



Financial Needs Summary

Stuart and Kate Blake

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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 the modules selected.

Introduction.....	4
Net Worth	5
Cash Flow	6
Income Tax.....	7
Asset Allocation.....	8
Retirement.....	10
Emily's education.....	14
Monte Carlo Analysis	19
Disability Insurance - Stuart	20
Life Insurance - Stuart.....	21
Conclusion.....	23

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.

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

Net Worth

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-Registered* assets include stocks, bonds, mutual funds and cash.
- *Registered* assets include TFSAs, as well as your registered and locked-in retirement plans, such as RRSPs, RRIFs, LIFs and LRIFs.
- *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, 2010

	Stuart	Kate	Joint	Total
Non-Registered Investments				
Investment Portfolios	75,000		75,000	150,000
Registered Investments				
RRSPs / Spousal RRSPs	100,000	125,000		225,000
TFSAs	6,000	4,000		10,000
LIFs / LIRAs / LRIFs	10,000			10,000
RPP - money purchase	100,000			100,000
RESPs	8,000			8,000
Lifestyle Assets (residences, etc.)			335,000	335,000
Life Insurance Cash Value				
Liabilities			(165,703)	(165,703)
Total Net Worth	299,000	129,000	244,297	672,297

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.

Cash Flow

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.

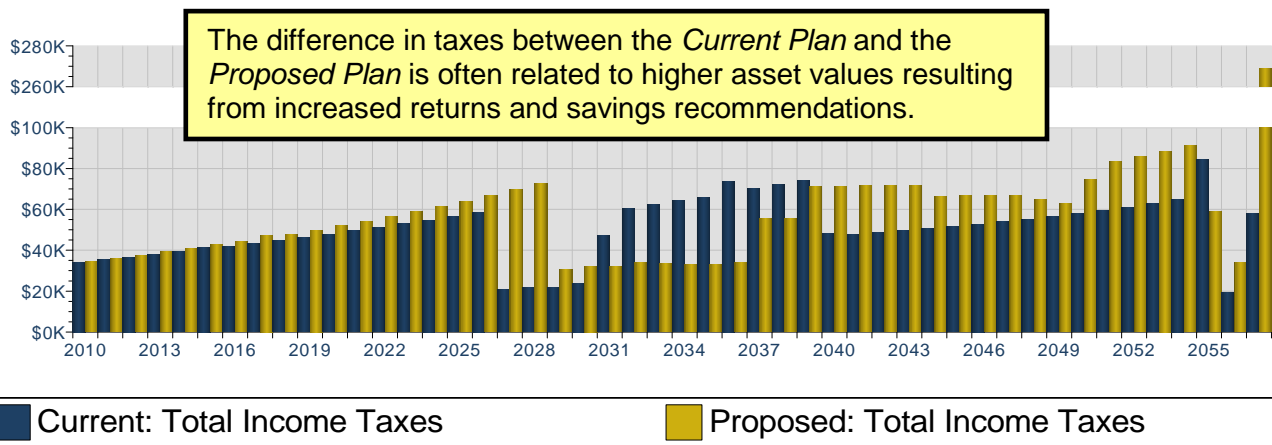
	Stuart	Kate	Family
Cash Inflows			
Employment Inflows	\$70,000	\$70,000	\$140,000
Investment Inflows	\$4,358	\$1,646	\$6,004
Total Cash Inflows	\$74,358	\$71,646	\$146,004
Cash Outflows			
Lifestyle Expenses	\$29,400	\$29,400	\$58,800
Taxes	\$17,434	\$16,808	\$34,242
Employment/Business Expenses	\$747	\$747	\$1,495
Miscellaneous Expenses	\$2,882	\$1,440	\$4,322
Non-Registered Contributions and Reinvestments	\$5,347	\$4,225	\$9,572
Registered Contributions	\$8,763	\$5,763	\$14,526
Total Cash Outflows	\$64,573	\$58,384	\$122,958
Current Surplus/(Deficit)			23,046
Ending Surplus/(Deficit)			23,046

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

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

Income Tax

The following graph compares the total tax between your current plan and your proposed plan. Total tax represents all income tax payable on taxable income from all sources during the current year.



	Current Plan	Proposed Plan
Taxes paid in current year	\$34,242	\$34,470
Taxes paid in first year of retirement (year)	\$20,781(2027)	\$30,453(2029)

Consider the following:

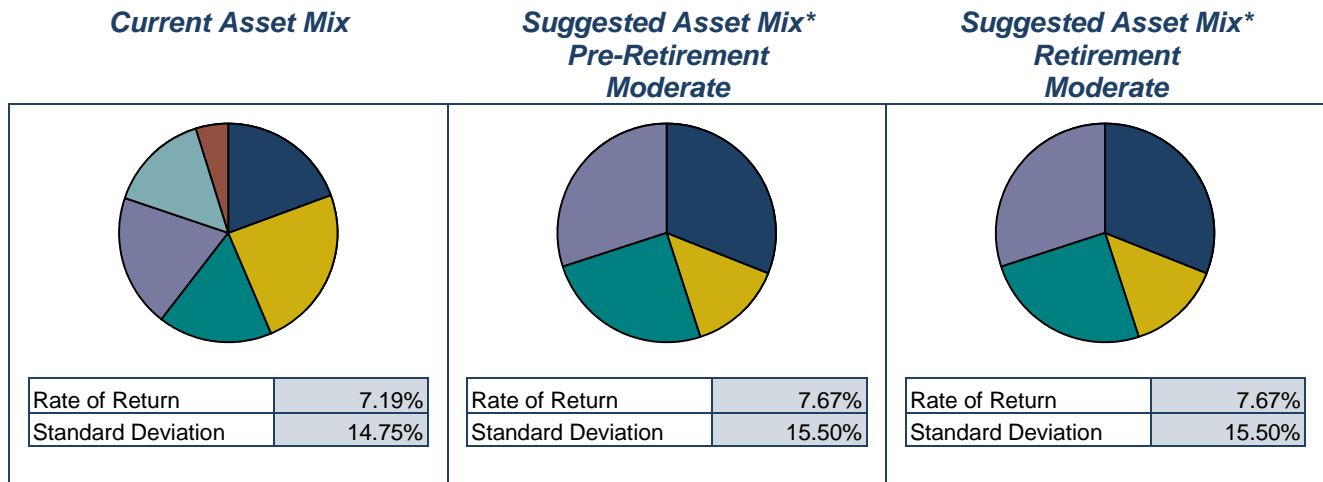
- Use registered plans such as RRSPs and employer superannuation plans to defer taxes.
- Consider non-registered investments that generate tax-preferred returns from dividends or capital gains.
- Charitable contributions, debt structure and asset transfers (college fund to children, for example) can also affect your income tax payable.
- Contributions to TFSAs are not tax deductible, but the resulting income generated by them (in the form of investment income or capital gains for example), are tax free, including funds withdrawn from the TFSA.

We should discuss which, if any, of these strategies would be most appropriate for your situation.

Asset Allocation

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.



*Modifications have been made to the suggested asset mix; please see the **Asset Allocation Modifications** page at the end of this client report for details.

