



NaviPlan

Preliminary Analysis

PREPARED EXCLUSIVELY FOR

Steven and Heather Field

Burlington, Ontario

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Introduction

Congratulations Steven and Heather, you have taken the most important step in the financial planning process – getting started! Many people believe that financial planning is only for a very small number of very wealthy families. This is not true. All households need to manage their financial resources carefully.

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 the anxiety relating to our personal financial circumstances. Also, 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!

Let us think a moment about a simple short-term goal. Would you go on a vacation without doing some basic planning – where you want to go, how you're going to get there, how much money you need, what items you should pack?

Even with the best of efforts in preparing your vacation, you will have to make adjustments along the way.

Financial planning is no different. 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 these goals as they occur
- reduce the effect of unexpected events, such as disability, premature death, etc.

What is financial planning?

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

The steps in preparing a professional financial plan include the following:

1. Identify and prioritize financial objectives such as retirement, children's education, risk management, etc.
2. Gather data and analyze your current financial affairs.
3. Prepare, analyze and compare financial alternatives.
4. Develop a plan including personal, recommended strategies to achieve your goals.
5. Identify action steps necessary to implement the plan.
6. Establish specific dates to monitor, review, and update your plan.

Setting goals and analyzing your current financial position helps set the course on your financial journey. This report addresses these initial steps in the financial planning process, and shows the projected outcome of your financial plan if you maintain the status quo. These outcomes may or may not be attainable based on your financial resources. This report will help you and your advisor prioritize your goals.

Current Financial Position

Your current financial position is a key factor in your financial plan. You need to know where you are today before you begin your financial journey to where you would like to be.

Your net worth statement provides a snapshot that lists the assets you currently own and the debts that you owe. Your net worth is represented by the difference between these two values. In theory, if you sold all your assets and paid off your debts, this is the amount you would have left over before taxes.

Please review these numbers to ensure that we have all of your assets and debts accurately and completely represented.

Net Worth Statement

As of January 1, 2010

	Steven	Heather	Joint	Total
Non-Registered Assets				
Cash Account			3,177	3,177
In trust for Paige			19,104	19,104
Joint Mutual Fund			87,596	87,596
Money Market Fund	15,201			15,201
Total Non-Registered Assets	15,201		109,877	125,078
Registered Assets				
Steven's RRSP	201,350			201,350
Steven's Defined Contribution Pension	34,588			34,588
Steven's Locked-In RRSP	41,843			41,843
Heather's RRSP		104,575		104,575
Paige's RESP		1,289		1,289
Total Registered Assets	277,782	105,864		383,645
Lifestyle Assets				
Steven & Heather's House			351,498	351,498
Total Lifestyle Assets			351,498	351,498
Life Insurance Cash Value				
Life Insurance	10,000			10,000
Total Life Insurance Cash Value	10,000			10,000
Total Assets	302,983	198,776	461,375	963,133
Liabilities				
Mortgage			(142,099)	(142,099)
Total Liabilities			(142,099)	(142,099)
Cash Flow Surplus	0	92,912	0	92,912
Total Net Worth	302,983	198,776	319,276	821,034

The following cash flow report outlines your current sources of income and expenses. Your income includes your employment income, investment income and other sources. Your expenses include your day-to-day expenses, debt payments including your mortgage, your current investment contributions and insurance premiums. If you have accurately provided a list of all these items, this report will give you an indication of how much money you currently have available to allocate towards your financial objectives. Please review this report to ensure we have accounted for all your income sources and expenses.

Cash Flow Details

For the year 2010

	2010
Cash Inflows	
Employment Inflows:	
Employment Salary (Steven)	65,613
Employment Salary (Heather)	120,343
Total Employment Inflows:	185,956
Investment Inflows:	
Money Market Fund (Steven/Non-Reg.)	456
Cash Account (Joint/Non-Reg.)	3,177
In trust for Paige (Joint/Non-Reg.)	19,142
Joint Mutual Fund(Non-Reg.)	2,895
* Suggested Mix for Paige's Post-Secondary Education (Joint/Non-Reg.)	540
* Suggested Mix for Trip to Australia and Far East (Joint/Non-Reg.)	105
Total Investment Inflows:	26,315
Total Cash Inflows	212,271
Cash Outflows	
Lifestyle Expenses	
Living Expenses (Steven)	68,406
Vacation (Steven)	6,334
Mortgage (Joint)	14,805
Total Lifestyle Expenses	89,545
Employment/Business Expenses	
Employment Insurance premiums (Steven)	747
Employment Insurance premiums (Heather)	747
Total Employment/Business Expenses	1,495
Non-Registered Contributions and Reinvestments	
Money Market Fund (Steven/Non-Reg.)	456
In trust for Paige (Joint/Non-Reg.)	1,238
Joint Mutual Fund(Non-Reg.)	2,895
* Suggested Mix for Paige's Post-Secondary Education (Joint/Non-Reg.)	19,644
* Suggested Mix for Trip to Australia and Far East (Joint/Non-Reg.)	3,282
Total Non-Registered Contributions and Reinvestments	27,515
Registered Contributions	
CPP/QPP contrib. - employment (Steven)	2,163
Steven's RRSP	2,400
Steven's Defined Contribution Pension(RPP - money purchase)	1,200
CPP/QPP contrib. - employment (Heather)	2,163
Heather's RRSP	1,200
Total Registered Contributions	9,126
Miscellaneous Expenses	

	2010
Life Insurance (Steven)	120
Heather's Group LTD (Heather)	762
Heather's Group STD (Heather)	305
Total Miscellaneous Expenses	1,187
Taxes	
Net Federal Tax (Steven)	9,085
Net Provincial Tax (Steven)	4,352
Net Federal Tax (Heather)	22,809
Net Provincial Tax (Heather)	13,538
Total Taxes	49,785
Total Cash Outflows	178,652
Current Surplus/(Deficit)	33,619
Previous Surplus/(Deficit)	92,912
Ending Surplus/(Deficit)	126,531

The last line in the preceding report projects a surplus at the end of this year. If your surplus appears to be too high, review your expenses for completeness. This amount should be the additional funds you have available for savings this year.

The following income tax report outlines your current sources of income. These items are differentiated to recognize ordinary income, favourably taxed dividend income and also capital gains. The tax calculation includes both federal and provincial income tax as well as Alternative Minimum Tax (AMT), if applicable.

