

Progress Report

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

NaviPlan

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

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YOUR RECOMMENDED PLAN: JUNE 1, 2011

YOUR REVIEW: JUNE 6, 2012

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Introduction

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

Periodic review of your financial plan

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

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

Together, on June 1, 2011, we prepared a financial plan that identified your financial goals and priorities. As an integral part of your plan, we outlined financial strategies to help you reach your goals.

Using your financial plan as a reference point, and the data that you have provided regarding your current financial situation as of **June 6, 2012**, we have performed a review of your plan. This review assesses your progress in meeting the financial objectives identified in your financial plan and identifies adjustments that should be made to keep you on track.

As you review this report, consider the following terminology:

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

Your Initial Plan - represents information initially provided at the conception of your financial plan on June 1, 2011.

Your Recommended Plan - represents financial strategies identified to help you reach your goals as a result of the information provided for your initial financial plan on June 1, 2011.

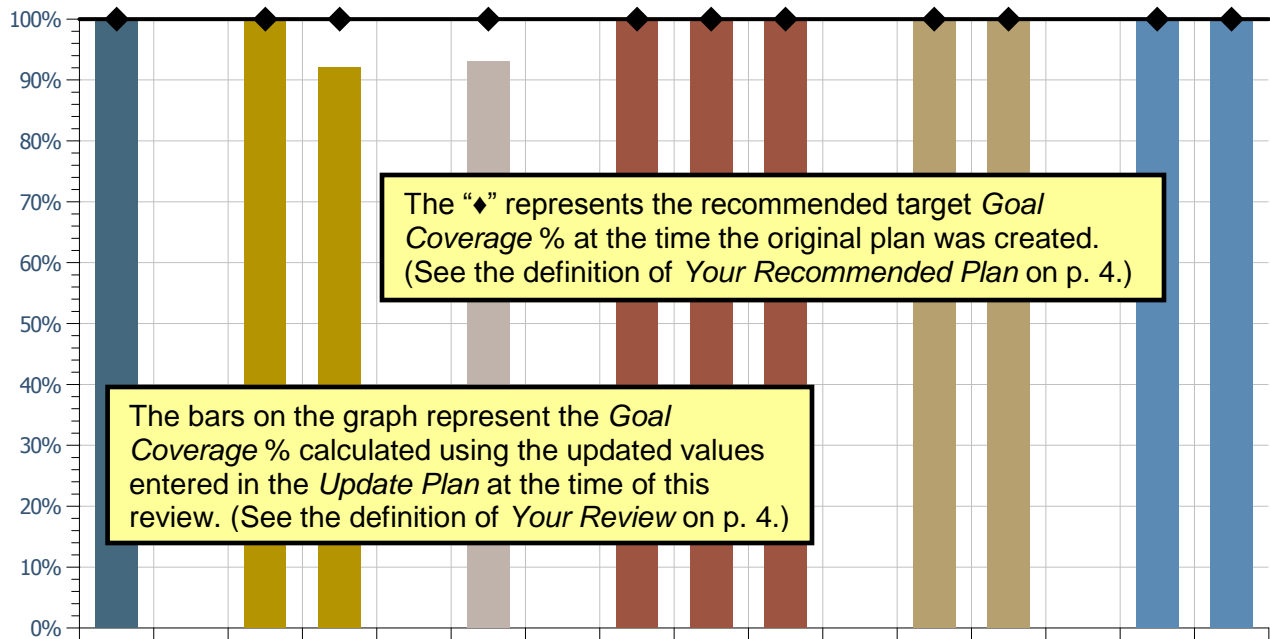
Your Review - represents updated information provided as part of the review of your financial plan on June 6, 2012.

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

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

Goal Coverage

The *Overall Goal Coverage* graph illustrates how successful the strategies included in an individual goal scenario are at achieving each goal as of Your Review. It indicates your increased or decreased ability to cover your goals when compared to the resulting calculations in Your Recommended Plan.