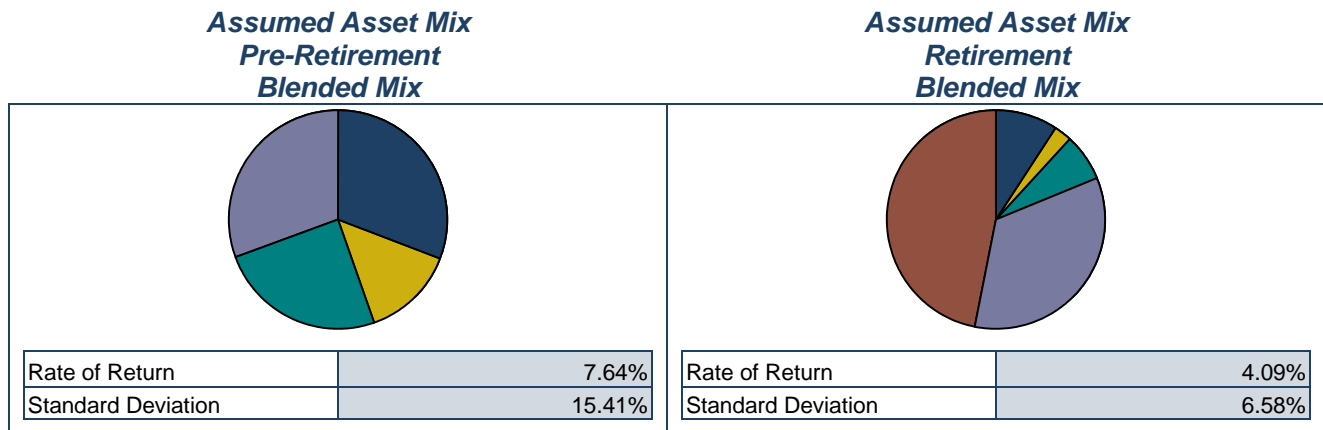
Asset Class	Current Asset Mix		Suggested Asset Mix Pre-Retirement		Suggested Asset Mix Retirement
	(%)	(\$)	(%)	(\$)	(%)
Large Cap Equity	19.4	95,600	30.8	151,606	9.2
Small Cap Equity	24.2	119,300	13.8	68,203	2.6
International Equity	16.9	83,200	24.8	122,270	7.0
High-yield Bonds	19.7	97,200	30.6	150,921	34.3
Intermediate Bonds	15.0	73,800			
Cash	4.8	23,900			46.9
Total	100.0	493,000	100.0	493,000	100.0

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.

Please see the **Asset Allocation Modifications** page at the end of this client report for details on the assumed asset mix.



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

Asset Class	Current Asset Mix		Change		Assumed Asset Mix Pre-Retirement		Assumed Asset Mix Retirement
	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Large Cap Equity	19.4	95,600	+11.4	+56,030	30.8	151,630	8.7
Small Cap Equity	24.2	119,300	-10.4	-51,080	13.8	68,220	2.3
International Equity	16.9	83,200	+7.9	+39,090	24.8	122,290	6.6
High-yield Bonds	19.7	97,200	+10.9	+53,660	30.6	150,860	34.4
Intermediate Bonds	15.0	73,800	-15.0	-73,800			
Cash	4.8	23,900	-4.8	-23,900			47.9
Total	100.0	493,000	+0.0	+0	100.0	493,000	100.0

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

Consider the following:

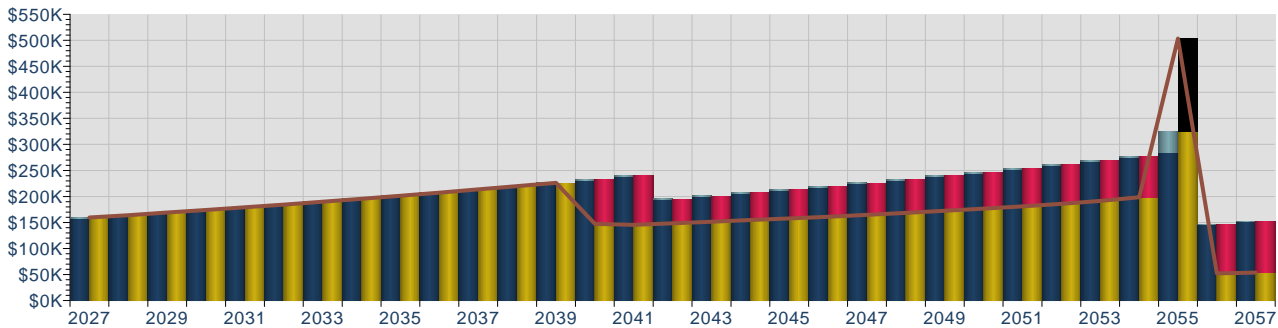
- Consider the income tax implications of selling non-registered investments such as stocks that have grown significantly. You may wish to reallocate this type of asset over time.
- Direct future investment contributions to the appropriate asset allocation.
- Rebalance your portfolio on a regular basis. Some investments grow at a faster rate than others causing an imbalance in your portfolio.
- Consider the timing of each objective. For example, volatile equity (stock) investments are not usually suitable for goals that are short-term in nature (less than five years).

Retirement

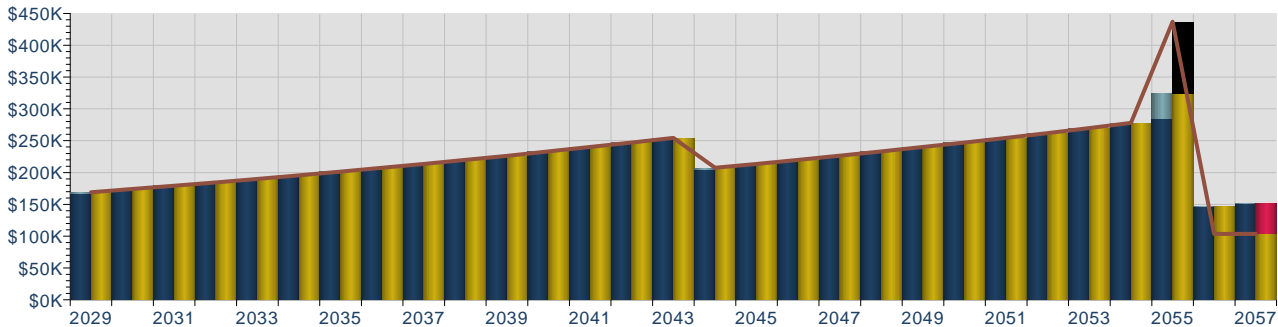
The following graphs illustrate your projected needs vs. abilities during retirement. The top graph displays your current financial situation without additional savings, with a rate of return of **7.16%**. The bottom graph displays your proposed situation, with a rate of return of **7.67%** during pre-retirement years and **3.89%** during retirement. Note: The graphs and table below may incorporate information from other goals that occur during your retirement period.

