Personal Financial Plan

Joe and Gloria Smith

Summit, New Jersey

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Disclaimer

This assessment is hypothetical in nature and is intended to help you in making decisions on your financial future based on information that you have provided and reviewed.

The assumptions used in this assessment 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 assessment. Any inaccurate representation by you of any facts or assumptions used in this assessment invalidates the results.

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 assessment, 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.

This assessment 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 assessment 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.

Results May Vary With Each Use and Over Time

The results presented in this assessment 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 assessment. Historical data is used to produce future assumptions used in the assessment, such as rates of return. Past performance is not a guarantee or predictor of future performance.

The results are based on your representation of risk and include information current as of May 26, 2006. You are responsible for confirming that the answers you provided to determine your individual risk tolerance used in this assessment are accurately represented. The proposed asset allocation presented in this assessment is based 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. Actual return rates and performance may vary to a significant degree from that represented in this assessment.

Investments Considered

This assessment does not consider the selection of individual securities; the assessment provides model portfolios. The results contained herein do not constitute an actual offer to buy, sell or recommend a particular investment or product. All investments are inherently risky. The asset classes and return rates used in the assessment are broad in nature. The illustrations are not indicative of the future performance of actual investments, which will fluctuate over time and may lose value. Refer to the Asset Allocation section of this report for details on return rate assumptions used throughout this assessment.

There are risks associated with investing, including the risk of losing a portion or all of your initial investment.

Important Terminology

Current Plan

The Current Plan represents the assumptions used in the financial plan based on information provided and reviewed by you.

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.

Asset Class

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

Asset Mix

A set of assets defined within an investment portfolio such as stocks, bonds, equity, cash, etc. It is also a division within a class of assets such as a mix of small, medium, and large company stock.

Average Tax Rate

The average tax rate is applied against salary, self-employed, Social Security, defined benefit, pension and other taxable income. The average tax rate is typically less than the marginal tax rate based on the assumption that regular incomes are spread over multiple brackets.

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.

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.

Marginal Tax Rate

The marginal tax rate is derived from the federal income tax brackets. It is the amount of tax that would be paid on any additional dollars of income. It is applied against interest, dividend (after 2009), royalty, alimony and short-term capital gains income.

Portfolio

The combination of assets a client owns and that are designated to fund the client's goal.

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.

Time Horizon

The length of time expected 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.

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, it belongs to 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.

