other information generated by NaviPlan® version 12.1 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Important Terminology

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

Current plan

The current plan consists of information provided and reviewed by you and serves as the basis for some of the assumptions used in the proposed plan.

Proposed plan

The proposed plan is a system-generated plan that is calculated based on achieving your stated goals by applying the additional assumptions contained within the proposed scenarios.

Scenarios

A scenario is a modification of assumptions based on the current plan. A proposed scenario is incorporated into the proposed plan.

Rate of return (Current - Not Rebalanced)

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

Rate of return (Current - Rebalanced)

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

Rate of return (suggested asset mix)

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

Rate of return (assumed asset mix)

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

Rate of return (proposed plan)

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

Standard deviation

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

Unlinked accounts

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

Investment profile

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

Disclaimer

To satisfy compliance needs, the report includes standard disclaimer information which can be customized to meet an organization's needs.

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

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

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

The Calculations Contained in This Report Depend in Part, on Personal Data That You Provide

The assumptions used in this analysis are based on information provided and reviewed by you. Please review all assumptions in the Plan Data Summary section before reviewing the rest of the report to ensure the accuracy and reasonableness of the assumptions. These assumptions must be reconsidered on a frequent basis to ensure the results are adjusted accordingly. The smallest of changes in assumptions can have a dramatic impact on the outcome of this analysis. Any inaccurate representation by you of any facts or assumptions used in this analysis invalidates the results.

This Report is Not a Comprehensive Financial Report and Does Not Include, Among Other Things, a Review of Your Insurance Policies

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

NaviPlan Does Not Constitute Legal, Accounting, or Tax Advice

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

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

Discussion of the Limits of Financial Modeling

Inherent Limitations in Financial Model Results

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

Delivery Acknowledgement

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

Frank Sample-Accumulator

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

Kathy Sample-Accumulator

Date:

Note

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