	Goal Description	Goal Amount from Your Recommended Plan	Goal Coverage			Status
			Your Recommended Plan	Your Review	Increase/Decrease (%)	
■	Retirement	\$139,680/yr	100%	100%	0%	On track
■	Tasha's Education Goal	\$15,000/yr	100%	100%	0%	On track
■	James' Education Goal	\$15,000/yr	100%	92%	-8%	Setback
■	Fifth-Wheel Trailer	\$35,000	100%	93%	-7%	Setback
■	Life Insurance (Frank)	\$740,958	100%	100%	0%	On track
■	Life Insurance (Kathy)	\$562,146	100%	100%	0%	On track
■	Life Insurance (Frank and Kathy)	\$0	100%	100%	0%	On track
■	Disability Insurance (Frank)	\$3,477/mth	100%	100%	0%	On track
■	Disability Insurance (Kathy)	\$6,945/mth	100%	100%	0%	On track
■	Long-Term Care (Frank)	\$248/day	100%	100%	0%	On track
■	Long-Term Care (Kathy)	\$268/day	100%	100%	0%	On track

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

The ♦ in the above graph represents the *Goal Coverage* percentage from the recommendations in Your Recommended Plan

The status of the goals is based on the updated values (e.g. updated IRA account values) which result from implementing strategies in the *Recommended Plan*.

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.

The following ranges determine whether each goal is on track or whether action should be taken to adjust your financial strategies.

Setback

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

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

On track

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

Retirement

Congratulations, based on the updated information in Your Review, your ability to cover retirement needs is **on track**.

Tasha's Education Goal

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

James' Education Goal

Based on the updated information in Your Review, your ability to cover James' Education Goal represents a **setback**. Your ability to cover education expenses has **decreased by 8%** for James' Education Goal.

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

- Save an additional \$3,788 per month
- Invest a lump sum today of \$161,181

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

Fifth-Wheel Trailer

Based on the updated information in Your Review, your ability to cover your Fifth-Wheel Trailer represents a **setback**. Your ability to cover major purchase expenses has **decreased by 7%** for Fifth-Wheel Trailer.

You may wish to consider one of the following for your Fifth-Wheel Trailer:

- Save an additional \$22 per month
- Invest a lump sum today of \$1,801

Life Insurance if Frank dies

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

A change in values, such as the updated market value of the client's 401(k), may affect life insurance coverage.

Life Insurance if Kathy dies

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

Life Insurance if Frank and Kathy die

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

Disability Insurance if Frank is disabled

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

Disability Insurance if Kathy is disabled

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

Long-term care if Frank needs long-term care

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

Long-term care if Kathy needs long-term care

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

Net Worth

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

In preparing your initial analysis on June 1, 2011, we used current account valuations, applicable assumptions based on historical data, and your evaluations of your future situation.

Net worth assumptions change over time as your personal circumstances, tax laws, and economic conditions evolve. In order to monitor and evaluate your assumptions, we have prepared the following Net Worth Statement as of Your Review, June 6, 2012. It shows the original asset and liability values in Your Initial Plan along with their updated values as of Your Review, June 6, 2012.

NET WORTH STATEMENT

	Your Initial Plan	Your Review	%	How
	2011	2012	Change	Updated?
Non-Qualified Assets				
Joint Savings	100,000	103,869	3.9%	Manually
Fifth-Wheel Trailer Savings	10,000	8,260	-17.4%	Manually
Ridgefield Bank Savings	35,000	35,108	0.3%	Manually
Fleet Bank Savings	15,000	15,249	1.7%	Manually
Tasha's Education Goal Fund Retirement Fund	0	704		Manually
James' Education Goal Fund	0	1,273		Manually
Fifth-Wheel Trailer Fund	0	638		Manually
330 Main St.	125,000	126,042	0.8%	Manually
Total Non-Qualified Assets	285,000	291,775	2.4%	
Qualified Assets				
Frank's IRA (Inherited)	90,000	90,796	0.9%	Manually
Frank's 401(k)	210,000	203,331	-3.2%	Manually
James' Education Plan	37,000	33,277	-10.1%	Manually
James' Coverdell	2,000	2,542	27.1%	Manually
Kathy's IRA	40,000	40,951	2.4%	Manually
Kathy's 401(k)	200,000	200,266	0.1%	Manually
Roth IRA - Spousal	0	405		Manually
Tasha's Education Plan	27,000	29,091	7.7%	Manually
Total Qualified Assets	606,000	600,660	-0.9%	
Lifestyle Assets				
Residence	400,000	403,333	0.8%	Manually
Personal Use Property	100,000	100,833	0.8%	Manually
Total Lifestyle Assets	500,000	504,167	0.8%	
Total Assets	1,391,000	1,396,602	0.4%	
Liabilities				
Mortgage	(300,000)	(297,475)	-0.8%	Manually
Line of Credit	(15,000)	(15,000)	0.0%	
Total Liabilities	(315,000)	(312,475)	-0.8%	
Total Net Worth	\$1,076,000	\$1,084,127	1%	

These figures by default represent the strategies (such as additional savings) implemented in the Recommended Plan, unless overridden manually or via integration.

