



## ***Comparative Analysis***

**Joe and Jane Sample Client**

Ridgefield, Connecticut

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July 22, 2008



# Table of Contents

Disclaimer.....	4
Important Terminology.....	7
Introduction.....	10
Net Worth.....	11
Cash Flow.....	12
Income Tax.....	13
Asset Allocation.....	14
Retirement.....	17
Emergency Fund Planning.....	19
Education.....	21
Major Purchase.....	23
Monte Carlo Analysis.....	27
Disability Insurance.....	30
Life Insurance.....	32
Long-Term Care Insurance.....	34
Estate Planning.....	36
Conclusion.....	37
Appendix - Plan Difference Report.....	38

# Disclaimer

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

**IMPORTANT:** *The projections 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 a discussion of several specific limitations of the projections of financial models in general and of NaviPlan® specifically.**

*The Projections Contained in this Report are, in part, dependent on Personal Data that You Provide*

The assumptions used in this financial plan are based on information provided and reviewed by you. Those 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 financial plan. Any inaccurate representation by you of any facts or assumptions used in this financial plan 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 financial plan, 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 financial plan 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 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 projections made in this financial plan 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 financial plan 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 financial plan. Historical data is used to produce future assumptions used in the financial plan, such as rates of return. Utilizing historical data has limitations as past performance is not a guarantee or predictor of future performance.

### ***Discussion of the Limitations of NaviPlan® and Financial Modeling***

#### *Your Future Resources and Needs May Be Different From the Estimates That You Provide*

This financial plan is intended to help you in making decisions on your financial future based, in part, on information that you have provided and reviewed. The proposed asset allocation presented in this financial plan is based, in part, on your answers to a risk tolerance questionnaire and may represent a more aggressive and therefore more risky investment strategy than your current allocation mix.

The projections contained in the report utilize the information that you have provided and reviewed including, but not limited to, your age, tolerance for investment risk, income, assets, liabilities, anticipated expenses, and likely retirement age. Some of this information may change in unanticipated ways in the future and those changes may make **NaviPlan®** less useful.

#### ***NaviPlan® Considers Investment in Only a Few Broad Investment Categories***

**NaviPlan®** utilizes this information to estimate your future needs and financial resources and to identify an allocation of your current and future resources, given your tolerance for investment risk, to a few broad investment categories: large cap equity, small cap equity, international equity, aggregate bonds, and cash.

In general, **NaviPlan®** favors the investment categories that have higher historical and projected returns. The extent of the recommended allocation to these favored investment categories is limited by the investor's disclosed tolerance for risk. In general, higher returns are associated with higher risk.

These broad investment categories are not specific securities, funds, or investment products and **NaviPlan®** is not an offer or solicitation to purchase any securities or investment products. The assumed rates of return of these broad categories are based on the returns of indices. These indices do not include fees or operating expenses and are not available for investment. These indices are unmanaged and the returns are shown for illustrative purposes only.

It is important to note that the broad categories that are used are not comprehensive and other investments that are not considered may have characteristics that are similar or superior to the categories that are used in **NaviPlan®**.

Refer to the Asset Allocation section of this report for details on return rate assumptions used throughout this financial plan.

#### ***NaviPlan® Projects Investment Returns Far Into the Future Using Historical Data***

For all asset class forecasts, Ibbotson uses the building block approach to generate expected return estimates. The building block approach uses current market statistics as its foundation and adds historical performance relationships to build expected return forecasts. This approach separates the expected return of each asset class into three components: the real risk-free rate, expected inflation, and risk premia. The real risk-free rate is the return that can be earned without incurring any default or inflation risk. Expected inflation is the additional reward demanded to compensate investors for future price increases, and risk premia measure the additional reward demanded for accepting uncertainty associated with investing in a given asset class.

This historical data of the returns of these broad asset categories is used in projecting a hypothetical return for these categories for many years into the future.

Any projection of future returns of any asset category, including any projection using historical returns as a guide, has severe limitations. Changes in market conditions or economic conditions can cause investment returns in the future to be very different from returns in the past. Returns realized in the future can, in fact, be much lower, or even negative, for all or some of these asset categories and, if so, the projections in **NaviPlan®** will be less useful.

Any assets, including the broad asset categories considered in **NaviPlan®**, that offer potential profits also entail the possibility of losses.

Furthermore, it is significant that the historical data for these investment categories does not reflect investment fees or expenses that an investor would pay when investing in securities or investment products. The fees and expenses would significantly reduce net investment returns and a projection taking account of fees and expenses would result in lower projected asset values in the future.

Refer to the Asset Allocation section of this report for details on return rate assumptions used throughout this financial plan.

#### ***NaviPlan® Projections Include Limited Accounting for Taxes***

The federal and state income tax laws are extremely complex and subject to continuous change. **NaviPlan®** has limited capability to model any individual's tax liability and future tax laws may be significantly different from current tax laws. Any changes in tax law may affect returns for any given investment and make the projections produced by **NaviPlan®** less useful.

# Important Terminology

## ***Assumed rate of return (current)***

The dollar-weighted average rate of return of the assets in the Current Plan. A goal-based assumed rate of return (current) represents the dollar-weighted average rate of return of the assets linked to that particular goal.

## ***Assumed rate of return (proposed)***

The dollar-weighted average rate of return of the assets in the Proposed Plan based on the assumptions defined in the proposed/recommended scenarios. Based on the assumptions, the rate of return may or may not equal the proposed rate of return. A goal-based assumed rate of return (proposed) represents the dollar-weighted average rate of return of the assets linked to that particular goal based on the assumptions defined in the proposed/recommended scenario.

## ***Proposed rate of return***

The rate of return calculated based on your risk profile as determined by your answers to a risk tolerance questionnaire. Based on the assumptions defined in the proposed/recommended scenarios, this return may or may not equal the assumed rate of return (proposed).

## ***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 current plan.

## ***Suggested asset mix***

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

## ***Community Property***

In states with community property laws, any property acquired by a married couple residing in a community property state is considered to be equally owned by both parties.

## ***Annuitize***

Refers to the transition of an annuity contract from the accumulation phase into the income distribution phase. In the income distribution phase the accumulated value of the annuity is distributed via a computed stream of income payments over a duration of time or through varying withdrawals from the annuity.

## ***Inflation Rate***

The rate that dollar values are discounted over time. The rate is measured by an index that indicates the change in the cost of various goods and services as a percentage.

## ***Effective Marginal Tax Rate***

This combined federal and state marginal tax rate is the actual percent of total additional tax triggered by an additional dollar of ordinary income. It takes into account the impact of an extra dollar on taxes that results from such items as taxable social security, capital gains and credits.

## ***Required minimum distribution (RMD)***

The amount required by the IRS to be withdrawn each year from traditional IRAs and employer-sponsored retirement plans, starting on the required beginning date, which generally, but not always, occurs in the year following the year in which the owner turns 70½.

## ***Uniform Transfer to Minors Act (UTMA) and Uniform Gift to Minors Act (UGMA)***

UTMA and UGMA are custodial accounts, owned by a minor with an adult designated as the custodian. The accounts are normally used to save for the child's education. Once the transfer to the account occurs, the account is the legal property of the child and can only be used for the child's benefit. When the child reaches the age of majority, control of the account transfers to the child and the child can use the proceeds as he or she wishes. The UTMA considers the age of majority to be 21 although it is 18 in some states.

## ***Unlimited Marital Deduction (UMD)***

A provision in the Internal Revenue Code which allows assets owned by the decedent to be transferred to the surviving spouse without incurring estate taxes.

## ***Asset class***

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

## ***Large Cap Equity asset class***

Large Cap Equities are domestic U.S. equity stocks that have a market capitalization of greater than \$5 billion.

## ***Small Cap Equity asset class***

Small Cap Equities are domestic U.S. equity stocks that have a market capitalization of less than \$1 billion.

### ***International Equity asset class***

International Equities are stocks issued by developed countries that are outside of the U.S.

### ***Aggregate Bonds asset class***

Aggregate Bonds are investments that provide a return in the form of fixed payments and return of principal at maturity.

### ***Cash asset class***

Cash Equivalents are short-term obligations that provide a return in the form of an interest payment.

### ***Important acronyms***

CST - Credit shelter trust	CSV - Cash surrender value
EOY - End of year	GSTT - Generation-skipping transfer tax
ILIT - Irrevocable life insurance trust	IRD - Income in respect of a decedent
JGTRRA - Jobs and Growth Tax Relief Reconciliation Act of 2003	RMD - Required minimum distribution
SOY - Start of year	UGMA - Uniform Gift to Minors Act
UMD - Unlimited marital deduction	UTMA - Uniform Transfer to Minors Act

# Introduction

**Joe and Jane**, now that you have completed the first step in the financial planning process, you are ready to move on to the second step. Before we continue, let's summarize our activity to date. So far we have:

- collected all of your relevant personal and financial data
- identified your financial goals and established priorities
- identified the strengths and weaknesses of your current financial situation

In the next phase, we will:

- examine strategies that may enhance your current financial position
- compare the strengths and weaknesses of alternatives
- revise your goals, if necessary
- help you select the scenario that is best for you

The significance of this report is that it compares the differences between two plan scenarios from many aspects (listed below). The plan scenarios are identified as Alternative 1 and Alternative 2. Alternative 1 is based on the proposed plan named Level 1 - Current. Alternative 2 is based on the proposed plan named Level 2 - Proposed. At the end of this report there is a Plan Difference report that highlights key differences between the plans.

Some of the key factors that should be considered in this process are the following:

- **Net Worth** – The total of all your assets (less your liabilities) is a key measure of your financial position and may be measured at various times over your lifetime. Your investment strategies may affect this part of the analysis.
- **Cash Flow** – The ability to have sufficient income to meet all your cash outflows over your lifetime is an important consideration. Analyze any excess cash flows to determine whether there is an opportunity to invest or whether the excess represents expenses that have been overlooked.
- **Income Tax** – Managing the tax you pay is an important consideration in the planning process. Reduced taxes means there are more funds available to meet other objectives.
- **Achieving Goals** – It is important to set realistic goals and prioritize them. We need to determine if your current savings pattern and growth objective meet the goals you have identified within the time frame you have selected.
- **Estate Planning** – At the end of your expected lifetime, all assets that have not been used to fund other objectives become part of your estate. In the estate planning process you want to ensure that this residual is effectively passed on as you choose. Without proper planning, as much as 50% of your assets could pass to the government in taxes and fees. Estate planning is a delicate balance of estate and transfer tax reduction strategies, funding your financial goals and maintaining control of your assets.