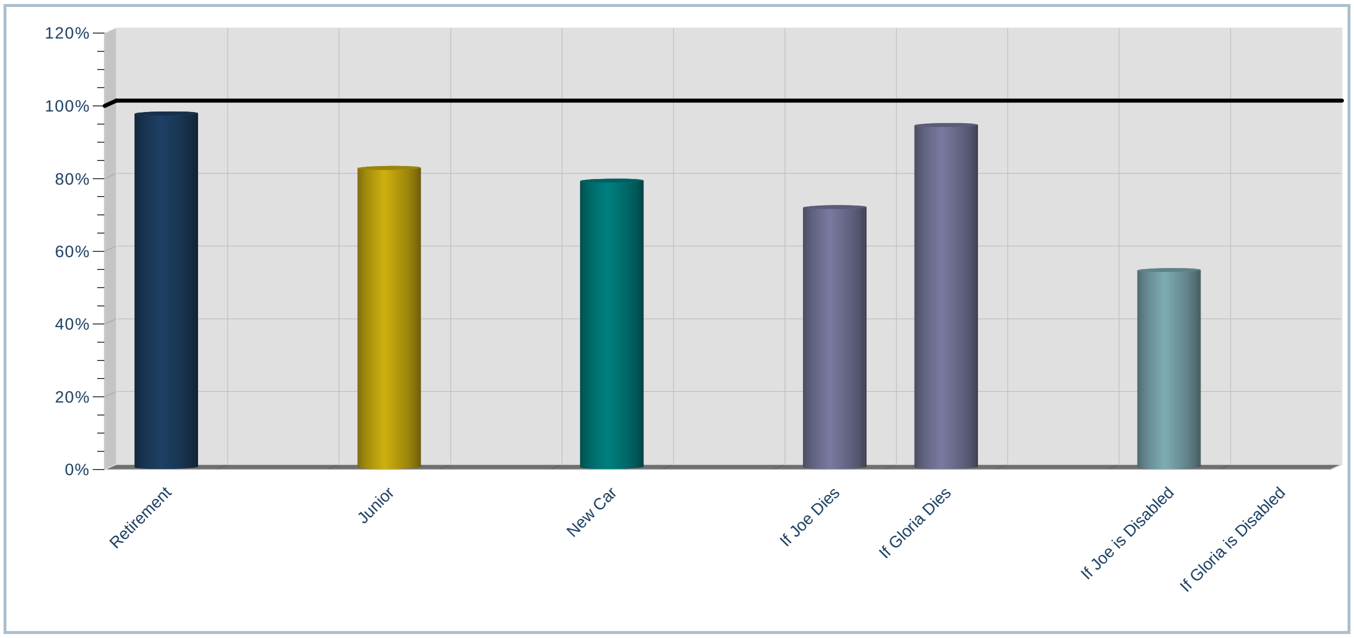
Important acronyms

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	QTIP - Qualified terminable interest property trust
RMD - Required minimum distribution	SOY - Start of year
UGMA - Uniform Gift to Minors Act	UMD - Unlimited marital deduction
UTMA - Uniform Transfer to Minors Act	

Overview

The Overall Goal Achievement graph illustrates the percentage of each goal that may be covered based on the projection of the current capital and savings for each goal.

Alternative strategies that may assist in goal achievement are listed in the tables following the Overall Goal Achievement graph.



Retirement

Your current projected retirement strategies may allow you to achieve the desired retirement goal at a level of 95% or more.

The following table provides alternative strategies that may assist you in fully achieving the desired retirement goal.

Options						
Expect Retirement Expenses to be covered at	**OR**	**Save an Additional**	**OR**	**Invest a Lump Sum Today of**	**OR**	**Retire in the year (at age)**
97%		$5,616 /Month		$423,091		2022/2024 (66/66)

Education

Unfortunately, your current projected education strategies may not allow you to achieve the desired education goal.

The following table provides alternative strategies that may assist you in achieving the desired education goal.

Options

	Expect to Support Education Costs at ($/year)	OR	Save an Additional	OR	Invest a Lump Sum Today of
College	82% ($27,141)		$803 /Month		$31,648

Major Purchase

Unfortunately, your current projected major purchase strategies may not allow you to achieve the desired major purchase goal.

The following table provides alternative strategies that may assist you in achieving the desired major purchase goal.

Options							
	Expect to Support Major Purchase Costs at ($)	OR	Save an Additional	OR	Invest a Lump Sum Today of	OR	Adjust Purchase Date to
New Car (2008)	79% ($27,650)		$336 /Month		$7,547		N/A[1]

1 - Sufficient capital to fund this major purchase goal will not be available before the death of the clients.

Life Insurance

Unfortunately, your current life insurance coverage falls short of the necessary life insurance coverage for both Joe and Gloria based on the ongoing needs of the survivor.

The following table provides alternative strategies that may assist you in achieving the life insurance goals.

Options			
	Expect to Cover Total Life Insurance Need at ($)	OR	Purchase an Additional Life Insurance of
If Joe Dies	71% ($500,000)		$200,000
If Gloria Dies	94% ($250,000)		$16,000

Disability Insurance

Unfortunately, your current disability insurance coverage falls short of the necessary disability insurance coverage for Joe and Gloria.

The following table provides alternative strategies that may assist you in achieving the disability insurance goals.