Retirement Needs Vs. Abilities

Current Plan



Proposed Plan



■ Retirement Needs	■ Ability to Cover Needs	■ Surplus
■ Other Needs	■ Shortfall	— After-Tax Cash Inflow

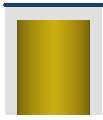
Financial Objectives	Current	Proposed
Stuart's Retirement Age/Year	62 / 2027	64 / 2029
Stuart's Life Expectancy	90 / 2055	90 / 2055
Kate's Retirement Age/Year	60 / 2027	62 / 2029
Kate's Life Expectancy	90 / 2057	90 / 2057
Annual Needs at Retirement, in today's dollars	\$95,000	\$95,000
Inflation Rate	3.00%	3.00%
Return Rate: Pre-Retirement	7.16%	7.67%
Return Rate: Retirement	7.16%	3.89%
Available Assets	\$494,896	\$507,307
Assumed Monthly Savings	\$1,421	\$3,294
Required Additional Monthly Savings	\$840	\$0
Required Additional Lump Sum Savings	\$111,328	\$0

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

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

Retirement - Current Plan

*86%



This scenario covers 86% of the desired Retirement goal objectives.

In the *Current Plan*, Stuart and Kate can only cover 86% of their retirement goal. Without changes to their plan, they will likely have unmet needs throughout retirement.

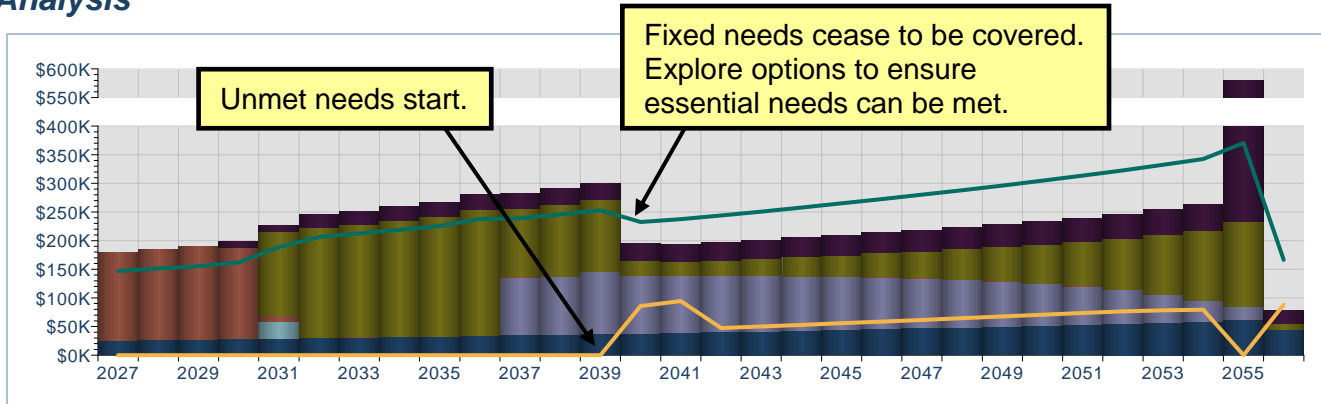
* This value indicates the percentage of your total retirement needs that can be covered by your total retirement resources during your retirement time period.

Assumptions

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

	Stuart	Kate
Retirement Age/Year	62 / 2027	60 / 2027
Life Expectancy	90 / 2055	90 / 2057
Desired Fixed Expenses Covered		100%
Desired Discretionary Expenses Covered		100%
Annual Inflation Rate		3.00%
Rate of Return pre retirement		7.16%
Rate of Return retirement		7.27%
Current Monthly Savings		
Non-Registered		\$400
RRSP	\$0	\$300
RRSP Spousal	\$0	\$0
TFSA	\$0	\$0

Analysis

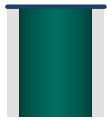


■ CPP	■ Minimum Payments	■ Additional Registered Distributions	— Shortfall
■ Pensions	■ TFSA Distributions	■ Other Inflows	— Fixed Needs
■ Earned Income	■ Non-Registered Distributions	■ Previous Year Surplus Used	

- Net Worth at Retirement: \$2,562,884
- Net Worth at Death: (\$63,601)
- Year Capital Exhausted: Never
- % Fixed Needs Covered by Total Resources: 94%
- % Total Needs Covered by Total Resources: 84%

Retirement - Retire later with Conservative portfolio & savings (Recommended)

*100%



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

In the *Proposed Plan*, which includes additional assumptions and strategies, Stuart and Kate 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.

Assumptions

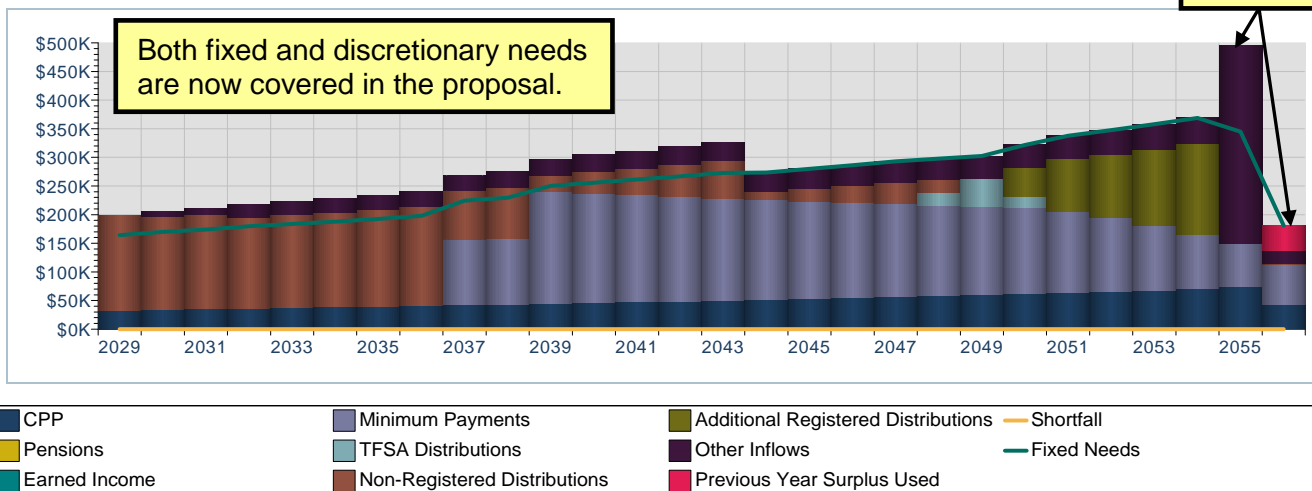
The following table details the key assumptions used in the generation of this scenario:

	Stuart	Kate
Retirement Age/Year	64 / 2029	62 / 2029
Life Expectancy	90 / 2055	90 / 2057
Desired Fixed Expenses Covered		100%
Desired Discretionary Expenses Covered		100%
Additional Lump-Sum Savings		\$0
Annual Inflation Rate		3.00%
Rate of Return pre retirement		7.67%
Rate of Return retirement		3.89%
Current Monthly Savings		
Non-Registered		\$400
RRSP	\$0	\$300
RRSP Spousal	\$0	\$0
TFSA	\$0	\$0
Additional Monthly Savings (indexed at 0.00% starting January 1, 2010)		
Non-Registered		\$1,873
RRSP	\$0	\$0
RRSP Spousal	\$0	\$0
TFSA	\$0	\$0

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

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

Analysis



- Net Worth at Retirement: \$3,930,817
- Net Worth at Death: \$1,476,999
- Year Capital Exhausted: Never
- % Fixed Needs Covered by Total Resources: 100%
- % Total Needs Covered by Total Resources: 100%

In contrast to fixed needs, which focus primarily on the clients' retirement and insurance goals, total needs focus on all of the clients' goals and all taxes.