Income Tax Details for Steven

For the year 2010

Regular Tax Calculation		
Calculation of Total Income		
Employment		\$65,613
Investment		
Interest		\$1,522
Dividend		\$521
Capital Gains		\$481
Total Income	(150)	\$68,136
Deductions from Total Income		
RPP Contributions		\$1,200
RRSP Contributions		\$2,400
Total		\$3,600
Net Income	(236)	\$64,536
Deductions from Net Income		
Total		\$0
Taxable Income	(260)	\$64,536
Regular Federal Tax Calculations		
Federal Tax on Taxable Income		\$11,330
Tax Credits (Non-Refundable)		
Personal Credit	(300)	\$1,557
Canada Employment Credit		\$158
CPP/QPP (employment)	(308)	\$324
Employment Insurance	(312)	\$112
Dividend Credit	(502)	\$94
Total		\$2,245
Regular Federal Tax (A)	(406)	\$9,085
Alternative Minimum Tax		
Minimum Federal Tax (B)		\$1,548
Total Tax Calculation		
Regular Federal Tax (A)		\$9,085
Minimum Federal Tax (B)		\$1,548
Federal Tax is the greater of (A) and (B)		\$9,085
Federal tax	(417)	\$9,085
Federal surtax	(419)	\$0
Net Federal Tax	(420)	\$9,085
Ontario Income Tax		
Total		\$4,352

Summary

Total Tax	(435)	\$13,437
Income after Tax		\$55,021
Provincial Tax Bracket		9.15%
Federal Tax Bracket		22.00%
Effective Marginal Tax Rate		31.15%

Income Tax Details for Heather

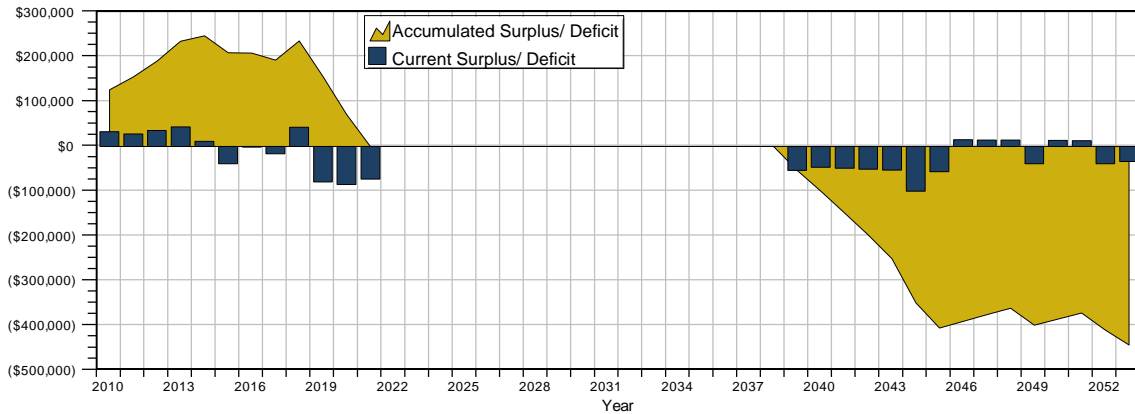
For the year 2010

Regular Tax Calculation		
Calculation of Total Income		
Employment		\$120,343
Investment		
Interest		\$1,066
Dividend		\$521
Capital Gains		\$481
Total Income	(150)	\$122,411
Deductions from Total Income		
RRSP Contributions		\$1,200
Total		\$1,200
Net Income	(236)	\$121,211
Deductions from Net Income		
Total		\$0
Taxable Income	(260)	\$121,211
Regular Federal Tax Calculations		
Federal Tax on Taxable Income		\$25,369
Tax Credits (Non-Refundable)		
Personal Credit	(300)	\$1,557
Canada Employment Credit		\$158
Child Tax Credit		\$315
CPP/QPP (employment)	(308)	\$324
Employment Insurance	(312)	\$112
Dividend Credit	(502)	\$94
Total		\$2,560
Regular Federal Tax (A)	(406)	\$22,809
Alternative Minimum Tax		
Minimum Federal Tax (B)		\$9,734
Total Tax Calculation		
Regular Federal Tax (A)		\$22,809
Minimum Federal Tax (B)		\$9,734
Federal Tax is the greater of (A) and (B)		\$22,809
Federal tax	(417)	\$22,809
Federal surtax	(419)	\$0
Net Federal Tax	(420)	\$22,809
Ontario Income Tax		
Total		\$13,538
Summary		
Total Tax	(435)	\$36,347
Income after Tax		\$86,385
Provincial Tax Bracket		11.16%
Federal Tax Bracket		26.00%
Effective Marginal Tax Rate		43.41%

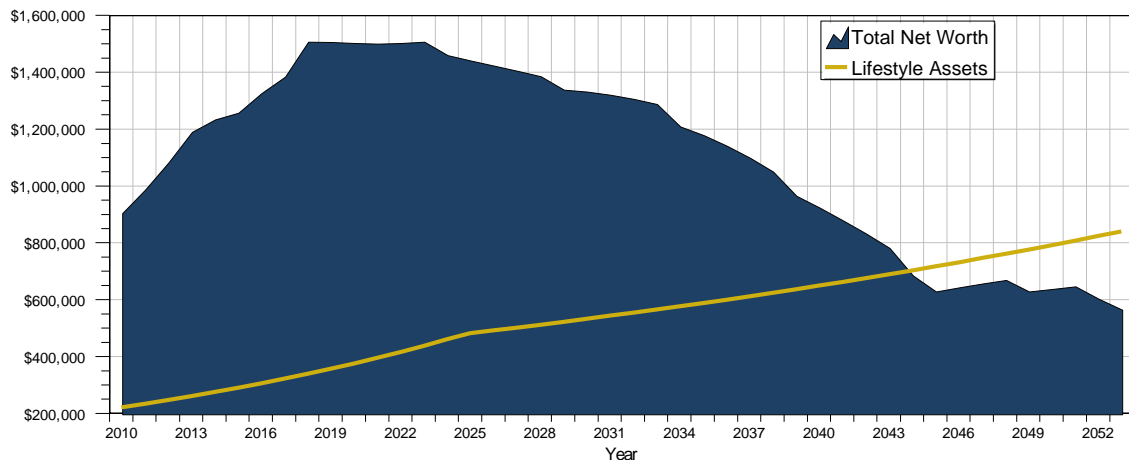
Analysis of your Current Plan

The following graphs show how your current plan will support your financial needs over your lifetime. The top graph projects your cash flow over your lifetime. Your projected total net worth over your lifetime is illustrated in the bottom graph.

Current and Accumulated Cash Surplus/Deficit graph



Net Worth Graph



The top graph is a cash flow projection graph. It is used to determine years when you have a deficit or surplus based on the income and expense information you provided. This graph shows both the individual cash flow positions for each year, as indicated by the bar graphs, and the accumulated cash flow positions as indicated by the area graphs. Accumulated deficits indicate that you may run out of money at that time based on your projections. Accumulated surpluses could point to an opportunity to save money during your working years and could also identify that your expenses were not properly defined.