Options			
	Expect to Cover Total Disability Insurance Need at ($)	OR	Increase Disability Insurance by
If Joe is Disabled	54% ($3,375)		$2,860/Month
If Gloria is Disabled	0% ($0)		$3,954/Month

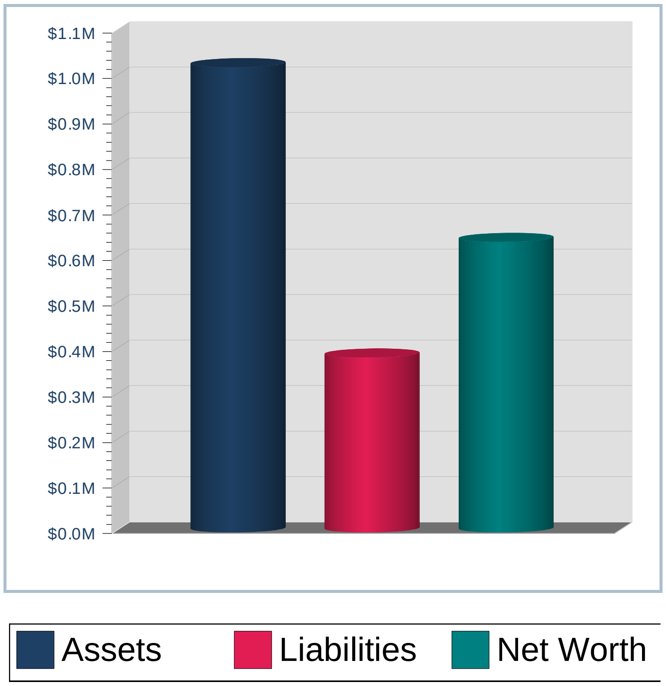
Current Financial Position

Analysis

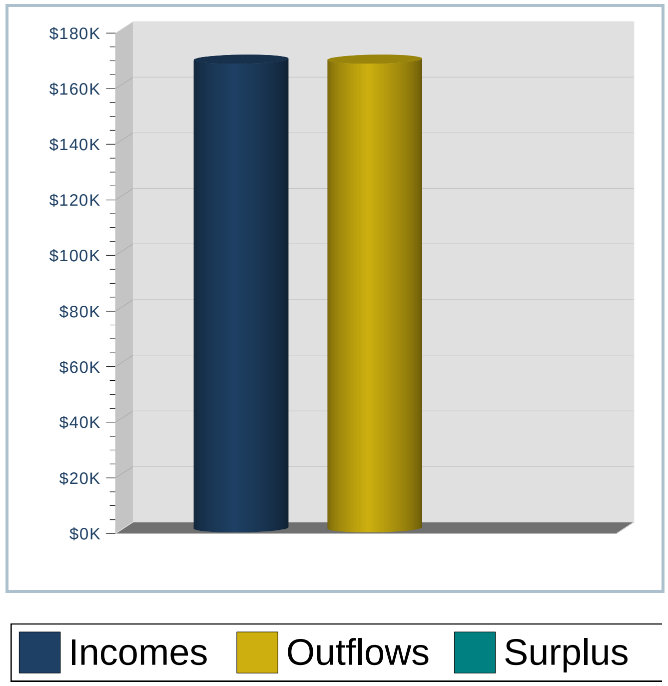
To determine your Net Worth we take the current value of all of your assets, and then subtract the current value of all of your liabilities. Based on the information you have provided, you currently have a **Net Worth of $638,000**.

We have also evaluated your current Cash Flow position. We determine your cash flow surplus or deficit by adding together all of your cash inflows, then subtracting all of your cash outflows, which include lifestyle expenses, savings, and taxes. Based on the information you have provided, you currently have **no annual cash flow surpluses or deficits.**.