In plans where the % *Fixed Needs Covered by Total Resources* is less than 100%, without additional resources (such as additional savings), the clients may have unmet needs in retirement or in the event of death, some needs of the survivors may go unmet.

Emily's education

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

Description	Member	Current Age	Education Starts at	Estimated Costs/yr	Years Of Education	Index Rate	Est. Actual Cost
Emily's education	Emily	9	18	\$9,000	4	5.00%	\$60,178

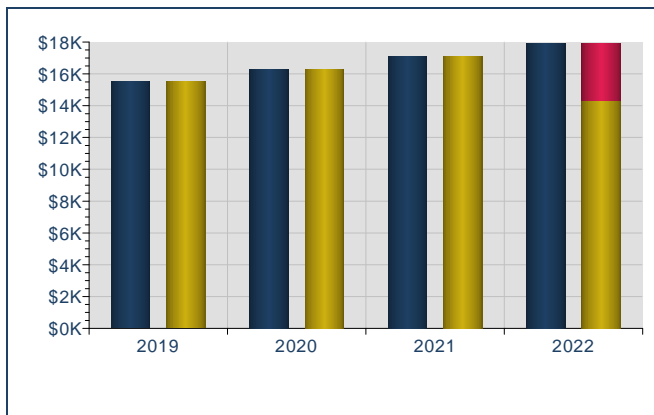
*The index rate refers to the inflation rate of the individual education goals.

The graphs below illustrate your education scenarios. The graph on the left displays your current education needs vs. abilities, without additional savings and a rate of return of **7.10%**. The graph on the right displays your proposed education needs vs. abilities, and a rate of return of **5.73%**.

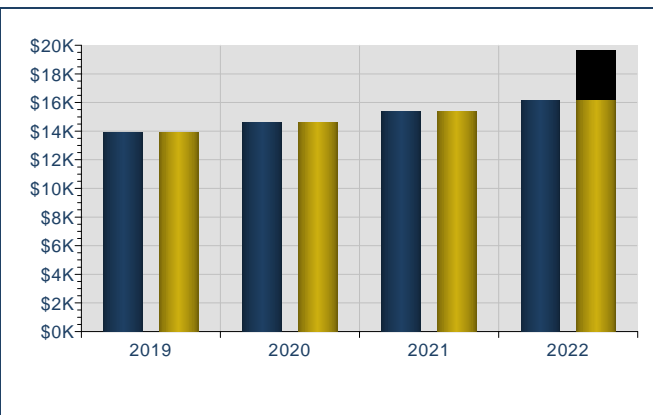
In the *Current Plan*, Stuart and Kate are unable to meet their goal of providing Emily with a four year university education, as shortfalls start in year four.

Education Needs Vs. Abilities

Current Plan



Proposed Plan



Desired Needs
 Ability to Cover Needs
 Shortfall
 Surplus

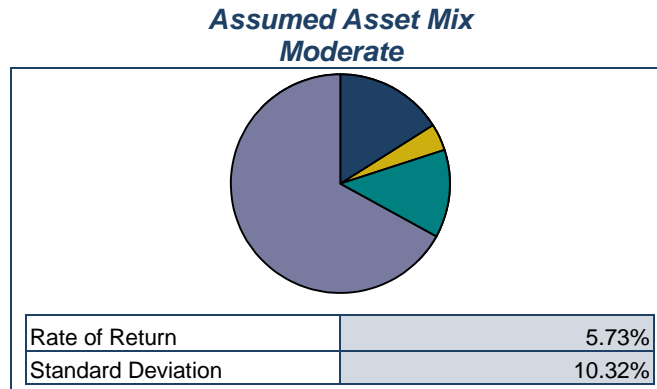
	Assumed		Required Additional		Rate of Return
	Available Assets	Monthly Savings	Monthly Savings	Lump Sum	
Current Plan	\$8,000	\$200	\$18	\$1,952	7.10%
Proposed Plan	\$8,000	\$228	\$0	\$0	5.73%

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

Assumed Asset Allocation for Education

This pie graph illustrates the Assumed asset mix for your education goal and will be used for the proposed plan.

Please see the **Asset Allocation Modifications** page at the end of this client report for details on the assumed asset mix.



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

Asset Class	Current Asset Mix		Change		Assumed Asset Mix	
	(%)	(\$)	(%)	(\$)	(%)	(\$)
Large Cap Equity	20.0	1,600	-4.0	-320	16.0	1,280
Small Cap Equity	20.0	1,600	-16.0	-1,280	4.0	320
International Equity	20.0	1,600	-7.0	-560	13.0	1,040
High-yield Bonds	20.0	1,600	+47.0	+3,760	67.0	5,360
Intermediate Bonds	15.0	1,200	-15.0	-1,200		
Cash	5.0	400	-5.0	-400		
Total	100.0	8,000	+0.0	+0	100.0	8,000

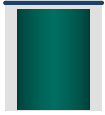
Modifications required to the current portfolio to arrive at the asset mix in the suggested portfolio.

Consider the following:

- Determine realistic values for tuition and related post-secondary education expenses.
- Factor the effects of inflation into your plan, keeping in mind that historically post-secondary education costs have increased at a significantly higher rate than inflation overall.
- Where possible, take advantage of a Registered Education Savings Plan (RESPs). The government will match up to 20% of the contribution within certain limits.
- Begin saving for your children's education as early as possible.
- Consider using a TFSA to complement an RESP.

Emily's education - Current Plan

*94%



This scenario covers 94% of the desired Emily's education goal objectives.

In the *Current Plan*, Stuart and Kate are unable to meet their goal of providing Emily with a four year university education as they are only able to cover 94% of the goal.