The bottom graph is a net worth graph. It is used to monitor the change in the value of your net assets over time. If you have moved assets outside of your estate through establishing trusts or gifting, these amounts will also be displayed.

In order to meet all your financial objectives, you should not accumulate deficits greater than you are willing to borrow from your financial institution and can afford to pay back in a reasonable time. Certain events such as your children's post-secondary education may necessitate this type of borrowing. You should also have enough liquid investment assets to meet your cash flow needs throughout retirement.

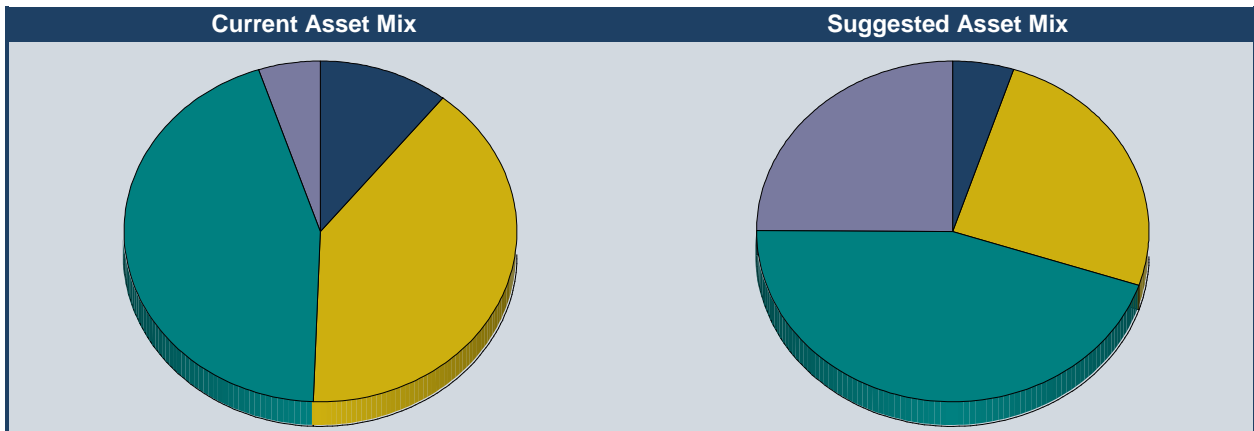
Asset Allocation for your Entire Portfolio

The following graphs outline your current and suggested asset allocations. The graph on the left illustrates your current asset allocation. The graph on the right illustrates the suggested asset allocation based on your investment and risk profile.

The table below the graph illustrates the changes that are required to reach the suggested asset mix.

Recommendations for Complete Portfolio

Profile: Blended between all goals
 Time Horizon: Blended between all goals



	Current Asset Mix	Suggested Asset Mix
Expected Rate of Return	6.47%	7.99%
Standard Deviation (Risk)	6.39%	8.99%

Asset Class	Current Asset Mix		Change		Suggested Asset Mix	
	(%)	(\$)	(%)	(\$)	(%)	(\$)
Cash	10.7	53,018	-5.7	-28,183	5.0	24,835
Fixed Income	39.9	197,024	-14.8	-73,167	25.1	123,857
Cdn Equity	44.3	218,244	+0.7	+3,682	45.0	221,926
Foreign Equity	5.1	25,235	+19.8	+97,669	24.9	122,904
Total	100.0	493,522	+0.0	+0	100.0	493,522

Consider the following:

- A proper asset allocation will help you achieve the best possible expected return rate for a level of risk that is within your comfort zone.
- A proper diversification of your portfolio also reduces the risk of having “all of your eggs in one basket.”

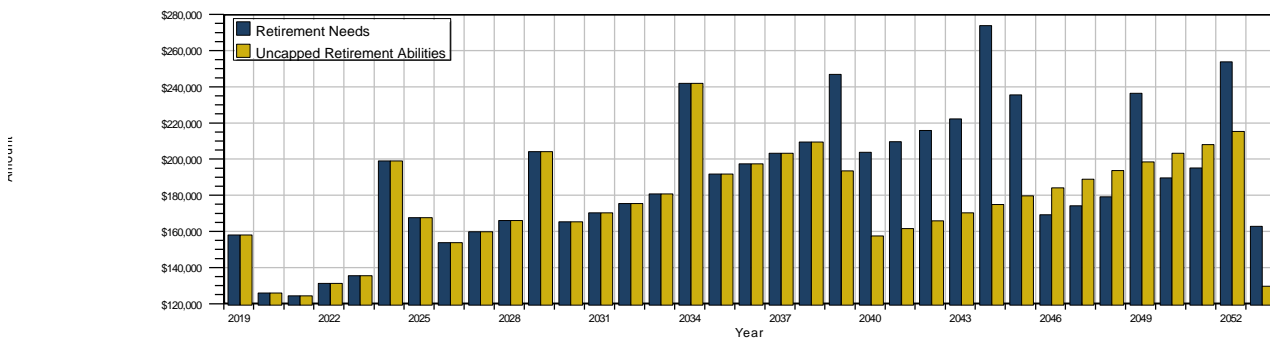
Retirement Goals

Steven would like to retire on January 1, 2019 at the age of 55. Heather would like to retire on May 1, 2019 at the age of 57.

Prior to analyzing your retirement needs, you should ensure your expenses are properly defined for retirement. Your expense need in retirement will determine if any additional savings are required based on your current savings.

The graph below illustrates your income needs and your ability to meet those needs throughout your projected retirement period.

Retirement: Needs vs. Abilities



Retirement: Goal Summary

Retirement Income Needs ¹	Current Retirement Assets	Amount (Under Funded) Over Funded ²	Current Monthly Savings	Additional Monthly Savings ³
\$76,640	\$469,952	(\$550,834)	\$500	\$0

¹ Projected annual needs (in today's dollars) in the first full year of retirement, after tax.

² Amount represents the ending retirement surplus/deficit.

³ Estimated amount based on saving to Suggested Asset Mix. This field will be empty for goals that don't have a Suggested Asset Mix.

The average expected rate of return for assets linked to your retirement goal is **6.55%**.