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

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

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Cash Flow

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

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

We have prepared the following *Cash Flow Details* report as of Your Review, June 6, 2012. It shows the original cash flows in Your Initial Plan, June 1, 2011 along with their updated values as of Your Review, June 6, 2012. Based on the information you have provided, you currently have a cash flow surplus of \$37,762. This is a **16.9% decrease** from Your Initial Plan.

Cash Flow Details Report

	Your Initial Plan	Your Review	
	2011	2012	% Change
Cash Inflows			
Employment Inflows			
Salary	\$170,000	\$170,000	+0.0%
Investment Inflows			
From Assets			
Interest	\$3,446	\$3,585	+4.0%
Dividends	\$2,694	\$2,923	+8.5%
Capital Gains (Short Term)	\$2,910	\$3,409	+17.2%
Capital Gains (Long Term)	\$0	\$1	
Rental	\$10,000	\$10,000	+0.0%
Total	\$19,050	\$19,918	+4.6%
Pension Inflows			
IRA	\$2,594	\$2,594	+0.0%
Received Capital			
Cost Basis	\$497	\$494	-0.6%
Total Cash Inflows	\$192,141	\$193,006	+0.5%
Cash Outflows			
Lifestyle Expenses			
Regular	\$42,000	\$42,000	+0.0%
Mortgage Interest-Deductible	\$18,732	\$18,732	+0.0%
Mortgage Principal	\$6,168	\$6,168	+0.0%
Total	\$66,900	\$66,900	+0.0%
Taxes			
Federal Tax	\$31,715	\$32,681	+3.0%
State Tax	\$7,421	\$7,645	+3.0%
Social Security Tax - employment	\$10,540	\$10,540	+0.0%
Medicare Tax - employment	\$2,465	\$2,465	+0.0%
Total	\$52,142	\$53,331	+2.3%
Miscellaneous Expenses			
Disability Insurance Premiums	\$1,680	\$2,520	+50.0%
Life Insurance Premiums	\$840	\$1,680	+100.0%
Long-term Care Insurance premiums	\$1,260	\$1,260	+0.0%
Tax Deductible Property Taxes	\$1,195	\$1,195	+0.0%
Total	\$4,975	\$6,655	+33.8%
Non-Qualified Contributions and Reinvestments			
Regular	\$9,412	\$17,677	+87.8%

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	Your Initial Plan	Your Review	
	2011	2012	% Change
Investment Expenses			
Landlord's Property Expenses	\$850	\$850	+0.0%
Account Fees ¹	\$1,603	\$1,531	-4.5%
Total	\$2,453	\$2,381	-2.9%
Qualified Contributions			
Spousal Roth IRA Contributions	\$0	\$1,100	
401(k) Contributions	\$7,200	\$3,600	-50.0%
529 Plan Contributions	\$2,400	\$2,400	+0.0%
Coverdell Contributions	\$1,200	\$1,200	+0.0%
Total	\$10,800	\$8,300	-23.1%
Total Cash Outflows	\$146,681	\$155,244	+5.8%
Current Surplus/(Deficit)	\$45,460	\$37,762	-16.9%
Previous Surplus/(Deficit)	\$0	\$0	+0.0%
Ending Surplus/(Deficit)	\$45,460	\$37,762	-16.9%

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

Asset Allocation

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

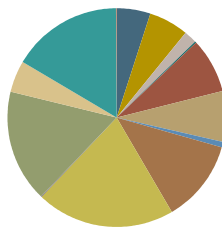
Asset allocation is the process of aligning your risk tolerances, financial objectives, and investment time horizon to applicable investment portfolios. Changes in market conditions can greatly affect the performance of your investment portfolio and the success of your financial goals. It is important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

Asset Allocation as of Your Review

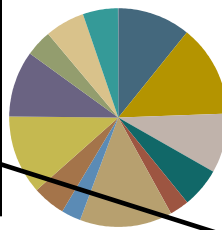
Based on our analysis of your current asset mix as of June 6, 2012, you may be incurring less risk than your risk tolerance indicates you would be comfortable with in your investment portfolio. We recommend rebalancing your portfolio to more closely represent your risk tolerance and time horizon.