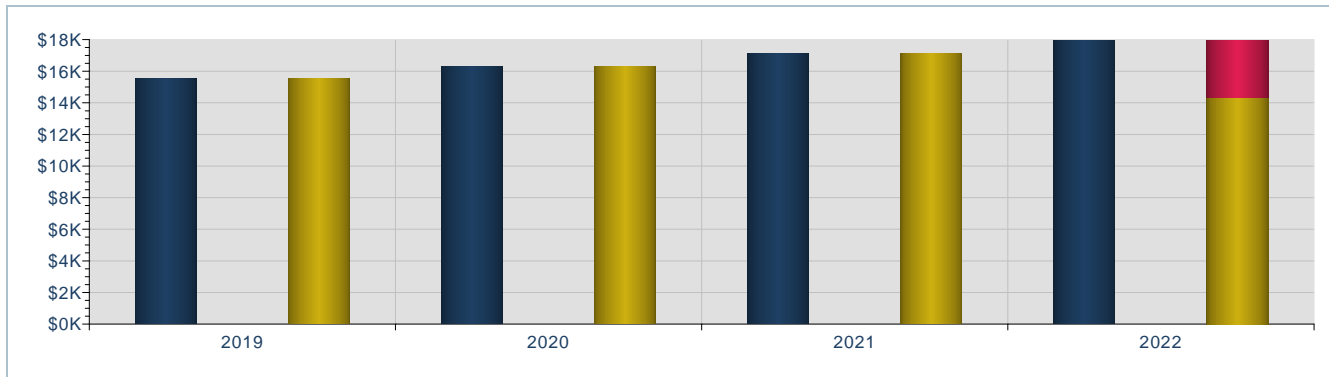
*This represents your total education needs covered by your total education resources during the education period.

Assumptions

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

Desired Expenses Covered (Annual Goal Amount)	100% (\$15,513)
Start Year (Duration)	2019 (4 years)
Current Monthly Savings	\$200
Index Rate	5.00%
Rate of Return	7.10%

Analysis



■ Desired Needs	■ Ability to Cover Needs	■ Shortfall	■ Surplus
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- Capital at Start of Goal: \$50,762
- Capital at End of Goal: \$0
- Year Capital Exhausted: 2022

The pink bars show that without implementing additional strategies such as allocating additional accounts or increasing savings, Stuart and Kate's goal of providing Emily with a four year university education will have to be reduced.

Emily's education - Cover 90% of Education costs & savings (Recommended)

*100%

This scenario covers 100% of the desired Emily'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.

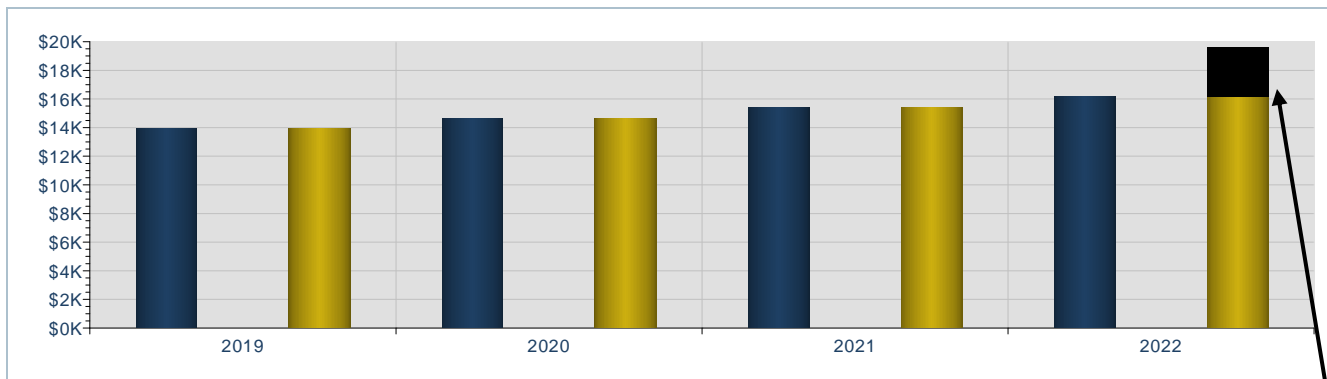
Assumptions

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

Desired Expenses Covered (Annual Goal Amount)	90% (\$13,962)
Start Year (Duration)	2019 (4 years)
Additional Lump-Sum Savings	\$0
Current Monthly Savings	\$200
Additional Monthly Savings	\$28
Additional Monthly Savings indexed at	0.00%
Additional Monthly Savings Start Date	January 1, 2010
Index Rate	5.00%
Investment Objective (ROR)	Moderate Conservative (5.73%)

Discuss key assumptions used to achieve the education goal.

Analysis



Desired Needs	Ability to Cover Needs	Shortfall	Surplus
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- Capital at Start of Goal: \$50,676
- Capital at End of Goal: \$3,445
- Year Capital Exhausted: Never

When an account balance remains at the end of a goal, depending on the account type and/or ownership, the balance may be directed towards another goal or the residual may be used by NaviPlan to fund the retirement goal.

Monte Carlo Analysis Assumptions

The following information lists the key points and assumptions used during the evaluation of your financial plan.

Assumptions	
Life Expectancy Randomized	No
Force Full Deficit Coverage	No
Retirement Goal Success Tolerance	(\$10,000)
Education Goals Success Tolerance	(\$500)
Major Purchase Goals Success Tolerance	(\$500)
Number of Projections	150

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

Life Expectancy is **not** randomized. All projections will end at Stuart and Kate's planned deceased age.

Full Deficit Coverage is not active for the plan. This means that in the analysis, assets are not redeemed to cover periodic expenses and taxes during pre-retirement. This may understate your success if investment income is automatically reinvested, as taxes may be due on this income.

The **Goal Success Tolerance** is the amount that the educational or major purchase goal(s) can be under funded in any trial and still be considered successful.

The **Number of Projections** is the number of iterations (trials) of your financial plan that the software projects using random rates of return and/or life expectancy.

Rate of Return Randomization

A random number was generated to determine a rate of return based on the standard deviation* shared by all of your accounts. This calculation is repeated for every account in the plan.

This process is repeated with a different random number for every projection.

*The assumption is that all returns are normally distributed. This means that approximately 67% of the results are within one standard deviation above or below the *Rate of Return* and approximately 95% of the results are within two standard deviations.

The table below lists the asset classes and standard deviations that are used in this analysis.

Asset Class	Interest	Dividends	Capital Gains	Tax Free	Deferred Growth	Total	Standard Deviation
Large Cap Equity	0.00%	2.00%	2.00%	0.00%	4.20%	8.20%	14.60%
Small Cap Equity	0.00%	1.60%	3.50%	0.00%	5.80%	10.90%	26.00%
International Equity	0.00%	1.50%	3.70%	0.00%	4.30%	9.50%	22.00%
High-yield Bonds	4.10%	0.00%	0.00%	0.00%	0.00%	4.10%	6.10%
Intermediate Bonds	3.00%	0.00%	0.00%	0.00%	0.00%	3.00%	4.10%
Cash	2.10%	0.00%	0.00%	0.00%	0.00%	2.10%	2.00%

Please Note...

The results of each projection will vary with each use and over time.

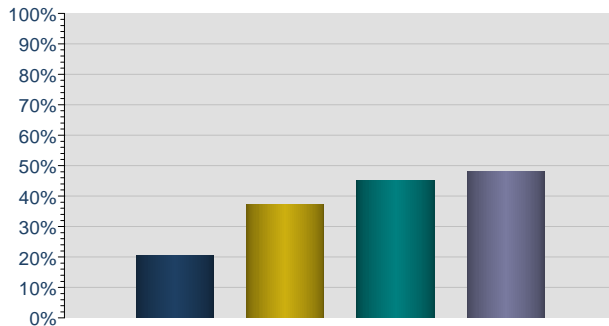
IMPORTANT: The projections or other information generated by Monte Carlo Simulation regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

Monte Carlo Analysis

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 financial 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.