Consider the following:

- The required monthly savings amount is based on savings to non-registered assets. Retirement savings plans such as Registered Retirement Savings Plans (RRSPs) and defined contribution pension plans may reduce the amount you need to save. We should discuss the various alternatives that are available to you.
- If you feel that the amount of your required savings is unmanageable, we should review the various goals to find an appropriate solution. Should you consider looking at an alternative asset allocation, reducing your income need, delaying retirement?
- If your projected savings is greater than your need, you may have the opportunity to spend more in retirement. Additionally, a large surplus may indicate the need for estate planning.
- Retirement is often the first financial objective that comes to mind. We want to ensure that your company pensions, Canada Pension Plan (CPP), Old Age Security (OAS) and savings will provide a comfortable retirement.
- If you have not already done so, begin investing on a regular basis.
- Maximize contributions to your RRSPs.
- Contributions made to TFSAs are in addition to the limits set for RRSPs and, unlike RRSPs, you can still contribute to TFSAs during the retirement period.

Emergency Fund Goal

A general guideline for emergency funds is to maintain a fund of liquid assets, which can be easily converted into cash, to cover emergency expenses.

The following report illustrates the amount needed to meet potential emergency financial situations for the next five-year period and those funds that you have or plan to allocate. Your emergency fund is **under-funded by \$2,931**.

Year	Age(s)	Emergency Fund Target	Amount Allocated	Amount Over/(Under)	Percent Over/(Under)
2010	46/48	28,133	25,201	(2,931)	(10)
2011	47/49	28,827	25,657	(3,170)	(11)
2012	48/50	29,543	26,127	(3,416)	(12)
2013	49/51	30,280	26,611	(3,669)	(12)
2014	50/52	43,340	27,109	(16,231)	(37)
2015	51/53	59,603	27,622	(31,980)	(54)

Consider the following:

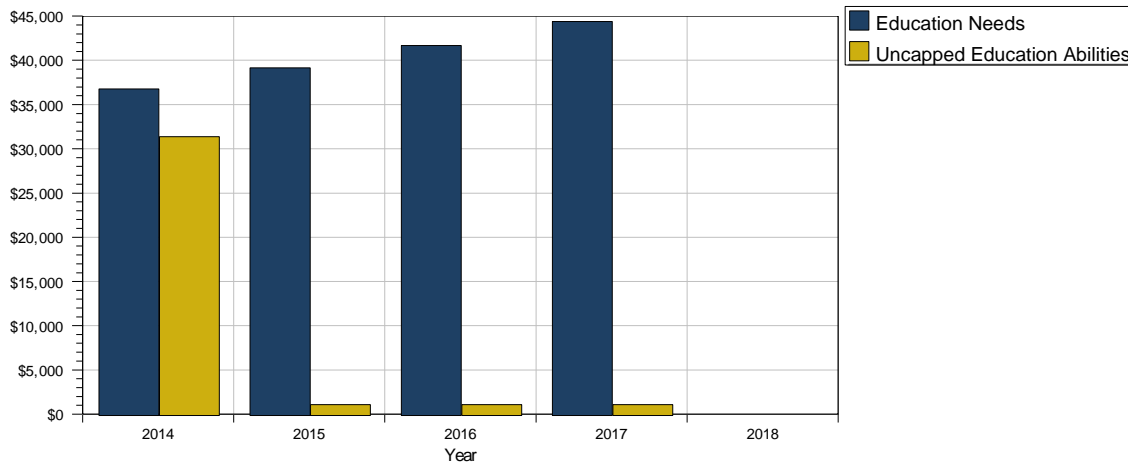
- A general rule is for this fund to equal at least three months of your expected expenses.
- Investments that are well suited for an emergency fund include savings accounts, money market accounts, short-term Guaranteed Investment Certificates (GICs), and TFSAs.

Education Goals

Planning for your children's education is another very important objective. The cost of post-secondary education can be a significant expense. Proper planning will make this expense easier to handle when the time comes.

The graph below illustrates the educational income needs for your family and ability to meet those needs throughout your family's future post-secondary education years.

Education: Needs vs. Abilities



Education: Goal Summary

Family Member	Start Date	Years	Average Educational Cost ¹	Education Assets	Amount (Under Funded) Over Funded	Current Monthly Savings	Additional Monthly Savings ²
Paige	Sep 1 2014	5	\$27,586	\$20,393	(\$127,441) ³	\$100	\$1,304
Total				\$20,393		\$100	\$1,304

¹ The total of all the expenses (in today's dollars) in all years divided by the number of years this goal is active.

² Estimated amount based on saving to Suggested Asset Mix for education goal. This field will be empty for goals that don't have a Suggested Asset Mix.

³ Amount reflects assets being reallocated to Suggested Asset Mix.

The average expected rate of return for assets linked to your education goal is **5.13%**.

Consider the following:

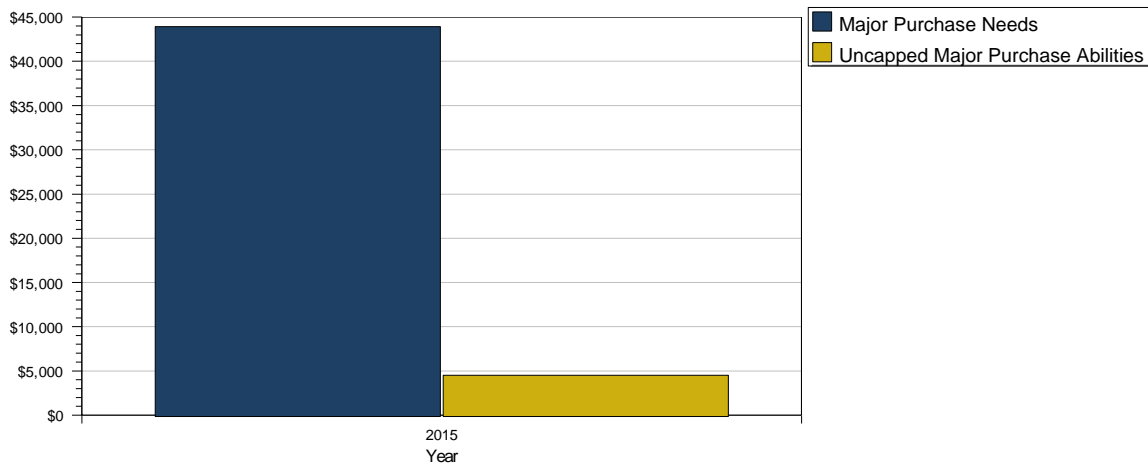
- Determine realistic values for tuition and related university and college expenses.
- Factor the effects of inflation into your plan, keeping in mind that historically, post-secondary education costs have increased at a significantly higher rate than inflation overall.
- Where possible, take advantage of Registered Education Savings Plans (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.

Major Purchase Goals

Families often have other financial goals such as the hopes to purchase a vacation home, recreational vehicle, pay for a child's wedding and/or travel, to name a few.

The graph below illustrates the income needs for other financial objectives and your ability to meet those future needs.