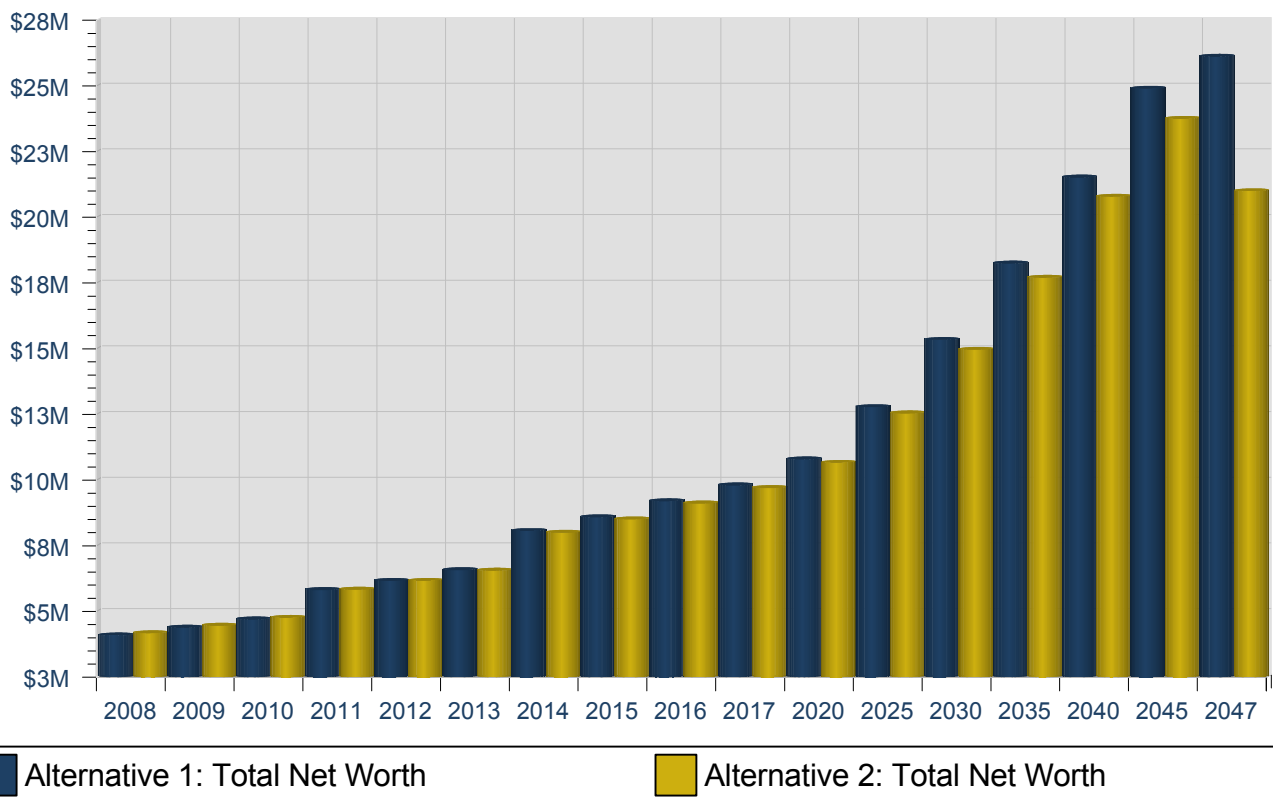
# Net Worth

Over and above social security and pensions, your accumulated wealth or net worth will fund much of your retirement years. Once you have retired, your goals will likely shift to preserving net worth in order to carry you through retirement and possibly leave a legacy for loved ones.

There are several strategies that can be implemented immediately to enhance your net worth. These strategies include

- analyzing and implementing the proper asset allocation
- making effective use of your current income and channeling excess funds to appropriate savings plans

The following graph compares the net worth between Alternative 1 and 2.



In Alternative 1, your net worth at retirement, in the year 2018, is **\$10,226,283**, and at the end of the plan, in the year 2047, it is **\$26,114,694**. NOTE: You have also transferred **\$26,400** out of your estate through various estate planning strategies.

In Alternative 2, your net worth at retirement, in the year 2018, is **\$10,124,951**, and at the end of the plan, in the year 2047, it is **\$20,987,513**. NOTE: You have also transferred **\$4,081,338** out of your estate through various estate planning strategies.

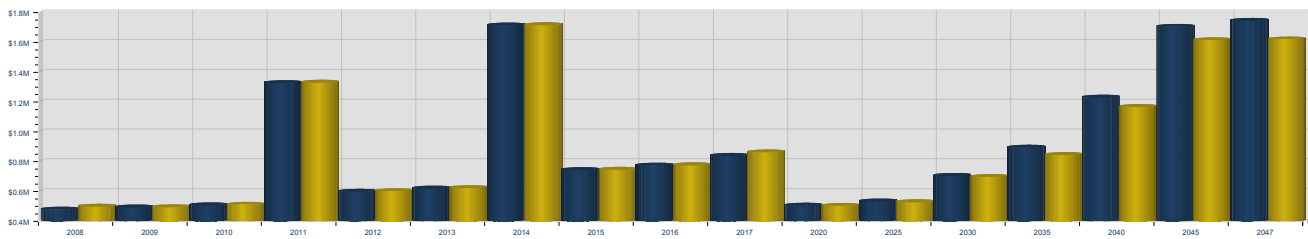
# Cash Flow

Analyzing your cash flow will help you develop a plan to manage your income more effectively.

There are a number of cash flow management techniques you can use, including the following:

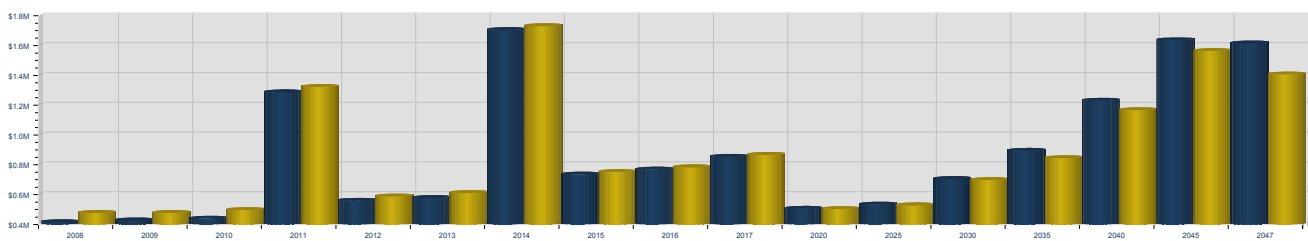
- Make a list of all your current expenses. If you find this difficult, start with your checking account statement or other bill-paying system. Save receipts and/or keep a written record of your spending. The review of the receipts is often very enlightening at the end of the month.
- Determine which expenses are discretionary and which expenses are not. For example, your mortgage or rent payment is not discretionary, but the amount you spend on entertainment is discretionary.
- Prioritize your discretionary expenses, including savings. You and your family must decide which of the discretionary expenses can be adjusted.
- Consider paying yourself first! An automatic savings program that deducts your savings and investment contributions is an effective way to save. Saving what is left over at the end of the month or year is rarely as successful.

The following graph compares the total funds received between Alternative 1 and 2.



Alternative 1: Total Funds Received      Alternative 2: Total Funds Received

The following graph compares the total expenses between Alternative 1 and 2.



Alternative 1: Total Expenses      Alternative 2: Total Expenses

In Alternative 1, the analysis indicates that you will not experience any significant cash flow shortfalls throughout your lifetime.

In Alternative 2, the analysis indicates that you will not experience any significant cash flow shortfalls throughout your lifetime.

# Income Tax

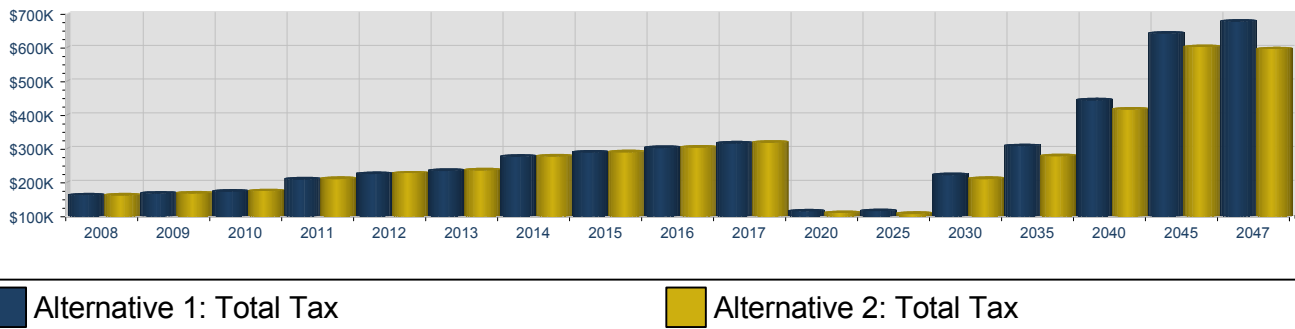
Income tax planning involves strategies for minimizing your taxable income. In particular, the timing and the method by which your income is reported are key factors.

Examples of tax planning strategies include the following:

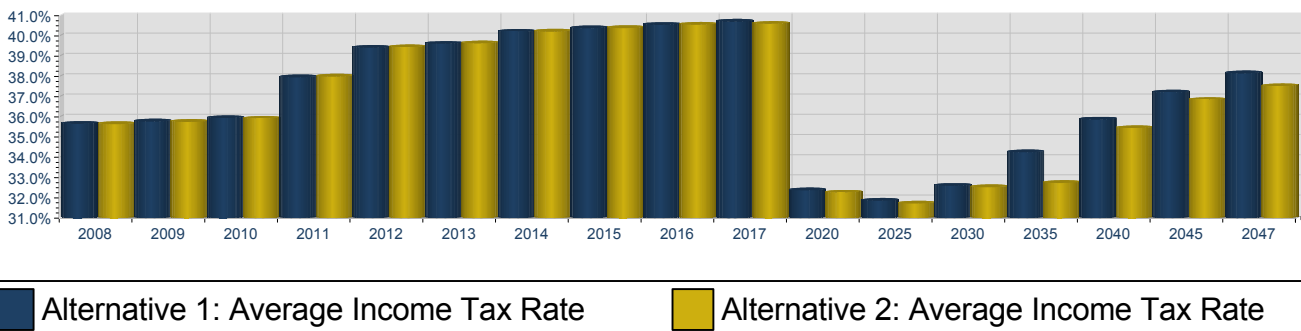
- Invest in assets that create tax-free income, such as municipal bonds.
- Use qualified plans such as IRAs, Roth IRAs and 401(k) plans to defer taxes.
- Also consider non-qualified plans, such as deferred compensation, when available.
- Investment planning should also take advantage of the tax rules to ensure you maximize the after-tax return on your investments. In other words, your goal is to select tax-favorable investments that are consistent with your overall investment plan.
- Timing of investment sales and purchases should also be considered for their tax effect.
- Permanent life insurance can offer a number of tax advantages.
- Charitable contributions, debt structure and asset transfers (college fund to children, for example) can also affect your income taxes.

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

The following graph compares the total tax between Alternative 1 and 2.



The following graph compares average tax rates between Alternative 1 and 2.



It appears that you **may incur Alternative Minimum Tax** at some point between now and 2047.

We should discuss potential tax savings strategies that might be available to you.

# Asset Allocation

Asset allocation is an important consideration once your objectives have been defined. A review of your risk tolerance and investment time horizon for goals assists in determining a proposed asset allocation strategy that is appropriate for your goals. Asset allocation assists in determining the appropriate assumed rate of return for your investments.

## ***Consider the following:***

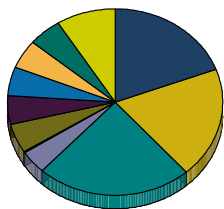
- Your time horizon and tolerance for risk is key in determining your asset allocation for each objective.
- Asset allocation and return rate expectations affect the amount you need to save to meet your objectives.
- Managing your asset allocation also means avoiding unnecessary risk in the selection of your portfolios if you can comfortably meet your objectives with a lower risk portfolio.
- Monte Carlo simulations will further assist you in analyzing the risk/return trade-off.