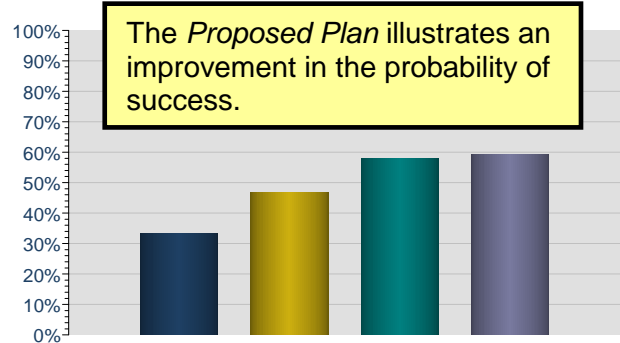
The following graphs and tables summarize the probability of the success of each of your goals:

Current Plan



All Goals - 20.67%	Emily's education - 45.33%
Retirement Goal - 37.33%	European Vacation - 48.00%

Proposed Plan



All Goals - 33.33%	Emily's education - 58.00%
Retirement Goal - 46.67%	European Vacation - 59.33%

Current Plan

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
All Goals	20.67%			
Retirement Goal	37.33%	(\$2,468,837)	(\$446,358)	\$6,751,992
Emily's education	45.33%	\$43,211	\$64,168	\$93,224
European Vacation	48.00%	\$18,604	\$27,823	\$40,379

Proposed Plan

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
All Goals	33.33%			
Retirement Goal	46.67%	(\$1,819,147)	\$46,468	\$6,904,113
Emily's education	58.00%	\$50,328	\$63,081	\$80,705
European Vacation	59.33%	\$22,005	\$32,717	\$44,616

Consider the following:

- Do your investments provide you with sufficient cash flow over the entire planning horizon?
- Do large holdings of non-income-producing real estate need to be liquidated at some point during your lifetime?
- Do you have adequate investments to cover shorter-term objectives such as children's education and major purchase and expense items?
- Is the level of risk for your investments appropriate? Could you satisfy your financial objectives with a lower level of risk?
- Comparing plans with two different risk profiles allows you and your advisor to analyze the relative success of the two plans.

Disability Insurance - Stuart

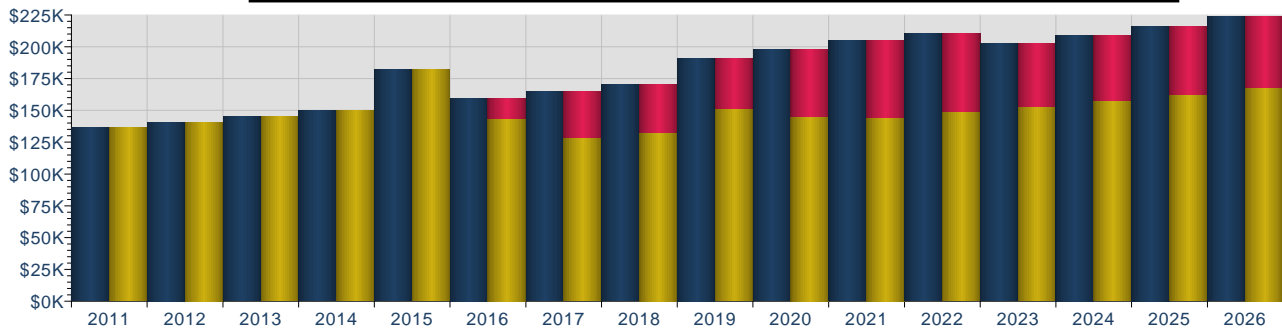
Disability insurance is designed to protect you against lost earning power due to a disability. Disability policies generally provide benefits that replace a portion of your earned income, usually 50%–70%. A short-term disability (STD) policy generally provides benefits from six months to two years, following a short waiting period. A long-term disability (LTD) policy generally provides benefits until the insured reaches an age specified in the contract, or for the insured's lifetime. For both types, benefits end when the disability ends. You should have enough disability insurance to maintain your living standard at an acceptable level if you are no longer able to work due to a disabling injury or illness.

The following graphs provide an analysis of each of the years in your disability coverage situation. The top graph displays your current disability needs vs. abilities without additional savings. The bottom graph displays your proposed attainable goal.

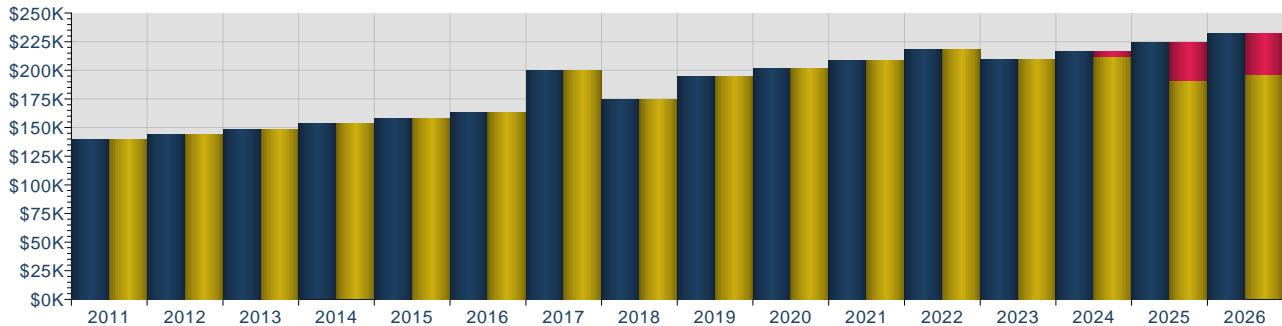
Disability Needs Vs. Abilities

Current Plan

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



Proposed Plan



Disability Insurance Assumptions

In the event that Stuart becomes disabled, you have requested that 100% of your current lifestyle expenses be covered. You would like to maintain the level of surplus cash that would normally be available if Stuart had not become disabled. Also, 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.

Life Insurance - Stuart

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 dependants. 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 probate 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.

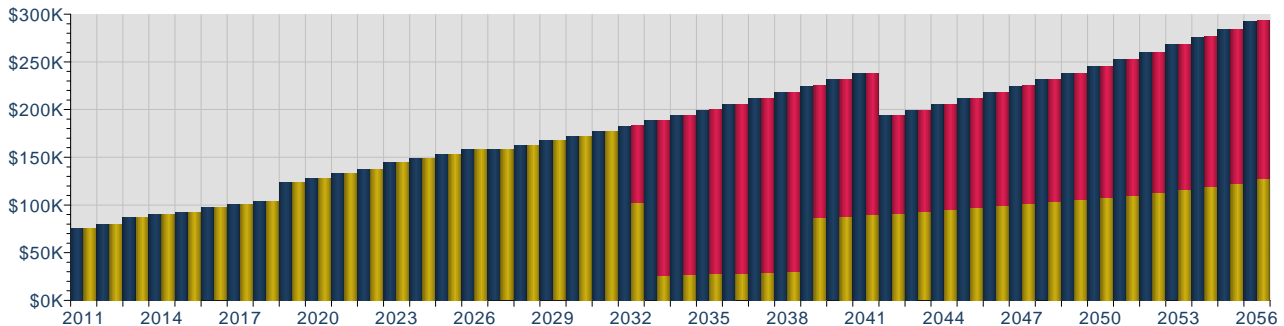
In the event of Stuart's death, you want to ensure Kate has enough income and capital to cover both the family's expenses and any investment plans needed to fund your goals.