All Major Purchase Goals: Needs vs. Abilities



All Major Purchase Goals: Summary

Major Purchase	Purchase Date	Amount ¹	Major Purchase Assets	Amount (Under Funded) Over Funded	Current Monthly Savings	Additional Monthly Savings ²
Trip to Australia and Far East	Dec 18 2015	\$38,003	\$3,177	(\$39,511) ³	\$0	\$465
Total			\$3,177		\$0	\$465

¹ In today's dollars.

² Estimated amount based on saving to Suggested Asset Mix for major purchase goal. This field will be empty for goals that don't have a Suggested Asset Mix.

³ Amount reflects assets being reallocated to Suggested Asset Mix.

The average expected rate of return for assets linked to your major purchase goal is **3.00%**.

Consider the following:

- Prioritize the financial goals for your family and give them realistic time lines.
- Determine your investment strategy for each goal based on time horizons, risk tolerance, and priorities.
- Start saving as early as possible.
- Consider the benefits of using a TFSA to fund a major purchase goal.

Monte Carlo Analysis

Monte Carlo Analysis expands the traditional financial planning model by considering the uncertainty factor in 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 Analysis 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.

For example, an account with a projected average return rate of 8% may vary to some degree. Monte Carlo Analysis allows us to randomly project an account's returns forward, assuming that in some years the account will return a rate lower than the average (say, 4%), and in other years the account will return a rate higher than the average (say, 12%), for an overall average of 8%. Allowing for this variability in returns does have an effect on the overall plan and the probability for success.

Another element to consider is the uncertainty of your life expectancy. What if you die tomorrow or live to be 110? Monte Carlo Analysis can add this parameter by simulating a different possible life expectancy for each projection.

The outcomes that satisfy all your financial objectives are considered successes and those that do not are considered failures. Overall, a probability of success is determined.

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 education, major purchase or 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.

Analyzing the Results

The two graphs in this analysis display a number of projections. The top graph illustrates cash flow and the bottom graph illustrates net worth. In each projection, the return rate expectations have been randomized each year within a range to simulate the expected ups and downs that many investments, such as stocks, exhibit. The line in each graph represents the traditional projection, based on the rates of return that were specified in the plan, without any fluctuations from year to year.

Each projection may either be a success or a failure. A success is represented by a series of square points. A failure is represented by a series of "X"s. A success is defined as a projection that is able to meet the cash flow needs in every year of the plan, without experiencing an accumulated deficit greater than defined in the table at the bottom of the graph (*Accumulated Surplus/Deficit Success Tolerance*).

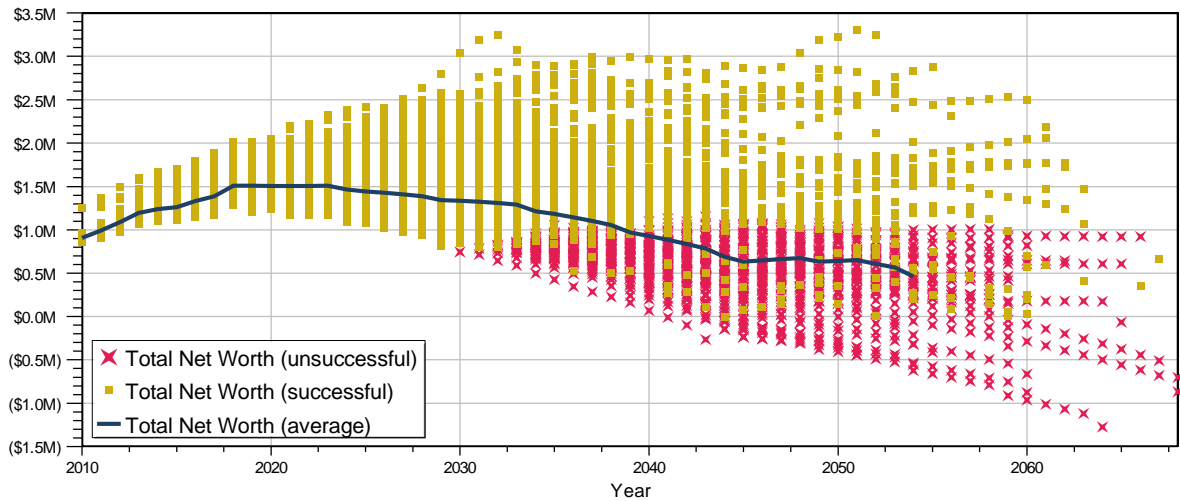
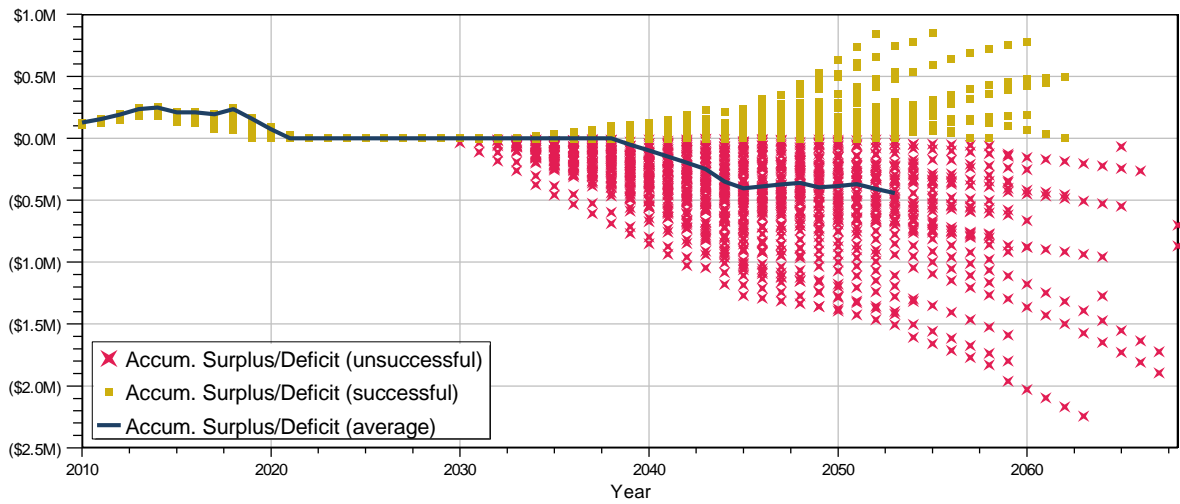
The overall *Success Rate* is the probability that you will successfully meet all your financial objectives over your lifetime.

In addition to the success of each goal, the table below also illustrates the 90th, 50th and 10th percentile value of the assets associated with each goal. The 90th percentile illustrates the projection where 90% of the results are below this value. The 50th percentile is the median projection where half the projections fall above and half fall below this value. The 10th percentile illustrates the projection where 10% of the results are below this value.