The following graphs illustrate the asset allocation for Alternative 1 and 2.

## Alternative 1

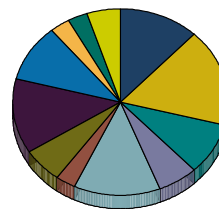
The following graphs illustrate the asset allocation for your current plan and your proposed plan.

**Current Asset Mix**



Rate of Return	9.49%
Standard Deviation	13.89%

**Suggested Asset Mix  
Moderate**



Rate of Return	8.81%
Standard Deviation	12.35%

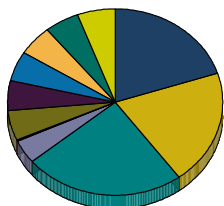
Asset Class	Current Asset Mix		Suggested Asset Mix	
	(%)	(\$)	(%)	(\$)
Large Cap Growth Equity	19.3	262,969	12.0	163,798
Large Cap Value Equity	19.2	262,182	17.0	232,048
Mid Cap Equity	23.4	316,402	9.0	122,849
Small Cap Equity	4.0	54,220	6.0	81,899
International Equity	0.1	1,870	13.0	177,448
Emerging Markets Equity	0.1	1,870	3.0	40,950
Long Term Bonds	5.0	68,791	6.0	81,899
Intermediate Term Bonds	5.0	68,791	13.0	177,448
Short Term Bonds	5.0	68,791	10.0	136,499
High Yield Bonds	5.0	68,791	3.0	40,950
International Bonds	5.0	68,791	3.0	40,950
Cash	8.9	121,517	5.0	68,249
<b>Total</b>	<b>100.0</b>	<b>1,364,986</b>	<b>100.0</b>	<b>1,364,986</b>

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## Alternative 2

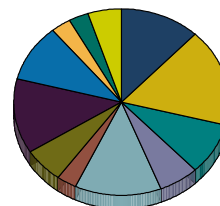
The following graphs illustrate the asset allocation for your current plan and your proposed plan.

**Current Asset Mix**



Rate of Return	9.73%
Standard Deviation	14.43%

**Suggested Asset Mix  
Moderate**



Rate of Return	8.81%
Standard Deviation	12.35%

Asset Class	Current Asset Mix		Suggested Asset Mix	
	(%)	(\$)	(%)	(\$)
Large Cap Growth Equity	20.0	262,658	12.0	157,577
Large Cap Value Equity	19.9	261,872	17.0	223,234
Mid Cap Equity	24.1	316,091	9.0	118,183
Small Cap Equity	4.1	54,220	6.0	78,788
International Equity	0.1	1,870	13.0	170,708
Emerging Markets Equity	0.1	1,870	3.0	39,394
Long Term Bonds	5.2	67,860	6.0	78,788
Intermediate Term Bonds	5.2	67,860	13.0	170,708
Short Term Bonds	5.2	67,860	10.0	131,314
High Yield Bonds	5.2	67,860	3.0	39,394
International Bonds	5.2	67,860	3.0	39,394
Cash	5.7	75,262	5.0	65,657
<b>Total</b>	<b>100.0</b>	<b>1,313,141</b>	<b>100.0</b>	<b>1,313,141</b>

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# Retirement

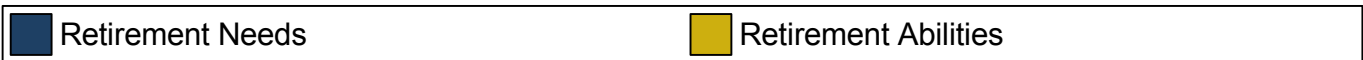
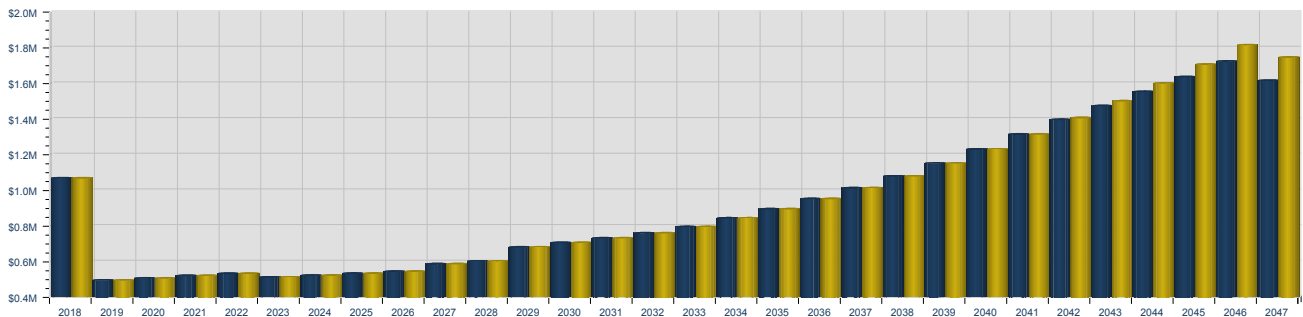
Retirement planning involves ensuring retirement income sources and assets provide sufficient cash flow to meet your retirement spending goals.

## Consider the following:

- Determine changes to your planned spending in retirement. To simplify this task, begin with your expenses today.
  - Which are likely to continue?
  - Which are likely to disappear (employment-related expenses, for example)?
  - Which are likely to increase (vacation, hobbies and medical expenses)?
  - Will income needs for early retirement increase to allow for travel and increased recreation?
  - Will income needs for later retirement increase to meet needs for increased health care costs?
- Develop an effective savings strategy that takes into consideration asset allocation and tax favorable retirement plans available to you, such as 401(k) plans.
- Prioritize your retirement objective to balance it with your other goals such as insurance needs, children’s education, major purchase and current income needs.

The following graphs illustrate the relationship between your projected retirement needs and your ability to cover those needs, for Alternative 1 and 2.

### Alternative 1



Retirement Income Needs <sup>1</sup>	Current Retirement Assets	Amount (Under)/Over Funded <sup>2</sup>	Current Monthly Savings	Additional Monthly Savings <sup>3</sup>
\$245,000	\$1,290,000	\$20,288,829	\$3,978	\$0

<sup>1</sup> Projected annual after tax needs (in today's dollars) in the first full year of retirement (January 1, 2019 - December 31, 2019).

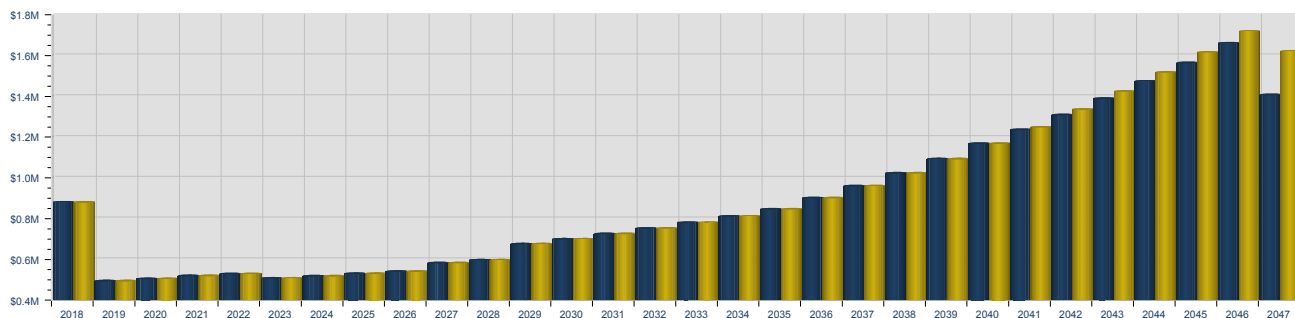
<sup>2</sup> Amount represents the ending retirement surplus/deficit.

<sup>3</sup> Estimated amount based on saving to the current asset mix for retirement goal with no auto-reallocation.

The current average assumed rate of return for assets linked to your retirement goal in Alternative 1 is **9.49%**.

The proposed average assumed rate of return for assets linked to your retirement goal in Alternative 1 is **8.81%**.

### Alternative 2



Retirement Needs

Retirement Abilities

Retirement Income Needs <sup>1</sup>	Current Retirement Assets	Amount (Under)/Over Funded <sup>2</sup>	Current Monthly Savings	Additional Monthly Savings <sup>3</sup>
\$245,000	\$1,239,000	\$15,878,753	\$3,978	\$0

<sup>1</sup> Projected annual after tax needs (in today's dollars) in the first full year of retirement (January 1, 2019 - December 31, 2019).

<sup>2</sup> Amount represents the ending retirement surplus/deficit.

<sup>3</sup> Estimated amount based on saving to the current asset mix for retirement goal with no auto-reallocation.

The current average assumed rate of return for assets linked to your retirement goal in Alternative 2 is **9.73%**.

The proposed average assumed rate of return for assets linked to your retirement goal in Alternative 2 is **8.81%**.

# Emergency Fund Planning

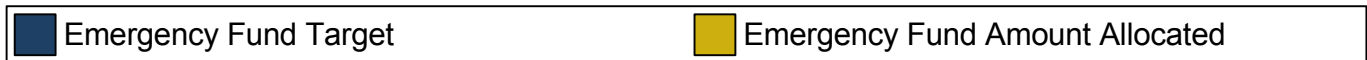
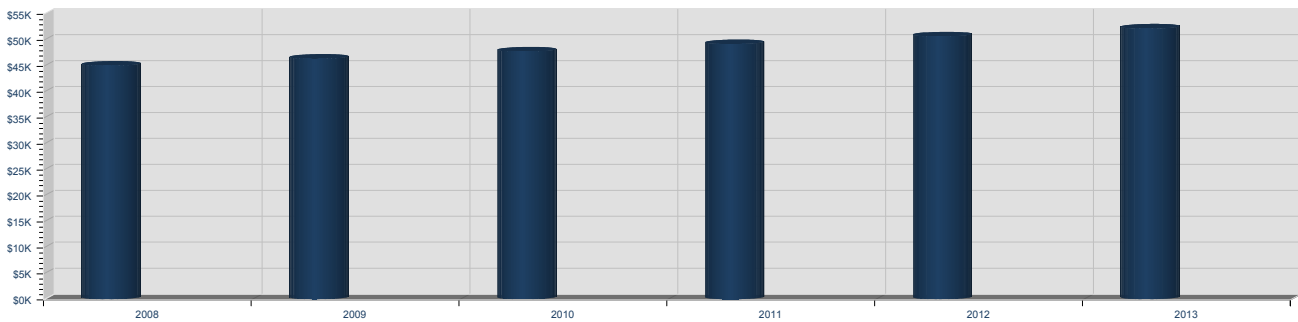
A general guideline for emergency funds is to maintain a fund of liquid assets, which can be easily converted into cash, to cover emergency expenses. Your emergency fund target is currently **\$45,000**.