Net Worth



Cash Flow



Net Worth

Qualified Assets	$122,000
Non Qualified Assets	$165,000
Lifestyle Assets	$735,000
Liabilities	($384,000)
Net Worth	$638,000

Cash Flow

Income	$168,492
Lifestyle Expenses	$90,368
Savings	$33,425
Taxes	$44,699
Surplus	$0

Consider the Following

- Review your current expenses to determine which items are discretionary.
- Decide on the sacrifices you are currently willing to make to achieve your financial goals.

Notes

Asset Allocation

Objectives

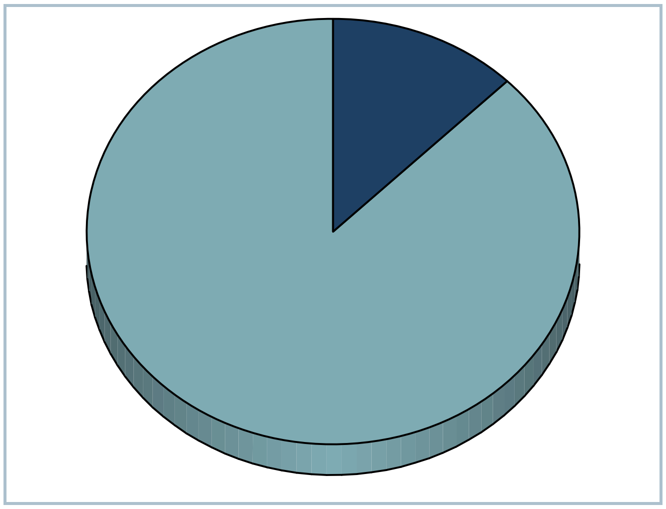
To maximize the return of your investment portfolio given your personal risk tolerance and investment time horizons.

Analysis

The assumed return rate for your current asset mix is 4.50%. Your risk profile is Moderate, which represents an assumed return rate of 7.70% for your proposed asset mix.

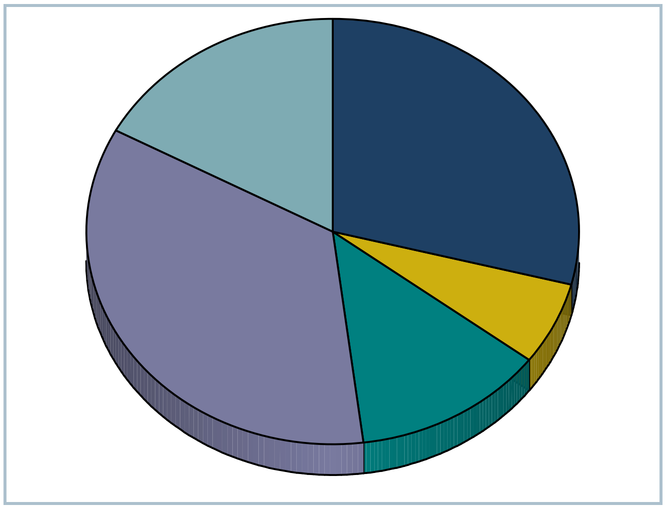
Based on our analysis of your current asset mix, you may be incurring less risk than your risk tolerance indicates you would be comfortable with in your investment portfolio. We recommend a rebalancing of your portfolio to more closely represent your risk tolerance and time horizon.

Current Asset Mix



Large Cap Equity (12.5%) Cash (87.5%)

Proposed Asset Mix



Large Cap Equity (29%) Aggregate Bonds (34.9%)
Small Cap Equity (6.3%) Cash (17.1%)
International Equity (12.7%)

	Current	Proposed
Assumed Rate of Return	4.50%	7.70%
Proposed Rate of Return	n/a	7.70%
Standard Deviation	3.57%	10.11%
Proposed Risk Profile	Moderate	

The above values represent the high level asset class groupings, rather than the individual asset classes displayed in the graphs.

Consider the Following

- A proper asset allocation helps you maximize your return rate for the level of risk that is within your comfort zone.
- A well diversified portfolio also reduces the risk of having "all of your eggs in one basket."