The significance of this graph is that the element of uncertainty will cause the results of each projection to vary. From a financial planning perspective, it is important for your plan to withstand the expected changes in the value of your investments and be able to meet your income needs throughout your lifetime. The greater the risk in your investments, the greater the cushion of assets you will need to withstand the ups and the downs. When selecting an investment portfolio you should try to select a portfolio with a risk level that is consistent with meeting all your financial objectives and avoiding any unnecessary risk.

The following is a Monte Carlo Sensitivity Analysis of your current plan.

Current Plan



Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
All Goals	0.00%			
Retirement Goal	33.33%	-\$126,709	\$563,165	\$1,614,990
Paige's Post-Secondary Education	0.00%	\$33,361	\$37,026	\$40,597
Trip to Australia and Far East	0.00%	\$3,872	\$4,412	\$4,946

Assumptions	
Life Expectancy Randomized	Yes
Force Full Deficit Coverage	Yes
Annual Cashflow Deficit Tolerance	-\$10,000
Education Goals Success Tolerance	-\$1,000
Major Purchase Goals Success Tolerance	-\$500
Number of Projections	150

Disability Insurance

At most ages, you are more than twice as likely to become disabled than to die prematurely. A disability insurance analysis should ensure that in the event of Steven or Heather's disability, there is sufficient income replacement to maintain your desired lifestyle.

For most people, our jobs are our main source of income, though additional income may be generated from investments.

How long could you meet your cash flow needs if this income ceased? How would this income be replaced? If you sold off assets, how would that affect your net worth, lifestyle, etc?

Disability Insurance: Needs vs. Abilities

Analysis Items	If Steven is disabled	If Heather is disabled
Analysis Period (to retirement)	8 Years	8 Years
Analysis Period (post-retirement)	34 Years	34 Years
Average Annual Projected Deficit	\$17,440	\$17,440
Largest Annual Projected Deficit	\$98,991	\$98,991
Current Employment Income	\$5,468 per month	\$10,029 per month
Existing Insurance Coverage*	\$2,734 per month	\$5,000 per month
Additional Insurance Required to Replace Current Income	\$2,734 per month	\$5,029 per month

* This amount reflects only Long Term Disability policies, and does not take into account any waiting periods that these policies may be subject to. For additional details on your existing insurance coverage, please see Appendix A – Plan Data Summary at the end of this document.

The “Additional Insurance Required to Replace Current Income” amount indicated above represents the amount of disability insurance that would need to be purchased in order to completely replace your current income, in the event of your disability. This amount of insurance may not actually be required, or it may not be sufficient, to ensure that your goals are met. Depending on the circumstances, you may or may not be able to purchase this amount of disability insurance. We should further discuss your disability insurance needs to clarify these issues.

Consider the following:

- Ask yourself what expenses would change if either you or your spouse became disabled tomorrow.
- Review group coverage at work. You may not want to rely on just group policies in the event that you change jobs or your employer changes to another insurer where you may no longer be eligible. The coverage may also be inadequate.
- Review your existing policy's monthly disability benefit, definition of disability, waiting period and duration of benefits.
- Review the coverage periodically and adjust it according to the changes in your income and expense needs.

Life Insurance

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 having life insurance is to provide financial protection for your dependent family. Without the continued benefit of your income, your family may not be able to afford their 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 life insurance may be to protect the value of your estate from declining due to estate tax, income tax and other costs. This type of life insurance provides cash flow to meet these needs, which would otherwise have to be covered by redeeming your existing assets.

The following table highlights your financial situation as of January 1, 2011, in the event of each head's death. For purposes of this analysis, we assume that each member dies on December 31st, 2010.

Life Insurance: Needs vs. Abilities

Cash flow items	If Steven dies this year	If Heather dies this year
Available Assets	\$549,207	\$549,207
Existing Life Insurance Coverage	\$206,000	\$285,000
Total Insurance Required ¹	\$206,000	\$525,000
Recommended Additional Life Insurance Coverage²	\$0	\$240,000
Remaining Assets at Last Death	\$1,337,020	\$159,775

¹Represents the total amount of life insurance coverage that is required to meet your financial goals, should one of you die this year.

²The recommended additional coverage includes any under-funded financial goal such as education and retirement.

Consider the following:

- Ask yourself what expenses would change if either you or your spouse died tomorrow.
- Review group coverage at work. You may not want to rely only on these policies; you may change jobs or your employer could change to another insurer where you may no longer be eligible. The coverage may also be inadequate.
- Review the coverage periodically to ensure it continues to meet your family's changing needs.
- It is also important to consider continued savings to fund other financial goals.

Conclusion

Now that you have an overview of your current financial situation, 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. Be sure to ask us questions on areas that need clarification.
2. **Assess original objectives** – are they realistic? Can you afford to implement all of your objectives? What are the priorities? Consider alternative goal dates, revised goal amounts, and alternative investment strategies if you are unable to fund all of your objectives. We will work together in the process.
3. **Review various strategies** that will help you to achieve your goals and determine a time frame for these strategies.
4. **Decide on a course of action** – together, we will evaluate the alternative that is consistent with your objectives and your financial ability. The *Comprehensive Analysis* report will detail a suggested plan of action based on any recommended changes to your plan.
5. **Implement the chosen strategies** that immediately affect your plan. Ensure you have a reliable follow-up method for those strategies that start at a future date. Make sure it is clear who will be 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.
6. **Review your plan** on a regular basis, generally once a year. In addition, review it whenever a major change occurs in your family (e.g., changes in employment, birth of a child, new income or expenses, etc.). You may need to adjust your plan in light of any of these new circumstances.

One 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, thirty years or longer.

Appendix A – Plan Data Summary

General Information

Detail	Steven	Heather
Birth Date	Jan 3 1964	May 13 1962
Proposed Retirement Date	Jan 2019	May 2019
Critical Illness Date	Never	Never
Life Expectancy	Dec 2054	Dec 2052
CPP/QPP Benefits start on	Feb 2024	Jun 2022
OAS Benefits start on	Feb 2029	Jun 2027
Qualify for % of Max. CPP/QPP Benefits	100%	100%
Qualify for % of OAS Benefits	100%	100%
Earned Income (2009)	\$64,326	\$116,838
Pension Adjustment (2009)	\$2,400	\$15,173
Unused TFSA Contribution Room	\$5,000	\$5,000
Unused RRSP Deduction Room	\$75,135	\$47,203
Unallocated RRSP cash from (2009)	\$0	\$0
Surplus/Deficit from (2009)	\$0	\$92,912
CNIL from (2009)	-\$13,948	-\$10,747