Your Review's Current Asset Mix

Your Review's Assumed Asset Mix Moderate



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



Rate of Return	6.19%
Standard Deviation	9.16%

Rate of Return	8.10%
Standard Deviation	12.69%

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	Your Review's Current Asset Mix		Change		Your Review's Assumed Asset Mix	
	(%)	(\$)	(%)	(\$)	(%)	(\$)
Large Cap Growth Equity	5.0	38,043	+6.0	+46,260	10.8	82,414
Large Cap Value Equity	5.9	44,835	+8.1	+62,460	13.6	104,889
Mid Cap Equity	1.9	14,275	+7.1	+54,700	8.8	67,430
Small Cap Equity	0.2	1,183	+5.8	+44,801	5.9	44,953
US REITs	8.1	62,419	-5.1	-39,427	2.9	22,477
International Equity	7.5	57,166	+6.5	+50,129	13.7	104,891
Emerging Markets Equity	0.8	5,934	+2.2	+17,058	2.9	22,477
Long Term Bonds	12.2	93,281	-7.2	-54,961	4.9	37,461
Intermediate Term Bonds	20.5	158,654	-8.5	-66,687	11.7	89,906
Short Term Bonds	0.1	706	+9.9	+75,933	9.8	74,922
High Yield Bonds	16.6	127,368	-12.6	-96,712	3.9	29,969
International Bonds	4.7	36,101	+1.3	+9,883	5.9	44,953
Cash	16.4	126,024	-13.4	-103,032	5.2	39,652
Unclassified	0.1	405	-0.1	-405		
Total	100.0	766,394	+0.0	+0	100.0	766,394

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.

Portfolio adjustments needed to reach the suggested asset mix.

Conclusion

We have prepared Your Review in conjunction with information that you have provided regarding your current financial situation as of **June 6, 2012**. Progress towards your financial goals and objectives has been evaluated by comparing your current information to the data outlined in Your Recommended Plan created on **June 1, 2011**. For goals that are not on track, we have identified possible strategies that should be considered to keep you on course with meeting your goals.

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

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

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

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

Important Terminology

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

Your initial plan

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

Your recommended plan

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

Your review

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

Rate of return (current asset mix)

The dollar-weighted average rate of return of the assets in the current asset mix.

Rate of return (suggested asset mix)

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

Rate of return (assumed asset mix)

The dollar-weighted average rate of return of the assets in the proposed plan based on the assumptions defined in the proposed 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.

Standard deviation

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

Investment profile

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

Portfolio

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

Time horizon

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

Asset mix

The combination of asset classes within an investment portfolio. It can also be a further division within an asset class of assets such as a mix of small, medium, and large company stock assets.

Current Asset Mix

The combination of asset classes assigned to the assets included in the clients' current financial position.

Suggested Asset Mix

The asset mix that is derived based on the investment profile as determined by answers to a risk tolerance questionnaire.

Assumed Asset Mix

The asset mix that results when the suggested asset mix is subject to certain modifications.

Fixed expenses

Fixed expenses include ongoing expenses that you have determined cannot be easily changed or eliminated, such as basic living expenses or retirement expenses.

Fixed needs

Fixed needs include all your fixed expenses, plus other expenses that have been calculated based on your financial information. These expenses include liability payments, insurance premiums, property taxes, and income taxes.

Lifestyle expenses

The definition of lifestyle expenses includes all expenses entered in the *Cash Flow* category where the type of expense is classified as lifestyle.

Total needs

The definition of total needs includes all fixed needs, all other expenses that are not considered in the fixed needs definition, and total taxes. The total needs in the plan will account, in part, for expenses that are more discretionary in nature.

Asset class

A category of investments grouped according to common characteristics such as relative liquidity, income characteristics, tax status, and growth characteristics.

LargeCap Equity – Russell 1000® Index

The Russell 1000 Index is a large-cap index consisting of the 1,000 largest companies in the Russell 3000 Index, representing approximately 92% of the total market capitalization of the Russell 3000. As of June 2011, the average market capitalization was approximately \$82.342 billion; the median market capitalization was approximately \$5.431 billion.

LargeCap Growth Equity – Russell 1000® Growth Index

The Russell 1000 Growth Index contains those Russell 1000 securities with a greater-than-average growth orientation. Companies in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Value universe.

LargeCap Value Equity – Russell 1000® Value Index

The Russell 1000 Value Index contains those Russell 1000 securities with a less-than-average growth orientation. Securities in this index generally have lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

MidCap Equity – Russell Midcap ® Index

The Russell Mid Cap Index consists of the smallest 800 companies in the Russell 1000 index, as ranked by total market capitalization. This midcap index represents approximately 27% of the Russell 1000 total market capitalization. As of June 2011, the average market capitalization was approximately \$8.051 billion; the median market capitalization was approximately \$4.285 billion. The largest company in the index had an approximate market capitalization of \$21.237 billion.