To achieve survivor needs, Stuart requires \$412,826 in additional life insurance, with a rate of return of 7.00%.

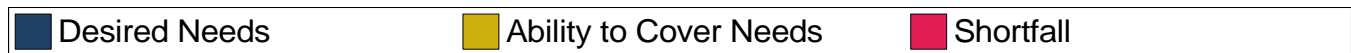
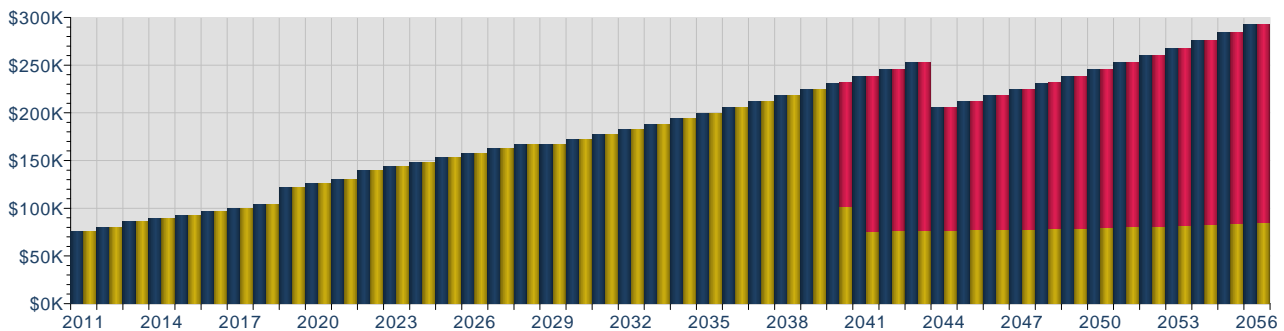
Without additional resources, likely additional life insurance, the needs of Stuart's survivors (represented by the pink bars) may go unmet in the event of his death.

Life Insurance Needs Vs. Abilities

Current Plan



Proposed Plan



The following report provides an overview of your life insurance if Stuart were to die at the end of this year (2010), using assumptions from the Proposed Plan.

Lump sum needs include final expenses and other needs at death. Capital needed to meet cash flow deficits is the lump sum you would require to meet your survivor's needs for their expected lifetime, or the estate needs to provide for your children.

Life Insurance Summary

	Stuart
Existing Life Insurance Coverage	\$300,000
Immediate Capital Needs	
Burial expense	\$10,000
Mortgage	\$146,148
Car Loans	\$7,968
Pre-Death Cash Flow Deficit	\$7,307
Existing Resources to meet Immediate Needs	
Life Insurance Proceeds	(\$168,923)
Death Benefit from CPP / QPP	(\$2,500)
Additional Coverage for Immediate Needs	\$0
Capital needed to meet future cash flow shortfalls	\$541,402
Life Insurance Proceeds	(\$128,577)
Reinvested Surplus	\$0
Additional Coverage for Future Shortfalls	\$412,826
Additional Recommended Coverage	\$412,826

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

Consider the following:

- Ask yourself what expenses would change if you were to die tomorrow.
- Review your coverage periodically to ensure it continues to meet your family's changing needs.
- Review group coverage at work. You may not want to rely only on group policies, in case you change jobs, or your employer changes to another insurer where you may no longer be eligible. The amount of coverage may also be inadequate.
- It is also important to consider continued savings to fund other financial goals.

Conclusion

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

1. **Review this document** and ensure you understand the information contained in the report. In particular, review the Action Plan section. 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** on a regular basis, generally once a year. In addition, review it whenever a major change occurs in your family like 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 financial plan 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 **Base Plan**.

General Information

Detail	Stuart	Kate
Birth Date	Jan 1 1965	Jan 1 1967
Proposed Retirement Date	Jan 2027	Jan 2027
Life Expectancy	Dec 2055	Dec 2057
CPP/QPP Benefits start on	Jan 2027	Feb 2027
OAS Benefits start on	Feb 2030	Feb 2032
Qualify for % of Max. CPP/QPP Benefits	100%	100%
Qualify for % of OAS Benefits	100%	100%
Earned Income (2009)	\$65,000	\$65,000
Pension Adjustment (2009)	\$0	\$3,000
Unused RRSP Deduction Room	\$45,000	\$20,000
Pre-Retirement Tax Rates		
Average Tax Rate	24.68%	24.68%
Marginal Tax Rate	40.32%	40.32%
Retirement Tax Rates		
Average Tax Rate	24.68%	24.68%
Marginal Tax Rate	40.32%	40.32%
Year of Death Tax Rates		
Average Tax Rate	35.44%	35.44%
Marginal Tax Rate	47.32%	47.32%

Tax Options

The option "**Joint Election to Split Pension Income**" was selected. By selecting this option both clients have agreed to split their pension income for tax purposes.

Assumptions

Detail	
Inflation Rate	3.00%
Tax Filing Status-Stuart	Married
Tax Filing Status-Kate	Married

Estate Assumptions

Detail	Stuart	Kate
Is there a will?	No	No
Where are the wills kept?		

Dependants

Name	Birth Date	Age as of Plan		Dependant of
		Date		
Emily	Jan 1 2001	9		Stuart and Kate

Family Information

Client	
Name	Stuart Blake
Date of Birth	Jan 1 1965
Gender	Male
Address	123 Orchid Street Toronto, Ontario M1A 2B3 Canada
Citizenship	Canada
Name	Kate Blake
Date of Birth	Jan 1 1967
Gender	Female
Address	123 Orchid Street Toronto, Ontario M1A 2B3 Canada
Citizenship	Canada

Dependants	
Name	Emily Blake
Date of Birth	Jan 1 2001
Gender	Female
Address	123 Orchid Street Toronto, Ontario M1A 2B3 Canada
Dependant of	Stuart and Kate

Professional Advisors

Type	Name	Business Phone		Cell Phone #
		#		
Advisor	Janet Lerner	(905) 222-1234		(905) 204-1234

Regular Income

Income Source	Member	Applicable	Amount	Indexed
Annual Income	Stuart	Jan 1 2010 to Dec 31 2026	\$70,000/year	Inflation
Annual Income	Kate	Jan 1 2010 to Dec 31 2026	\$70,000/year	Inflation

Regular Expenses

Expense	Member	Applicable	Amount	Indexed	Fixed Expense
Housing (e.g. utilities, repairs)	Joint	Jan 1 2010 to Dec 31 2026	\$3,000/month	Inflation	Yes
Retirement goal expense	Joint	Jan 1 2027 to Dec 31 2057	\$75,000/year	Inflation	Yes
Ongoing Expenses	Emily	Not applicable	\$50,000/year	Inflation	No
Travel expense	Joint	Jan 1 2027 to Dec 31 2041	\$20,000/year	Inflation	No

Important: The projections or other information generated by NaviPlan® version 11.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. The projections utilize return data that do not include fees or operating expenses, are not available for investment, and are shown for illustrative purposes only. If included, fees and other operating expenses would materially reduce these projections. See the Disclaimers section at the beginning of this document for more information.