Assumptions

Detail	
Return on Excess Cash Flow:	0.00%
Interest rate applied to Deficits:	0.00%
Inflation Rate	3.00%

Estate Assumptions

Detail	
Does Steven have a will?	Yes - Revised: Feb 2 1997
Does Heather have a will?	Yes - Revised: Feb 2 1997
Where are the wills kept?	Lawyer's Office

Dependants

Name	Birth Date	Age as of Plan Date
Paige	Aug 22 1996	13

Professional Advisors

Type	Name	Business Phone #	Cell Phone #
Lawyer	Raymond Zerback	(905) 555-9850	
Power of Attorney	Michael Wright		

Regular Income

Income Source	Member	Applicable	Amount	Indexed
Employment Salary	Steven	Jan 1 2002 to Dec 31 2018	\$56,000	2.00%
Employment Salary	Heather	Jan 1 2002 to Apr 30 2019	\$95,000	Inflation

Defined Benefit Pension Plans - Benefit Formula

Description:	Heather's Pension Plan	Annual Benefit:	\$32,926
Plan Owner:	Heather	Indexed by:	3.00%
Projected years of service:	24.33	Formula Integrated with CPP/QPP:	No
Pct. payable to survivor:	40.00%	Benefits Integrated with CPP/QPP:	No

Regular Expenses

Expense	Member	Start Date	End Date	While Working	While Retired	While Survivor	Annual Amount	Indexed
Living Expenses	Steven	Jan 1 2002	N/A	100%	75%	75%	\$68,406	Inflation
Travel	Steven	Jan 1 2019	Jan 3 2045	0%	100%	100%	\$25,335	Inflation
Child Care (Paige)	Steven	Jan 1 2002	Sep 1 2009	100%	0%	100%	\$15,600	Inflation

Lump Sum Expenses

Expense	Member	Applicable	Amount	Indexed
Burial Expense	Steven	Dec 31 2054 (Steven's Deceased Date)	\$15,201	Inflation
Charitable Bequest	Steven	Dec 31 2054 (Steven's Deceased Date)	\$10,000	No
Burial Expense	Heather	Dec 31 2052 (Heather's Deceased Date)	\$15,201	Inflation
Charitable Bequest	Heather	Dec 31 2052 (Heather's Deceased Date)	\$0	No
Probate and Administration Expenses	Steven	Dec 31 2054 (Steven's Deceased Date)	\$31,669	Inflation

Semi-Regular Expenses

Expense	Member	Start Date	End Date	Every	Amount	Indexed
Pre-Retirement Auto Purchases	Steven	Jan 1 2002	Apr 30 2019	3 years	\$10,000	Inflation
Retirement Auto Purchases	Steven	May 1 2019	Dec 31 2049	5 years	\$16,468	Inflation
Vacation	Steven	Jan 1 2002	Jan 1 2014	2 years	\$5,000	Inflation
Vacation	Steven	Jan 1 2014	Dec 31 2018	1 years	\$7,601	Inflation

Lifestyle Assets

Asset Name	Purchase Date	Purchase Amount	Market Value Date	Market Value	Growth Rate ¹	Standard Deviation
Steven & Heather's House (Joint/Lifestyle)	Nov 12 2000	\$285,000	Jan 1 2010	\$351,498	2.0%	0.0%

¹The growth rate is a pre-tax amount

Cash Accounts

Asset Name	Date	Opening Balance	Current Balance	Interest Rate	Standard Deviation
Cash Account (Joint/Non-Reg.)	Jan 1 2002	\$0	\$3,177	3.0%	0.0%

Portfolio Assets

Asset Name	Market Value Date	Market Value	Cost Base	Int. (%)	Div. (%)	Cap. Gain (%)	Def. Growth (%)	Std. Dev. (%)	Total (%)
In trust for Paige (Joint/Non-Reg.)	Jan 1 2010	\$19,104	\$17,902	3.50	0.00	0.00	1.50	3.00	5.00
Joint Mutual Fund(Non-Reg.)	Jan 1 2010	\$87,596	\$72,985	2.11	0.60	0.60	2.69	5.34	5.99
Money Market Fund (Steven/Non-Reg.)	Jan 1 2010	\$15,201	\$13,201	3.00	0.00	0.00	0.00	0.00	3.00
* Suggested Mix for Paige's Post-Secondary Educati (Joint/Non-Reg.)	Jan 1 2010	\$0	\$0	1.03	0.90	0.90	5.18	9.00	8.00
* Suggested Mix for Trip to Australia and Far East (Joint/Non-Reg.)	Jan 1 2010	\$0	\$0	1.70	0.80	0.80	3.40	6.70	6.70
Life Insurance Proceeds (Joint/Non-Reg.)	Jan 1 2010	\$0	\$0	3.00	2.00	1.00	1.00	0.00	7.00
Life Insurance Proceeds (Joint/Non-Reg.)	Jan 1 2010	\$0	\$0	3.00	2.00	1.00	1.00	0.00	7.00
Heather's RRSP	Jan 1 2010	\$104,575	\$30,939	1.53	1.00	1.00	3.13	6.80	6.65
Steven's Locked-In RRSP(LIRA/Locked-in RRSP)	Jan 1 2010	\$41,843	\$9,561	1.58	1.10	1.10	2.88	6.85	6.65
Steven's RRSP	Jan 1 2010	\$201,350	\$59,684	1.53	0.98	0.98	3.21	6.85	6.69
Paige's RESP (Heather)	Jan 1 2010	\$1,289	\$877	1.40	1.10	1.10	3.40	7.45	7.00
Steven's Defined Contribution Pension(RPP - money purchase)	Jan 1 2010	\$34,588	\$24,350	1.55	1.00	1.00	3.20	6.95	6.75

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 receive preferential tax treatment, while one-half the capital gains are taxed at 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:	Permanent Life	Owner:	Steven
Effective Date:	Dec 31 2001	Insured:	Steven
Death Benefit:	\$150,000	Beneficiary:	Heather
Cash Surrender Value (CSV):	\$10,000	Premium Payer:	Steven
Premiums cease on:	Never	Annual Premium	
CSV payable with Death Benefit:	No	Payments:	\$120
Death Benefit payable when coverage ceases:	No	Coverage ceases on:	Never
		Disability Waiver:	Yes

Description:	Life Insurance		
Policy Type:	Term 1 Life	Owner:	Steven
Effective Date:	Dec 31 2001	Insured:	Steven
Death Benefit:	\$56,000	Beneficiary:	Heather
Cash Surrender Value (CSV):	\$0	Premium Payer:	Other
Premiums cease on:	Never	Annual Premium	
CSV payable with Death Benefit:	No	Payments:	\$0
		Coverage ceases on:	Jan 3 2019

Description:	Life Insurance		
Death Benefit payable when coverage ceases:	No	Disability Waiver:	Yes

Description:	Life Insurance		
Policy Type:	Term 1 Life	Owner:	Heather
Effective Date:	Dec 31 2001	Insured:	Heather
Death Benefit:	\$285,000	Beneficiary:	Steven
Cash Surrender Value (CSV):	\$0	Premium Payer:	Other
Premiums cease on:	Never	Annual Premium	
CSV payable with Death Benefit:	No	Payments:	\$0
Death Benefit payable when coverage ceases:	No	Coverage ceases on:	May 13 2019
		Disability Waiver:	Yes

Disability Insurance Policies

Description:	Heather's Group LTD		
Policy Type:	Group LTD	Insured:	Heather
		Effective Date:	Dec 31 2001
Benefits are 75% of salary (tax-free) indexed during disability by inflation. Benefits begin after 12 weeks and are paid until age 57 . Premiums are \$50/month indexed by inflation and end on retirement.			