## 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 and short-term Certificates of Deposit (CDs).

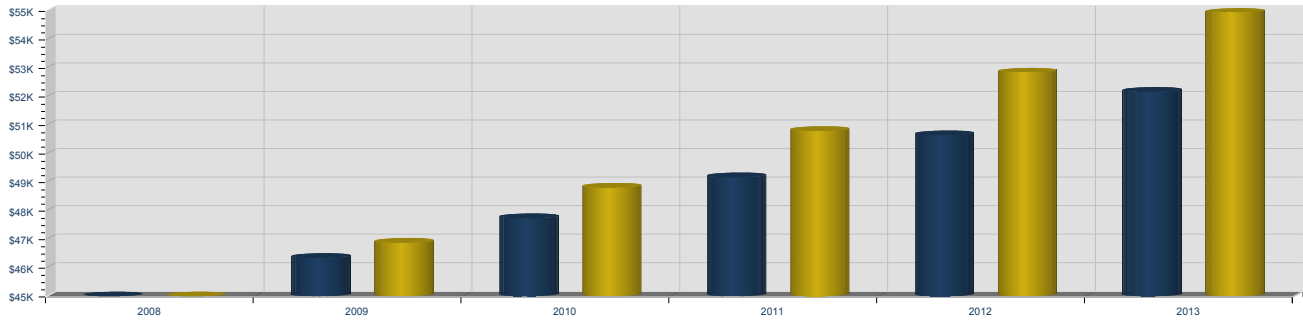
The following graphs illustrate the amounts needed to meet potential emergency financial situations for the next five-year period and those funds that you have currently allocated. Your emergency fund is under-funded by \$45,000 in Alternative 1 and adequately funded in Alternative 2.

### Alternative 1



Year	Age(s)	Emergency Fund Target	Amount Allocated	Amount Over/(Under)	Percent Over/(Under)
2008	52/50	45,000	0	(45,000)	(100)
2009	53/51	46,350	0	(46,350)	(100)
2010	54/52	47,741	0	(47,741)	(100)
2011	55/53	49,173	0	(49,173)	(100)
2012	56/54	50,648	0	(50,648)	(100)

## Alternative 2



Year	Age(s)	Emergency Fund Target	Amount Allocated	Amount Over/(Under)	Percent Over/(Under)
2008	52/50	45,000	45,000	0	0
2009	53/51	46,350	46,878	528	1
2010	54/52	47,741	48,809	1,069	2
2011	55/53	49,173	50,795	1,622	3
2012	56/54	50,648	52,836	2,189	4

# Education

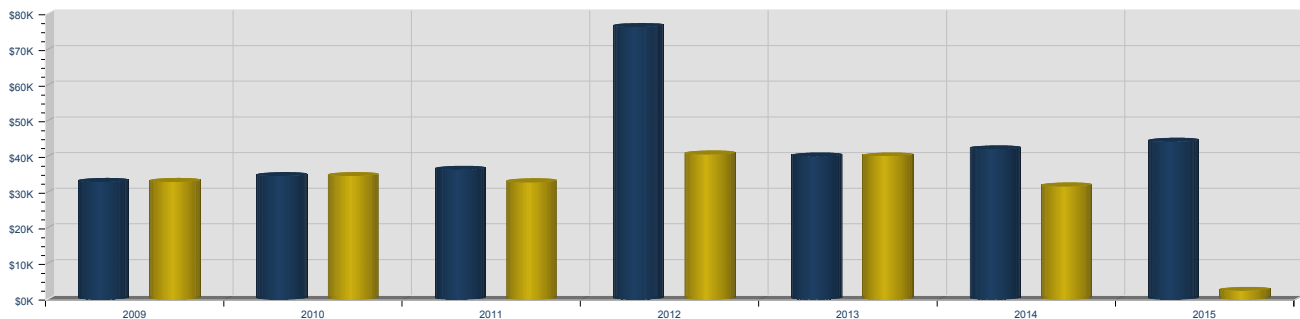
Education planning for your family can be a major consideration. Planning early allows you to take advantage of the time value of money and minimize the savings requirement.

## Consider the following:

- Ensure college expenses are properly planned: include tuition, room and board and living expenses. Is the cost of tuition expected to increase at a rate greater than the general level of inflation? Do you want to consider planning for post-graduate studies? Do you expect your children to receive scholarships or financial aid?
- Develop an effective savings strategy that considers asset allocation and takes advantage of education plans.
- Prioritize your education objective with your insurance needs, retirement, major purchase and current income needs.
- Consider the various education funding accounts such as 529 Plans, Uniform Transfer to Minors Act (UTMA)/Uniform Gifts to Minor Accounts (UGMA) and Coverdell ESAs. Each has its own unique features, so we should determine which fits your needs best.

The following graphs illustrate the relationship between your projected education needs and your ability to cover those needs, for Alternative 1 and 2.

### Alternative 1



Education Needs
  Education Abilities

Family Member	Start Date	Years	Average Educational Cost <sup>1</sup>	Education Assets	Amount (Under)/Over Funded	Current Monthly Savings	Additional Monthly Savings	Assumed ROR
Kathy	Jan 1 2009	4	\$32,994	\$83,000	(\$39,215)	\$200	\$897 <sup>2</sup>	6.00%
Charles	Jan 1 2012	4	\$34,978	\$70,500	(\$52,186)	\$200	\$572 <sup>2</sup>	6.00%
<b>Total</b>				<b>\$153,500</b>		<b>\$400</b>	<b>\$1,469</b> <sup>3</sup>	<b>6.00%</b> <sup>3</sup>

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

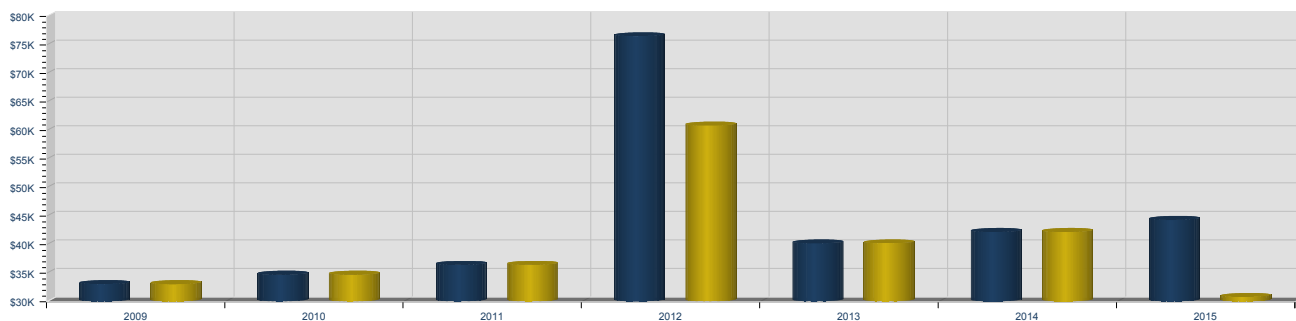
<sup>2</sup> Estimated amount based on saving to the current asset mix for education goal with no auto-reallocation.

<sup>3</sup> Assumed average rate of return based on assets linked to all education goals.

The current average assumed rate of return for assets linked to your education goal in Alternative 1 is **6.00%**.

The proposed average assumed rate of return for assets linked to your education goal in Alternative 1 is **8.61%**.

## Alternative 2



Education Needs
Education Abilities

Family Member	Start Date	Years	Average Educational Cost <sup>1</sup>	Education Assets	Amount (Under)/Over Funded	Current Monthly Savings	Additional Monthly Savings	Assumed ROR
Kathy	Jan 1 2009	4	\$32,994	\$83,000	(\$15,659) <sup>2</sup>	\$600	\$358 <sup>3</sup>	7.08%
Charles	Jan 1 2012	4	\$34,978	\$70,500	(\$13,506) <sup>2</sup>	\$325	\$132 <sup>3</sup>	10.41%
<b>Total</b>				<b>\$153,500</b>		<b>\$925</b>	<b>\$490</b>	<b>8.61%<sup>4</sup></b>

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

<sup>2</sup> Amount reflects reallocation to Suggested Asset Mix.

<sup>3</sup> Estimated amount based on saving to the suggested asset mix for education goal with complete auto-reallocation.

<sup>4</sup> Assumed average rate of return based on assets linked to all education goals.

The current average assumed rate of return for assets linked to your education goal in Alternative 2 is **6.00%**.

The proposed average assumed rate of return for assets linked to your education goal in Alternative 2 is **8.60%**.

# Major Purchase

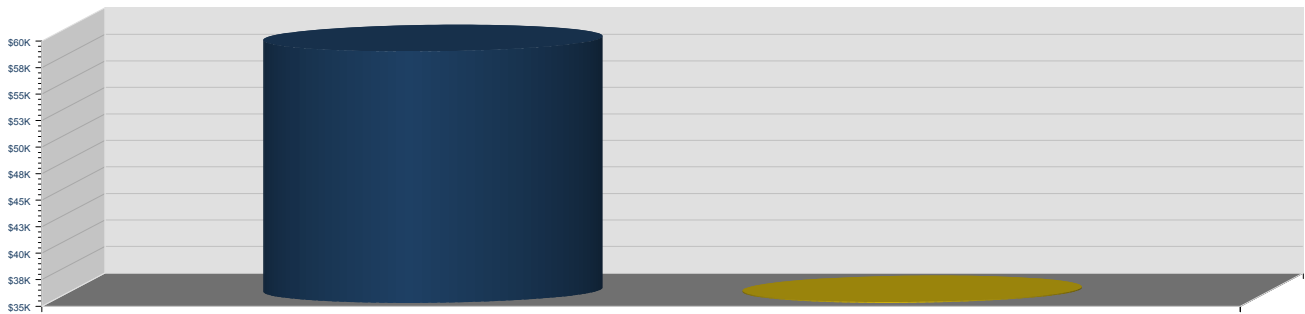
Major purchase planning may involve a vacation home, recreational vehicle, travel or a child's wedding expense. Planning early can take advantage of the time value of money and minimize the savings requirement.

## Consider the following:

- Make an adequate allowance for the cost and expected inflation.
- Plan a realistic purchase date. Is this date flexible?
- Prioritize your major purchase objectives with your insurance needs, retirement, education and current income needs.

The following graphs illustrate the relationship between your projected major purchase needs and your ability to cover those needs, for Alternative 1 and 2.

### Alternative 1



■ Major Purchase Needs
 ■ Major Purchase Abilities

Major Purchase	Purchase Date	Amount <sup>1</sup>	Major Purchase Assets	Amount (Under)/Over Funded	Current Monthly Savings	Additional Monthly Savings	Assumed ROR
Family European Vacation	Jul 1 2017	\$45,000	\$20,000	(\$23,455)	\$0	\$168 <sup>2</sup>	6.00%
<b>Total</b>			<b>20,000</b>		<b>0</b>	<b>\$168</b>	<b>6.00%</b> <sup>3</sup>

<sup>1</sup> In today's dollars.

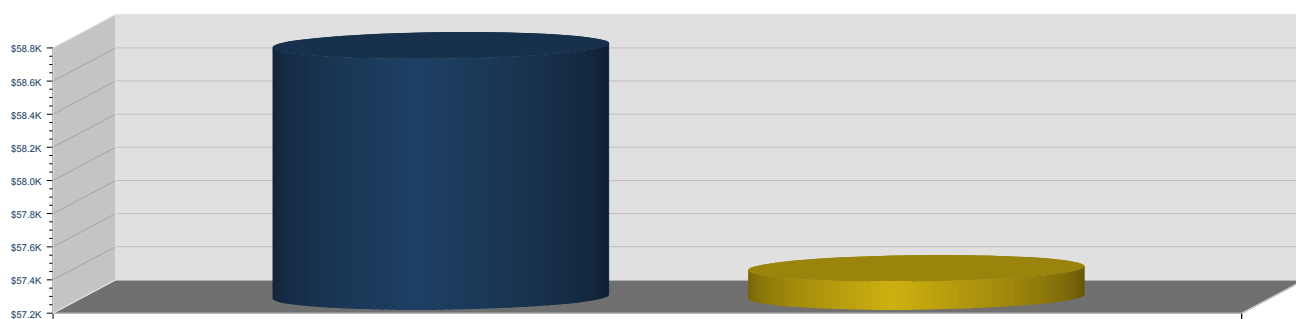
<sup>2</sup> Estimated amount based on saving to the current asset mix for major purchase goal with no auto-reallocation.