SmallCap Equity – Russell 2000 ® Index

The Russell 2000 Index is a small-cap index consisting of the smallest 2,000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. As of June 2011, the average market capitalization was approximately \$1.268 billion; the median market capitalization was approximately \$0.513 billion. The largest company in the index had an approximate market capitalization of \$5.100 billion.

International Equity – MSCI EAFE® Index

The MSCI EAFE (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of June 2011 the MSCI EAFE Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

International Emerging Markets Equity – MSCI Emerging Markets Index

THE MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2011 the MSCI Emerging Markets Index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

Domestic REITs – FTSE NAREIT All Equity REITs Index

The FTSE NAREIT All Equity REITs Index is an index of publicly traded REITs with 75% or greater of their gross invested book assets invested directly or indirectly in the equity ownership of real estate. Additionally, 75% or more of gross income must come from real estate related services, such as rents from real property or interest on mortgages financing real property.

High Yield Bonds – Barclay's High Yield Index

The U.S. Corporate High-Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. A small number of unrated bonds are included in the index; to be eligible they must have previously held a high-yield rating or have been associated with a high-yield issuer, and must trade accordingly. The index excludes Emerging Markets debt.

Bonds – Barclay's U.S. Aggregate Bond Index

The BarCap U.S. Aggregate Bond Index covers the USD-denominated, investment-grade, fixed rate, taxable bond market of SEC-registered securities. Investment grade classification is determined by the middle rating of Moody's Investor's Service, Standard and Poor's ® Corporation, and Fitch Investor's Service bond quality ratings. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors. Bonds or securities included must be fixed rate, although they can carry a coupon that steps up or changes according to a predetermined schedule.

Cash – Citigroup US Domestic 3 Month T-Bill

The objective of this benchmark is to reflect the returns provided by the short term fixed income instruments. The index is based on the U.S. 3 month Treasury Bills. This index measures monthly return equivalents of yield averages that are not marked to market. Calculations are based on the last 3, 3-month T-Bill issues. Returns for this index are then calculated on a monthly basis.

International Bonds – Citigroup WGBI Non-US

The objective of this benchmark is to reflect the returns provided by investment in international (non U.S.) fixed income securities. The World Government Bond Index is a market-capitalization weighted benchmark that tracks the performance of fixed-rate sovereign debt issued in the domestic market in the local currency with at least one year maturity. The minimum credit quality required is BBB-/Baa3 (by either S&P or Moody's) for all issuers to ensure that the WGBI remains an investment-grade benchmark.

Long-Term Bonds – US Long-Term Government Bonds

The objective of this benchmark is to measure the returns of long-term bonds. To the greatest extent possible the total returns are calculated for each year on a single bond issued by the United States Government with a term of approximately 20 years and a reasonably current coupon with returns that did not reflect potential tax benefits, impaired negotiability, or special redemption or call privileges.

Intermediate Term Bonds – US Intermediate Term Government Bonds

The objective of this benchmark is to measure the returns of intermediate-term bonds. As with long-term government bonds, one-bond portfolios are used to construct the intermediate-term index. The bond chosen each year is the shortest non-callable bond with a maturity of not less than five years, and it is "held" for the calendar year. Monthly returns are computed. Bonds with impaired negotiability or special redemption privileges are omitted, as are partially or fully tax-exempt bonds starting in 1943.

Short-Term Bonds – US 1-Year Government Bonds

The objective of this benchmark is to reflect the returns provided by the short-term fixed income instruments. Yields on Treasury securities at "constant maturity" are interpolated by the U.S. Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The constant maturity yield values are read from the yield curve at fixed maturities, currently 3 and 6 months and 1, 2, 3, 5, 7, 10, 20, and 30 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity.

Important acronyms

SOY – Start of year	CSV – Cash surrender value
EOY – End of year	UGMA – Uniform Gift to Minors Act
RMD – Required minimum distribution	UTMA – Uniform Transfer to Minors Act
ROR – Rate of return	ESA – Education Savings Accounts

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. 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.

Results May Vary With Each Use and Over Time

The results presented in this analysis are not predictions of actual results. Actual results may vary to a material degree due to external factors beyond the scope and control of this analysis. Historical data is used to produce future assumptions used in the analysis, such as rates of return. Utilizing historical data has limitations as past performance is not a guarantee or predictor of future performance.

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 report.

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.