Description:	Heather's Group STD		
Policy Type:	Group STD	Insured:	Heather
		Effective Date:	Dec 31 2001
Benefits are 85% of salary (tax-free) . Benefits begin immediately and are paid until 12 weeks . Premiums are \$20/month indexed by inflation and end on retirement.			

Description:	Steven's Group LTD		
Policy Type:	Group LTD	Insured:	Steven
		Effective Date:	Dec 31 2001
Benefits are 50% of salary (taxable) indexed during disability by inflation. Benefits begin after 12 weeks and are paid until 5 years . Premiums are \$0/month indexed by inflation and end on retirement.			

Description:	Steven's Group STD		
Policy Type:	Group STD	Insured:	Steven
		Effective Date:	Dec 31 2001
Benefits are 75% of salary (taxable) . Benefits begin immediately and are paid until 12 weeks . Premiums are \$0/month indexed by inflation and end on retirement.			

Liabilities

Liability Name	Liability Date	End Date	Original Principal	Current Principal	Int. Rate	Payment Type
Mortgage	Nov 12 2000	Nov 9 2025	\$175,000	\$142,099	7.125%	Principal & Interest

Regular Savings Strategies

Asset Name	Applicable	Amount	Indexed
Heather's RRSP	Jan 1 2002 to Apr 1 2019	\$100/Month	No
Steven's RRSP	Jan 1 2002 to Dec 31 2018	\$200/Month	No
Steven's Defined Contribution Pension(RPP - money purchase) <i>Includes employer contribution of</i>	Jan 1 2002 to Dec 31 2018	\$200/Month	No
In trust for Paige (Joint/Non-Reg.)	Jan 1 2002 to Jan 1 2017	\$100/Month	No

The table above includes all your periodic (annual or monthly) investment contributions.

Transfer Strategies

Source Asset	Destination Asset	Amount	When
Cash Account	* Suggested Mix for Trip to Australia and Far East	100%	Jan 1 2010
In trust for Paige	* Suggested Mix for Paige's Post-Secondary Education	100%	Jan 1 2010
Life Insurance	Life Insurance Proceeds	100%	Upon Death
Life Insurance	Life Insurance Proceeds	100%	Upon Death
Life Insurance	Life Insurance Proceeds	100%	Upon Death

Transfers specify a plan for moving your investments from one type of asset to another on specific dates or events such as retirement. Also, transfers will be desirable in some cases to move from one type of investment to another type at a certain point in time. Refer to your **Action Plan** for the years in which transfers are scheduled to view the projected amounts to be transferred.

Deficit Coverage Strategies

Asset Name	Applicable
Heather's RRSP	While Retired
Steven's RRSP	While Retired
Steven's Defined Contribution Pension(RPP - money purchase)	While Retired
Steven's Locked-In RRSP(LIRA/Locked-in RRSP)	While Retired
In trust for Paige (Joint/Non-Reg.)	May 1 2018 to Dec 31 2054
Life Insurance Proceeds (Joint/Non-Reg.)	Jan 1 2002 to Dec 31 2054
Life Insurance Proceeds (Joint/Non-Reg.)	Jan 1 2002 to Dec 31 2054
Joint Mutual Fund(Non-Reg.)	Jan 1 2002 to Dec 31 2054

The assets listed are available for redemption to meet cash flow needs. The *Applicable* column indicates the period of time these assets are available. Typically, registered assets are not available during your working years.

Deficit Coverage Order

Description	Plan Type	Owner
In trust for Paige	Non Registered	Joint
Joint Mutual Fund	Non Registered	Joint
Life Insurance Proceeds	Non Registered	Joint
Life Insurance Proceeds	Non Registered	Joint
Heather's RRSP	RRSP	Heather
Steven's Locked-In RRSP	LIRA/Locked-in RRSP	Steven
Steven's RRSP	RRSP	Steven
Steven's Defined Contribution Pension	RPP - money purchase	Steven

At retirement the liquidation of accounts will be based on the following order: Non-registered, TFSA, Registered.

Education Expenses

Paige's Post-Secondary Education

Expenses

Expense	Member	Start Date	End Date	Annual Amount	Indexed
Tuition Fees	Paige	Sep 1 2014	Apr 30 2018	\$20,618	Inflation ¹
Room and Board	Paige	Sep 1 2014	Apr 30 2018	\$8,126	Inflation ²

¹ Indexed annually by inflation + 4.00%

² Indexed annually by inflation + 2.00%

Assets Allocated to Education Expenses

Linked Assets	Purchase Date	Purchase Amount	Market Value Date	Market Value	Growth Rate
In trust for Paige (Joint/Non-Reg.)	Dec 31 2001	\$0.00	Jan 1 2010	\$19,104.18	5.00%
* Suggested Mix for Paige's Post-Secondary Education (Joint/Non-Reg.)	Dec 31 2009	\$0.00	Jan 1 2010	\$0.00	8.00%
Paige's RESP (Heather)	Dec 1 1998	\$500.00	Jan 1 2010	\$1,288.64	7.00%

Major Purchase Expenses

Trip to Australia and Far East

Steven; Dec 18 2015; \$38,003; Indexed annually by inflation

Linked Assets	Purchase Date	Purchase Amount	Market Value Date	Market Value	Growth Rate
Cash Account (Joint/Non-Reg.)	Dec 31 2001	\$0.00	Jan 1 2002	\$2,500.00	3.00%
* Suggested Mix for Trip to Australia and Far East (Joint/Non-Reg.)	Dec 31 2009	\$0.00	Jan 1 2010	\$0.00	6.70%

Delivery Acknowledgement

We 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.

Steven Field

Heather Field

Date: _____

Please note...

We have prepared this plan based on information provided by you. We have not attempted 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.