<sup>3</sup> Assumed average rate of return based on assets linked to all major purchase goals.

The current average assumed rate of return for assets linked to your major purchase goal in Alternative 1 is **6.00%**.

The proposed average assumed rate of return for assets linked to your major purchase goal in Alternative 1 is **8.81%**.

## Alternative 2



■ Major Purchase Needs
 ■ Major Purchase Abilities

Major Purchase	Purchase Date	Amount <sup>1</sup>	Major Purchase Assets	Amount (Under)/Over Funded	Current Monthly Savings	Additional Monthly Savings	Assumed ROR
Family European Vacation	Jul 1 2017	\$45,000	\$26,000	(\$1,354) <sup>2</sup>	\$0	\$9 <sup>3</sup>	8.81%
<b>Total</b>			<b>26,000</b>		<b>0</b>	<b>\$9</b>	<b>8.81%<sup>4</sup></b>

<sup>1</sup> In today's dollars.

<sup>2</sup> Amount reflects reallocation to Suggested Asset Mix.

<sup>3</sup> Estimated amount based on saving to the suggested asset mix for major purchase goal with minimal auto-reallocation.

<sup>4</sup> Assumed average rate of return based on assets linked to all major purchase goals.

The current average assumed rate of return for assets linked to your major purchase goal in Alternative 2 is **5.87%**.

The proposed average assumed rate of return for assets linked to your major purchase goal in Alternative 2 is **8.81%**.

# 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	Yes
Force Full Deficit Coverage	Yes
Annual Cash Flow Deficit Tolerance	(\$10,000)
Education Goals Success Tolerance	(\$1,000)
Major Purchase Goals Success Tolerance	(\$500)
Number of Projections	150

**Life Expectancy Randomized** illustrates changes to your life expectancy in each projection, based on the GAM 83 (generally accepted mortality) table. This aspect of the analysis takes into consideration that you may die prematurely or live beyond your life expectancy. Most projections will end at your expected mortality, but several projections will illustrate you dying very early or living well beyond your life expectancy.

**Full Deficit Coverage** is active for the plan. This means that in the pre-retirement period of the analysis, assets are redeemed to cover periodic expenses and taxes. This will more accurately reflect your success if investment income is automatically reinvested, because 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 Growth Equity	0.00%	1.29%	9.05%	0.00%	0.12%	10.46%	23.27%
Large Cap Value Equity	0.00%	2.48%	5.60%	0.00%	4.17%	12.25%	17.61%
Mid Cap Equity	0.00%	1.46%	11.09%	0.00%	0.00%	12.55%	23.74%
Small Cap Equity	0.00%	1.18%	11.77%	0.00%	2.11%	15.06%	28.44%
International Equity	0.00%	3.01%	4.93%	0.00%	2.97%	10.91%	24.42%
Emerging Markets Equity	0.00%	2.90%	8.60%	0.00%	2.76%	14.26%	33.30%
Long Term Bonds	4.50%	0.00%	0.00%	0.00%	0.00%	4.50%	11.20%
Intermediate Term Bonds	4.01%	0.00%	0.00%	0.00%	0.00%	4.01%	6.57%
Short Term Bonds	3.31%	0.00%	0.00%	0.00%	0.00%	3.31%	3.21%
High Yield Bonds	6.65%	0.00%	0.00%	0.00%	0.00%	6.65%	12.24%
International Bonds	4.21%	0.00%	0.00%	0.00%	0.00%	4.21%	11.12%
Cash	2.82%	0.00%	0.00%	0.00%	0.00%	2.82%	2.95%

***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 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 assumed 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 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.

## ***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 assumed 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.

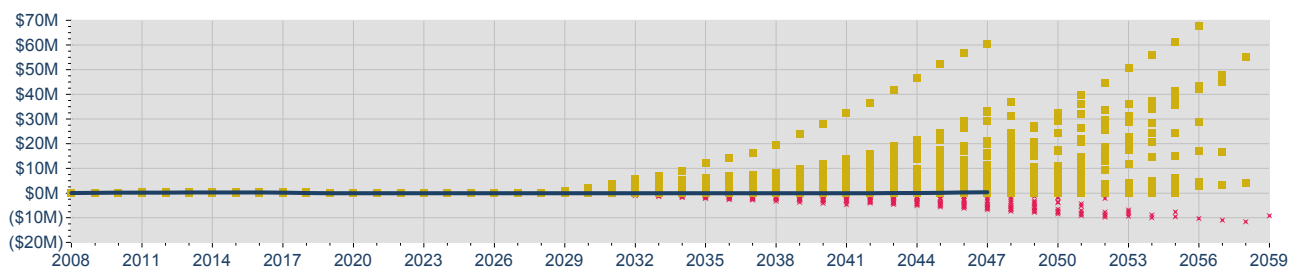
The terminal net worth of the 90<sup>th</sup>, 50<sup>th</sup> and 10<sup>th</sup> *Percentiles* is also listed. The 90<sup>th</sup> percentile illustrates the projection where 90% of the results are below this value. The 50<sup>th</sup> percentile is the median

projection where half the projections fall above and half fall below this value. The 10<sup>th</sup> percentile illustrates the projection where 10% of the results are below this value.

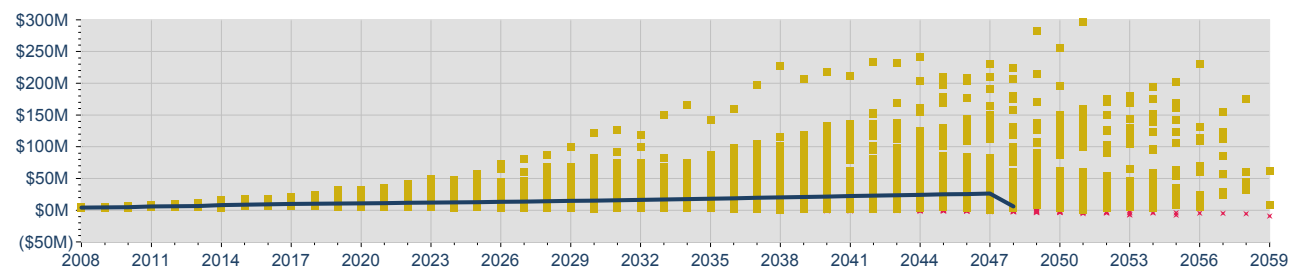
The significance of this graph is that the element of uncertainty will cause the results of each projection to vary. From a financial planning perspective, it is important for your plan to withstand the assumed changes in the value of your investments and be able to meet your income needs throughout 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 for Alternative 1.

### Alternative 1



✖ Accum. Surplus/Deficit (unsuccessful)    ■ Accum. Surplus/Deficit (successful)    — Accum. Surplus/Deficit (average)



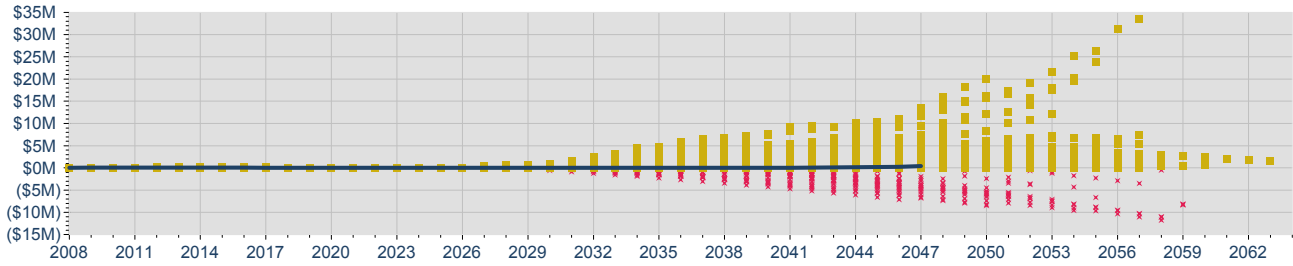
✖ Total Net Worth (unsuccessful)    ■ Total Net Worth (successful)    — Total Net Worth (average)

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
<b>All Goals</b>	0.00%			
<b>Retirement Goal</b>	84.00%	(\$222,348)	\$5,386,449	\$38,176,090
Kathy's Education	0.00%	\$97,036	\$103,027	\$109,891
Charles' Education	0.00%	\$101,644	\$111,533	\$123,781
Family European Vacation	10.00%	\$34,803	\$34,803	\$34,803

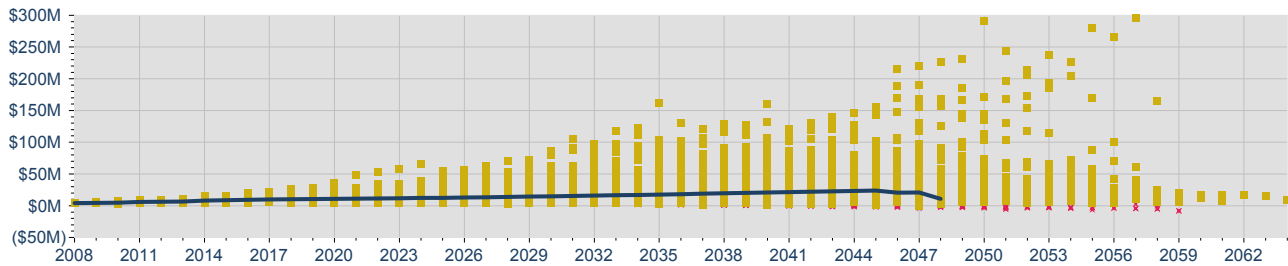
Assumptions	
Life Expectancy Randomized	Yes
Force Full Deficit Coverage	Yes
Annual Cash Flow Deficit Tolerance	(\$10,000)
Education Goals Success Tolerance	(\$1,000)
Major Purchase Goals Success Tolerance	(\$500)
Number of Projections	150

The following is a Monte Carlo Sensitivity Analysis for Alternative 2.