Lump Sum Expenses

Expense	Member	Applicable	Amount	Indexed	Fixed Expense
*Income already represented in valuation date market values	Stuart	Jan 1 2010	\$1,142	No	Yes
Lump Sum Need	Kate	Dec 31 2057 (Kate's Deceased Date)	\$150,000	Inflation	No
European Vacation	Joint	Dec 1 2015	\$25,000	Inflation	No
Critical Illness Expense	Stuart	Never (Stuart's Critical Illness Date)	\$50,000	Inflation	Yes
Critical Illness Expense	Kate	Never (Kate's Critical Illness Date)	\$50,000	Inflation	Yes
Burial expense	Stuart	Dec 31 2055 (Stuart's Deceased Date)	\$10,000	Inflation	No
Burial expense	Kate	Dec 31 2057 (Kate's Deceased Date)	\$10,000	Inflation	No

Lifestyle Assets

Asset Name	Purchase Date	Purchase Amount	Market Value Date	Market Value	Growth Rate ¹	Standard Deviation
Listed Personal Property (Joint/Lifestyle)	Dec 31 2009	\$10,000	Jan 1 2010	\$10,000	2.0%	0.0%
Personal Use Property (Joint/Lifestyle)	Dec 31 2009	\$75,000	Jan 1 2010	\$75,000	2.0%	0.0%
Residence (Joint/Lifestyle)	Jan 1 2001	\$200,000	Jan 1 2010	\$250,000	2.0%	0.0%

¹The growth rate is a pre-tax amount

Portfolio Assets

Asset Name	Market Value Date	Market Value	Cost Base	Int. (%)	Div. (%)	Cap. Gain (%)	Def. Growth (%)	Std. Dev. (%)	Total (%)
20% of Joint account(Non-Reg.)	Jan 1 2010	\$13,000	\$12,500	0.65	1.36	2.51	3.82	17.54	8.34
Balance of Joint account(Non-Reg.)	Jan 1 2010	\$52,000	\$50,000	0.65	1.36	2.51	3.82	17.54	8.34
Savings account (Joint/Non-Reg.)	Jan 1 2010	\$10,000	\$9,800	2.10	0.00	0.00	0.00	2.00	2.10
Stuart's account(Non-Reg.)	Jul 13 2010	\$75,000	\$70,000	1.49	0.97	1.72	2.71	13.22	6.90
Defined Contribution Account (Stuart/RPP - money purchase)	Jan 1 2010	\$100,000	\$0	1.33	1.06	1.80	2.94	13.81	7.13
Emily's RESP (Stuart)	Jan 1 2010	\$8,000	\$7,000	0.00	0.00	0.00	7.10	13.84	7.10
Kate's RRSP	Jan 1 2010	\$125,000	\$0	1.38	1.03	1.82	2.87	13.81	7.10
Kate's TFSA	Jan 1 2010	\$4,000	\$4,000	2.34	0.60	0.60	1.26	6.41	4.80
Stuart's LIRA(LIRA/Locked-in RRSP)	Jan 1 2010	\$10,000	\$0	1.63	0.93	1.73	2.72	13.51	7.01
Stuart's RRSP	Jan 1 2010	\$100,000	\$0	1.60	0.88	1.79	2.84	14.21	7.10
Stuart's TFSA	Jan 1 2010	\$6,000	\$6,000	2.34	0.60	0.60	1.26	6.41	4.80

The *Portfolio Asset* includes your major investment assets. It supplies the market value and cost basis of these assets. Your total pretax growth rate is broken down into specific return rate types, as some of these items receive special tax treatment. Interest is taxed as ordinary income at the marginal tax rate. Dividends are taxed at a net rate that is about 30% less than the marginal tax rate, while capital gains are taxed at one-half the marginal tax rate. Income from the deferred growth component is not subject to tax until the asset is sold and is usually taxed as a capital gain. Tax-free returns are not subject to regular income tax. The actual total return rates that you will receive will depend on many factors, including inflation, type of investment, market conditions and investment performance.

Life Insurance Policies

Description:	Life Insurance		
Policy Type:	Term 10 Life	Owner:	Stuart
Effective Date:	Dec 31 2009	Insured:	Stuart
Death Benefit:	\$300,000	Beneficiary:	Kate
Cash Surrender Value (CSV):	\$0	Premium Payer:	Stuart
Premiums cease on:	Never	Annual Premium	\$1,200
		Payments:	
CSV payable with Death Benefit:	No	Coverage ceases on:	Never
Death Benefit payable when coverage ceases:	No	Disability Waiver:	Yes

Disability Insurance Policies

Description:	Group LTD		
Policy Type:	Group LTD	Insured:	Stuart
		Effective Date:	Dec 31 2009
Benefits are \$3,900/month (tax-free) .			
Benefits begin after 3 months and are paid until age 65 .			
Premiums are \$25/month and end on Dec 31 2026 .			

Liabilities

Liability Name	Liability Date	End Date	Original Principal	Current Principal	Int. Rate	Payment Type
Mortgage	Dec 31 2009	Jan 14 2023	\$150,000	\$153,749	7.000%	Principal & Interest
Car Loans	Dec 31 2009	Jul 12 2110	\$10,000	\$11,954	8.000%	Principal & Interest

Education Expenses

Emily's education

Expenses

Member	Start Date	End Date	Annual Amount
Emily	Jan 1 2019	Dec 31 2022	\$10,000

Expenses Indexed by Inflation: Yes + 2.00%

Assets Allocated to Education Expenses

Asset Name	Market Value Date	Market Value	Growth Rate
Emily's RESP (Stuart)	Jan 1 2010	\$8,000.00	7.10%

Emergency Expenses

Expense	Amount	Index Rate
Emergency Fund	\$15,495	N/A

Assets Allocated to Emergency Expenses

Asset Name	Market Value Date	Market Value	Growth Rate
Savings account (Joint/Non-Reg.)	Jan 1 2010	\$10,000.00	2.10%

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Delivery Acknowledgement

We, Stuart and Kate Blake, 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 projections are included simply as a tool for decision-making and do not represent a forecast of our financial future. This plan 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.

Stuart Blake

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

Kate Blake

Date:

Please Note...

This plan 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 projections. It is possible that these variations may be material. The degree of uncertainty normally increases with the length of the future period covered.

***For details on reports, calculations, and useful tips for interpreting results refer to the NaviPlan functional documentation, accessible from within NaviPlan Standard by clicking the Help button and then selecting *Additional NaviPlan Standard Resources* from the menu. ***