### Alternative 2



✘ Accum. Surplus/Deficit (unsuccessful)    ■ Accum. Surplus/Deficit (successful)    — Accum. Surplus/Deficit (average)



✘ Total Net Worth (unsuccessful)    ■ Total Net Worth (successful)    — Total Net Worth (average)

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
<b>All Goals</b>	8.00%			
<b>Retirement Goal</b>	79.33%	(\$648,957)	\$8,806,435	\$45,274,270
Kathy's Education	10.00%	\$112,806	\$126,281	\$140,865
Charles' Education	38.67%	\$100,430	\$148,797	\$215,588
Family European Vacation	48.67%	\$36,778	\$56,070	\$84,431

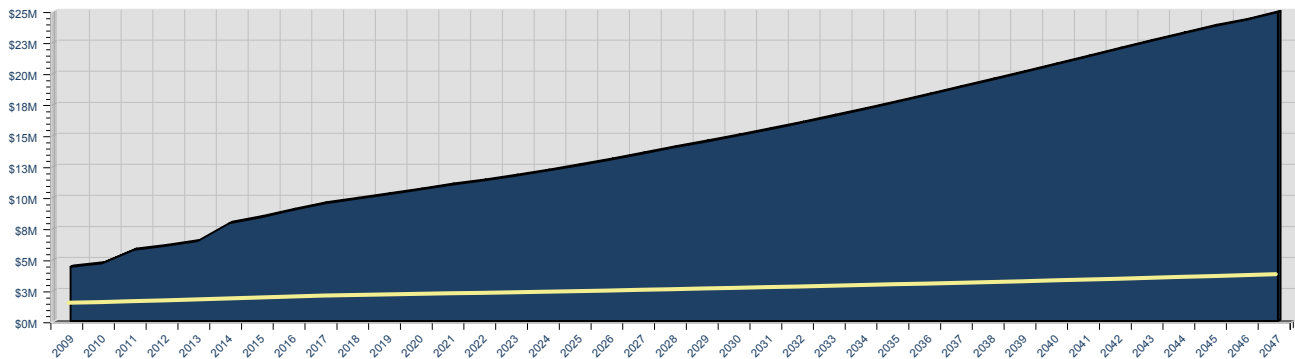
#### Assumptions

Life Expectancy Randomized	Yes
Force Full Deficit Coverage	Yes
Annual Cash Flow Deficit Tolerance	(\$10,000)
Education Goals Success Tolerance	(\$1,000)
Major Purchase Goals Success Tolerance	(\$500)
Number of Projections	150

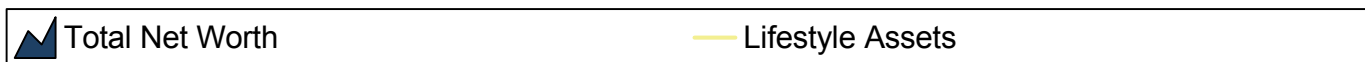
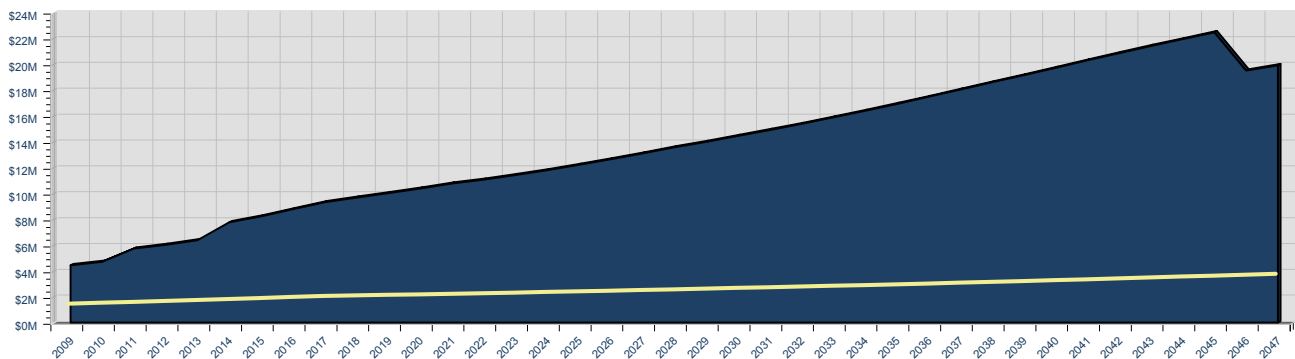
# Disability Insurance

Joe and Jane, the following graphs illustrate the effect on your net worth if one of you were to become disabled at the beginning of next year.

## Alternative 1 – If Joe Is Disabled



## Alternative 2 – If Joe Is Disabled

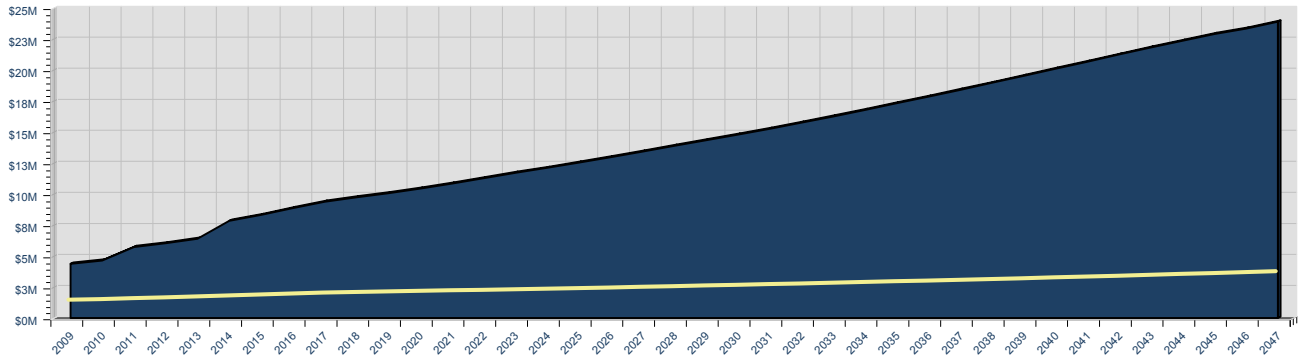


Joe currently has **\$120,000** of disability insurance coverage.

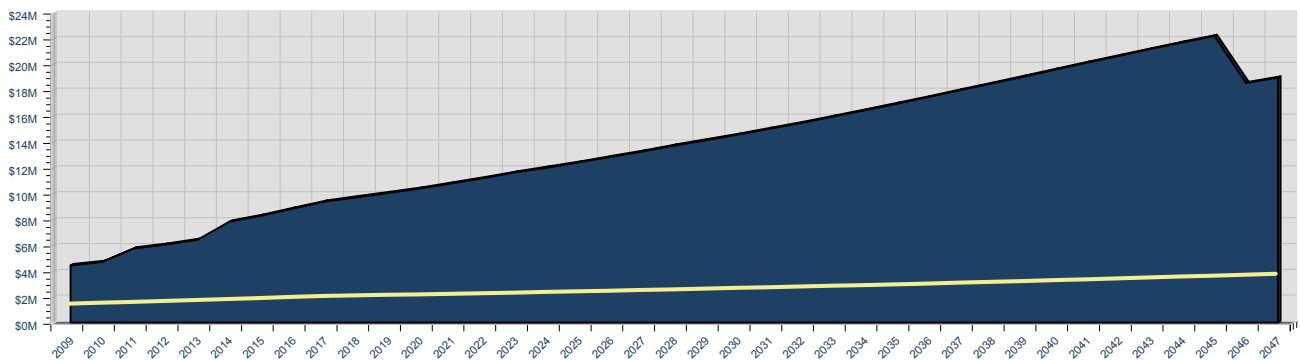
In the event of Joe's disability next year, it appears you will not be able to meet your goals in Alternative 1. You could purchase an **additional \$530 per month**, of disability insurance, to replace your existing monthly income. It appears you will not be able to meet your goals in Alternative 2. You could purchase an **additional \$118 per month**, of disability insurance, to replace your existing monthly income.

The additional insurance 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.

### Alternative 1 – If Jane Is Disabled



### Alternative 2 – If Jane Is Disabled



Jane currently has **\$120,000** of disability insurance coverage.

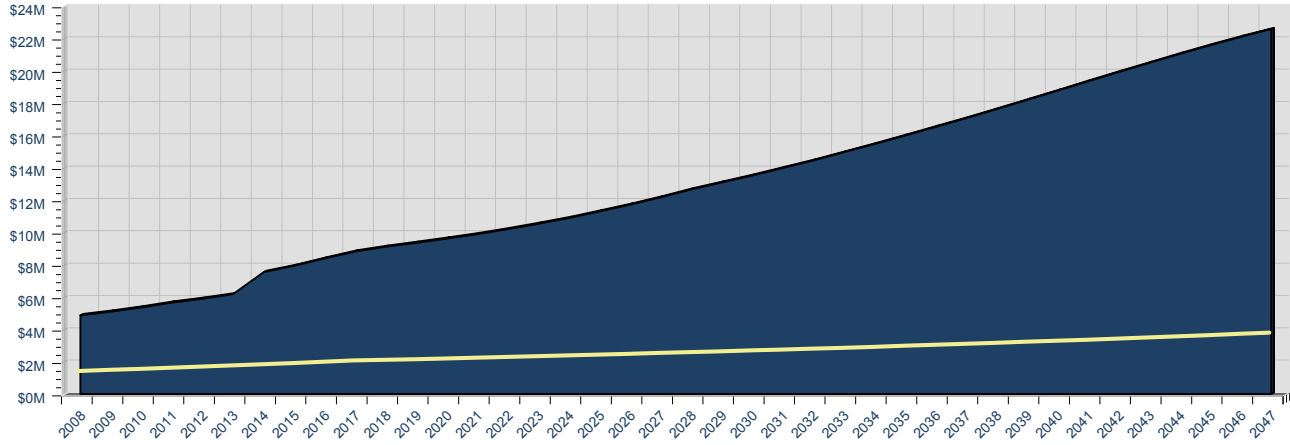
In the event of Jane's disability next year, it appears you will not be able to meet your goals in Alternative 1. You could purchase an **additional \$507 per month**, of disability insurance, to replace your existing monthly income. It appears you will not be able to meet your goals in Alternative 2. You could purchase an **additional \$507 per month**, of disability insurance, to replace your existing monthly income.

The additional insurance 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.

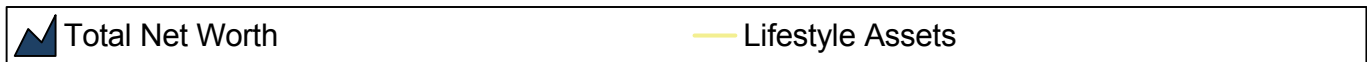
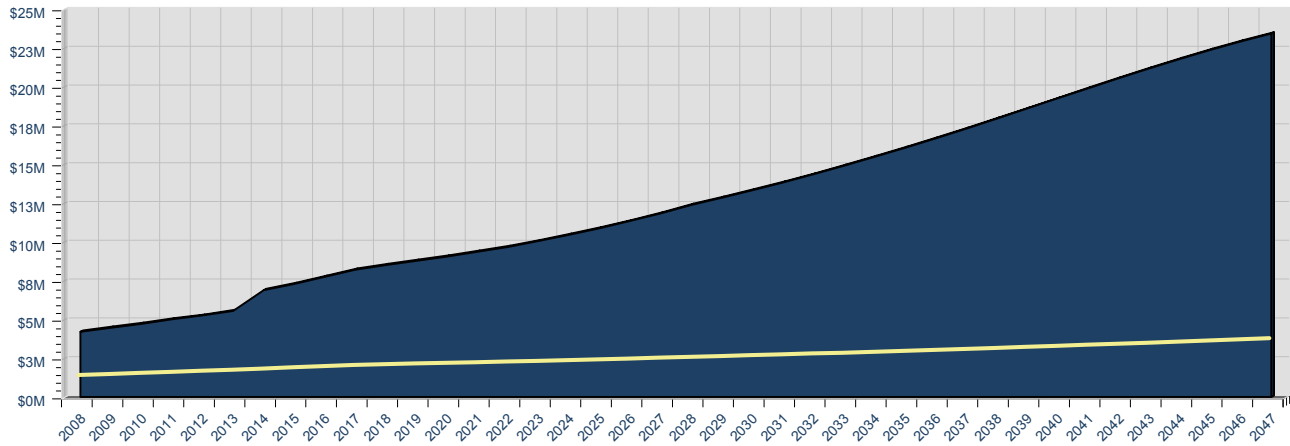
# Life Insurance

Joe and Jane, the following graphs illustrate the effect on your net worth if one of you were to die this year.

## Alternative 1 – If Joe Dies



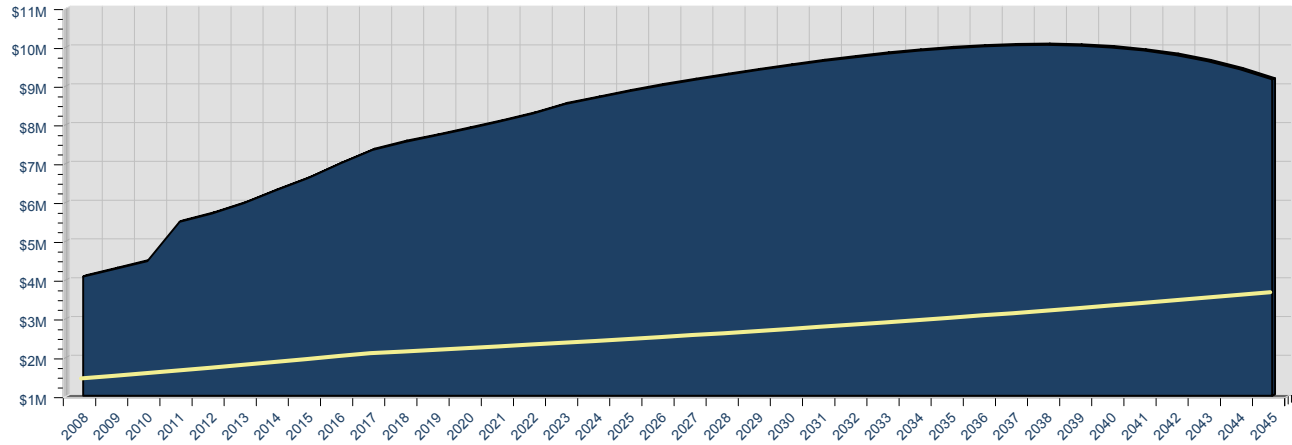
## Alternative 2 – If Joe Dies



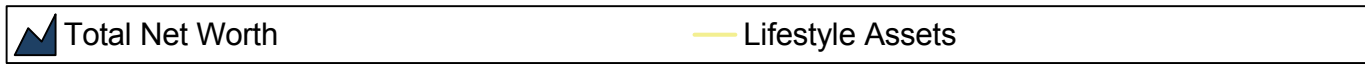
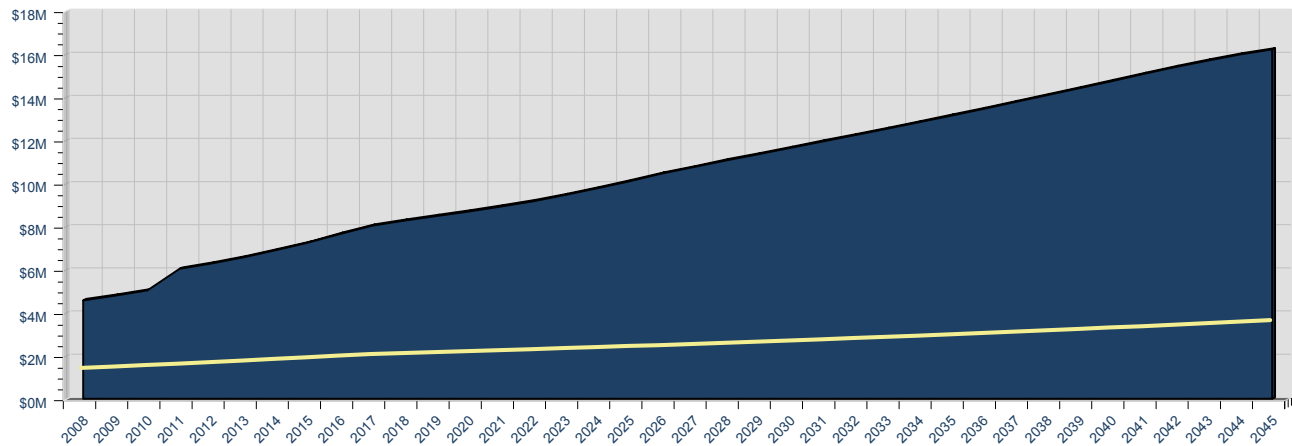
Joe currently has **\$800,000** of life insurance coverage.

In the event of Joe's death this year, you **do not need any additional** life insurance in Alternative 1 or Alternative 2.

### Alternative 1 – If Jane Dies



### Alternative 2 – If Jane Dies



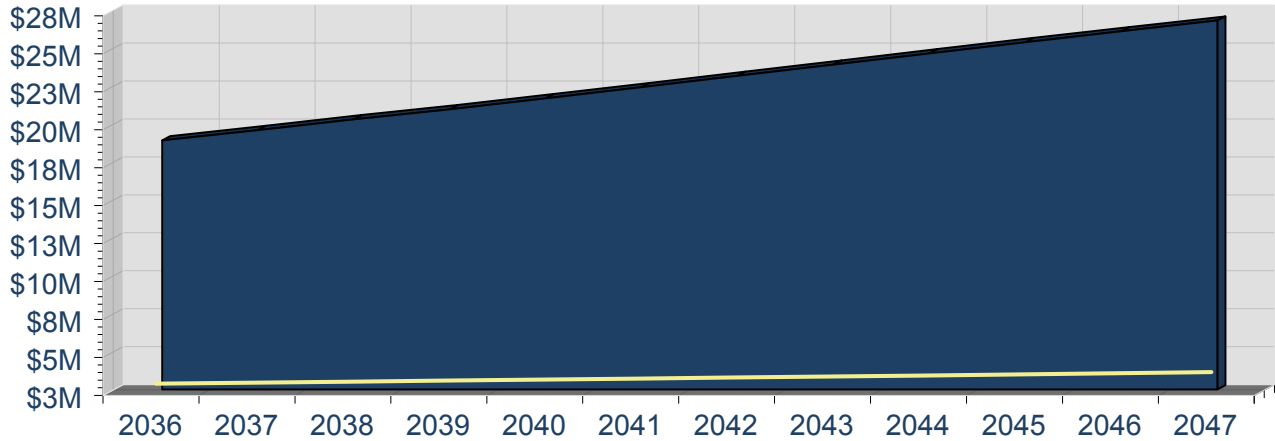
Jane currently has no life insurance coverage in Alternative 1, and **\$500,000** of life insurance coverage in Alternative 2.

In the event of Jane's death this year, you **do not need any additional** life insurance in Alternative 1 or Alternative 2.

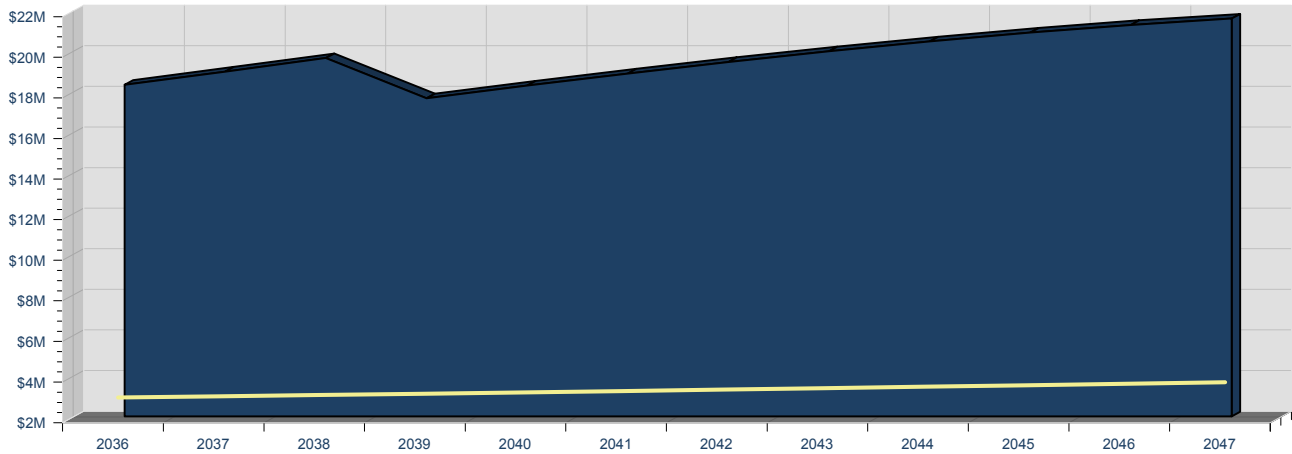
# Long-Term Care Insurance



The following graphs illustrate your net worth, assuming Joe requires long-term care beginning in the year 2036 in both Alternative 1 and Alternative 2.

**Alternative 1 – If Joe Requires Long-Term Care**



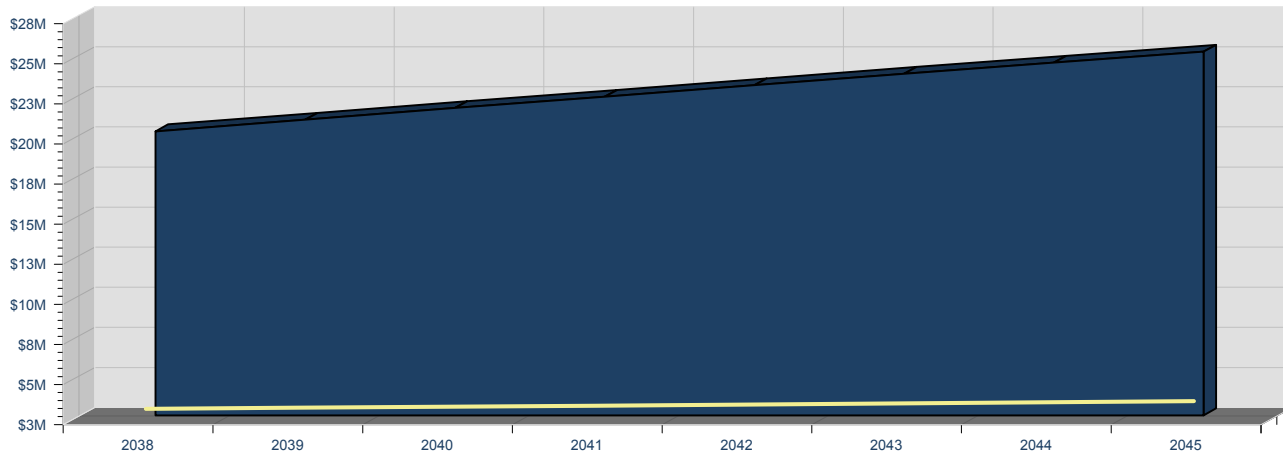
**Alternative 2 – If Joe Requires Long-Term Care**



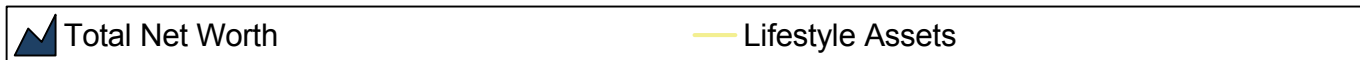
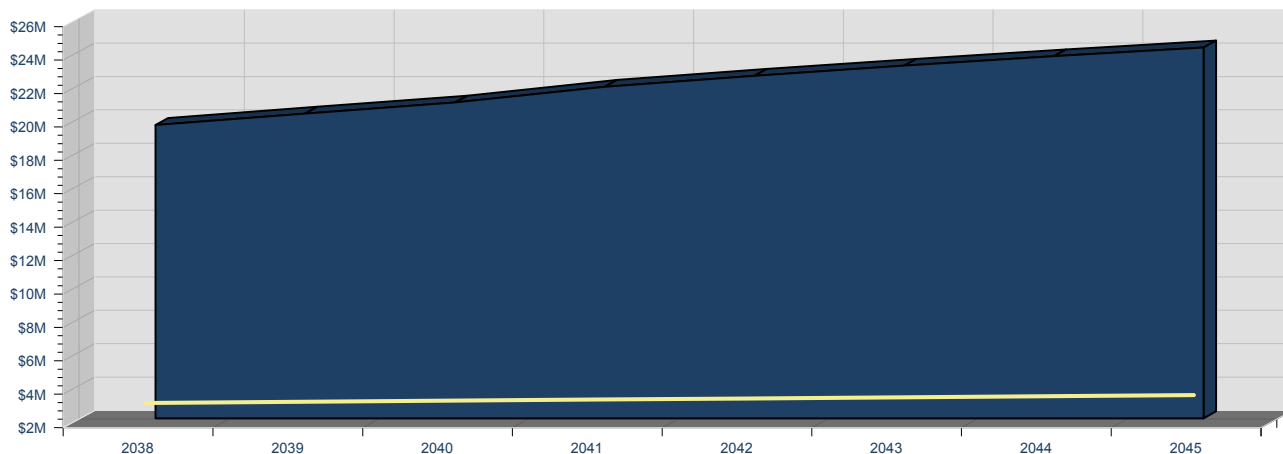
 Total Net Worth
  Lifestyle Assets

The following graphs illustrate your net worth, assuming Jane requires long-term care beginning in the year 2038 in both Alternative 1 and Alternative 2.

### Alternative 1 – If Jane Requires Long-Term Care



### Alternative 2 – If Jane Requires Long-Term Care

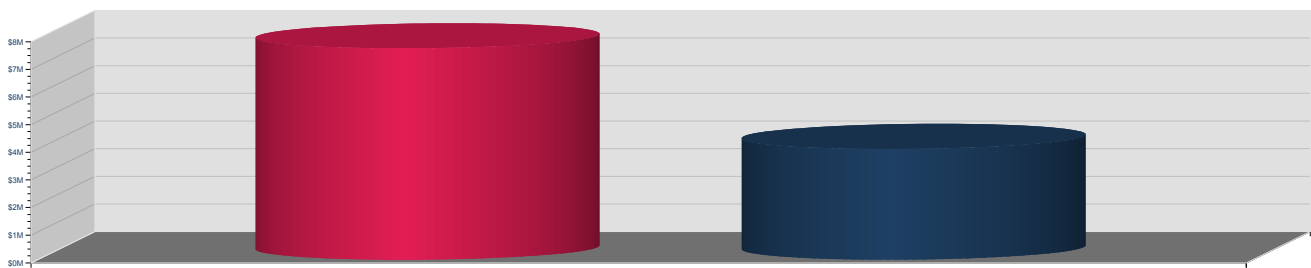


# Estate Planning

## Consider the following:

- The more successful you are in accumulating assets to achieve your financial goals over your life time, the more important it is to have a proper estate plan in place prior to your death.
- One of the largest potential expenses your estate may have to pay is tax, which include federal and state estate taxes - and income taxes.
- Consider who you would like to receive your assets – your children, charities, other heirs? Should they receive the assets now or after your death? Proper planning can ensure that your goals are met.

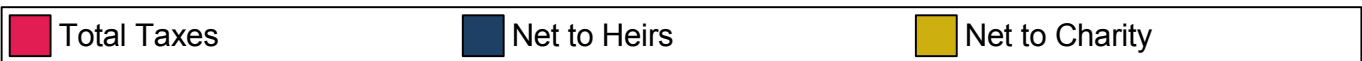
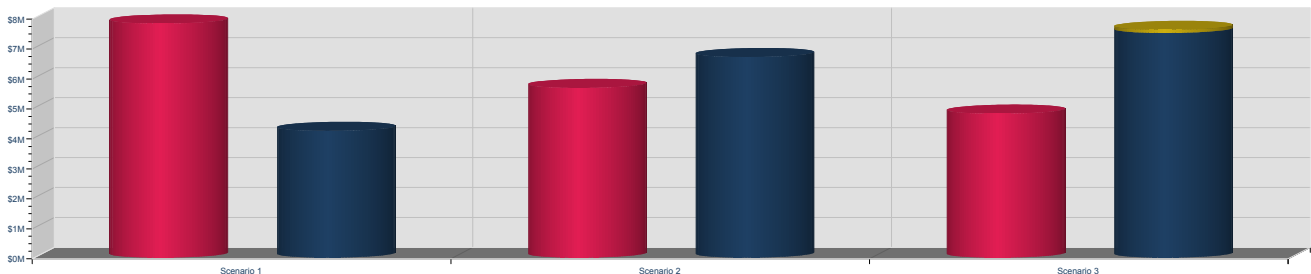
### Alternative 1



Scenario	Description	Total Taxes	Net to Heirs	Net to Charity	Total to Heirs and Charity
1	*Existing Estate Scenario	\$7,652,237	\$4,012,073	\$0	\$4,012,073
* = Recommended Scenario					

Life expectancy assumptions: Joe dies at age 60 in 2016; Jane dies at age 63 in 2021.

### Alternative 2



Scenario	Description	Total Taxes	Net to Heirs	Net to Charity	Total to Heirs and Charity
1	Existing Estate Scenario	\$7,817,793	\$4,230,041	\$0	\$4,230,041
2	A/B Living Trust	\$5,665,554	\$6,696,031	\$0	\$6,696,031
3	*A/B, Living, Gifting, Bequest, ILIT	\$4,804,900	\$7,502,506	\$100,000	\$7,602,506
* = Recommended Scenario					

Life expectancy assumptions: Joe dies at age 60 in 2016; Jane dies at age 63 in 2021.

# 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 the original objectives.** Are they realistic? Can you afford to implement all of your objectives? What are your priorities? If you are unable to fund all of your objectives, consider alternative goal dates, revised goal amounts, and alternative investment strategies. 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.
5. **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 can cover ten, twenty, thirty years or more.

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## Notes

# Appendix - Plan Difference Report

The following report provides information on the major differences between the two plan alternatives in this analysis.

This report describes the differences between the two plans **Level 1 - Current** and **Level 2 - Proposed**. The differences listed below are described going from **Level 1 - Current** to **Level 2 - Proposed**.

- This symbol is used to represent items that are in **Level 1 - Current** but not **Level 2 - Proposed**.
- + This symbol is used to represent items that are in **Level 2 - Proposed** but not **Level 1 - Current**.
- # This symbol is used to represent items that have changed from **Level 1 - Current** to **Level 2 - Proposed**.
- \* This symbol is used to indicate items that have been renamed in **Level 2 - Proposed**.

## **General Member Data for Jane**

# Details for **Jane's Social Security Benefits** have been changed in Level 2 - Proposed  
**Charles** is now a dependent.  
**Kathy** is now a dependent.

## **Expense Data**

+ **Jane's Charitable donations** expenses have been added to Level 2 - Proposed

## **Expense Data**

+ **Surplus Expense Strategy** for **Joe and Jane** has been added to Level 2 - Proposed

### Asset Data

- # Details for **Ridgefield Bank Savings Account** have been changed in Level 2 - Proposed
- # Details for **Balanced Incom Mutual Funds** have been changed in Level 2 - Proposed
- + **Life Insurance Proceeds for Joe** has been added to Level 2 - Proposed
- + \* **Suggested Mix for Charles' Education** has been added to Level 2 - Proposed
- + \* **Suggested Mix for Family European Vacation** has been added to Level 2 - Proposed
- + \* **Suggested Mix for Kathy's Education** has been added to Level 2 - Proposed
- + \* **Transition Mix for Family European Vacation** has been added to Level 2 - Proposed
- + \* **Transition Mix for Family European Vacation** has been added to Level 2 - Proposed
- + **European Vacation** has been added to Level 2 - Proposed
- + **529 Plan \* Suggested Mix for Charles' Education** has been added to Level 2 - Proposed
- + **529 Plan \* Suggested Mix for Kathy's Education** has been added to Level 2 - Proposed
- + **Jane's LI Policy** has been added to Level 2 - Proposed

### Savings Strategies

- # Details for **Regular Savings** strategy for **Kathy's 529 Plan** have been changed in Level 2 - Proposed
- # Details for **Regular Savings** strategy for **Charles 529 Plan** have been changed in Level 2 - Proposed
- + **Regular Savings** strategy for **Joint Savings Acct#77721** has been added to Level 2 - Proposed
- + **Surplus Savings** strategy for **Balanced Incom Mutual Funds** has been added to Level 2 - Proposed

### Redemption Strategies

- **Deficit Coverage** strategy for **Ridgefield Bank Savings Account** has been removed from Level 2 - Proposed
  
- # Details for **Deficit Coverage** strategy for **Education Savings for Charles** have been changed in Level 2 - Proposed
- # Details for **Deficit Coverage** strategy for **Education Savings for Kathy** have been changed in Level 2 - Proposed
- + **Deficit Coverage** strategy for **Life Insurance Proceeds for Joe** has been added to Level 2 - Proposed
- + strategy for \* **Suggested Mix for Charles' Education** has been added to Level 2 - Proposed
- + strategy for \* **Suggested Mix for Family European Vacation** has been added to Level 2 - Proposed
- + strategy for \* **Suggested Mix for Kathy's Education** has been added to Level 2 - Proposed
- + strategy for **European Vacation** has been added to Level 2 - Proposed
- + **Deficit Coverage** strategy for **European Vacation** has been added to Level 2 - Proposed
- + strategy for **529 Plan \* Suggested Mix for Charles' Education** has been added to Level 2 - Proposed
- + strategy for **529 Plan \* Suggested Mix for Kathy's Education** has been added to Level 2 - Proposed
- + strategy for \* **Transition Mix for Family European Vacation** has been added to Level 2 - Proposed
- + strategy for \* **Transition Mix for Family European Vacation** has been added to Level 2 - Proposed

### Transfer Strategies

- + **Transfer** strategy from **Jane's LI Policy** to **Life Insurance Proceeds for Joe** has been added to Level 2 - Proposed
- + **Transfer** strategy from **Jane's LI Policy** to **Life Insurance Proceeds for Joe** has been added to Level 2 - Proposed
- + **Transfer** strategy from **European Vacation** to \* **Transition Mix for Family European Vacation** has been added to Level 2 - Proposed
- + **Transfer** strategy from **Vanguard Long-Term Treasury Inv** to \* **Transition Mix for Family European Vacation** has been added to Level 2 - Proposed
- + **Transfer** strategy from **Education Savings for Charles** to **529 Plan \* Suggested Mix for Charles' Education** has been added to Level 2 - Proposed
- + **Transfer** strategy from **Education Savings for Kathy** to **529 Plan \* Suggested Mix for Kathy's Education** has been added to Level 2 - Proposed

# Delivery Acknowledgement

We, Joe and Jane Sample Client, 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.

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Joe Sample Client

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Jane Sample Client

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.*