Notes

Retirement

Objectives

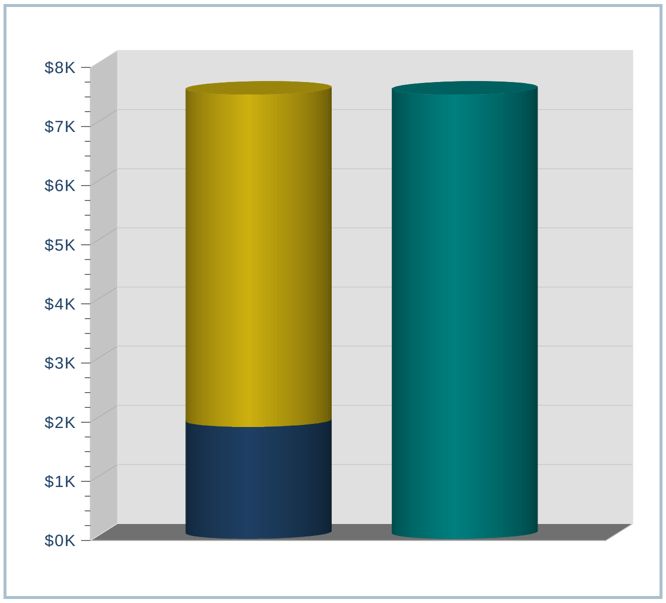
Joe plans to retire in the year 2021 at age 65. Gloria plans to retire in the year 2023 at age 65. Your retirement income goal in the year 2021 is $100,000, in today's dollars.

Analysis

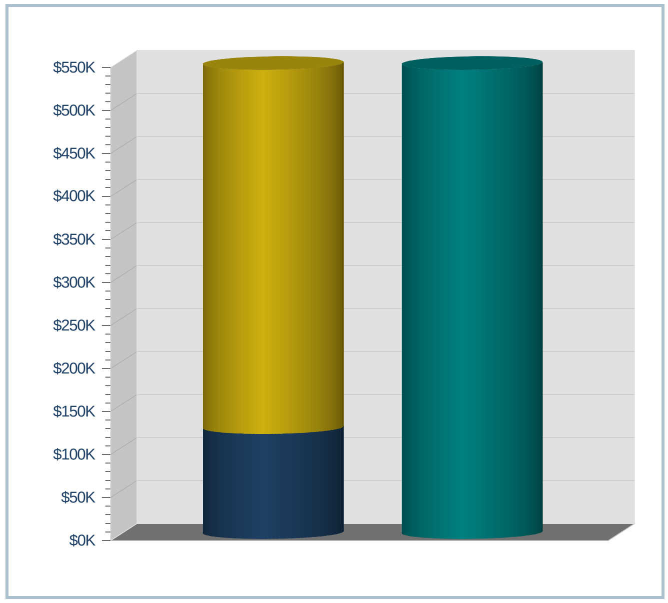
Based on our assessment, you may not have sufficient savings strategies in place, or sufficient capital allocated, to meet your retirement goal.

Based on your current assumptions, to meet your retirement goal you would need to save an **additional $5,616 per month** or allocate an **additional $423,091 today**.

Monthly Savings for Retirement



Capital for Retirement



■ Current Savings/Capital ■ Additional Required Savings/Capital ■ Total Required Savings/Capital

Current Savings	$1,893 /month*
Assets Currently Allocated	$122,000
Assumed Rate of Return	3.66%
Additional Savings Required	$5,616 /month
or	
Additional Capital Required	$423,091

*May include surplus savings.
These projections are based on current asset mix and rate of return.

Consider the Following

- The additional required monthly savings amount is based on savings to non-qualified assets.
- Maximize contributions to tax-advantaged qualified retirement plans such as IRAs, Roth IRAs, and 401(k) plans.
- If you have not already done so, begin investing on a regular basis.

Notes

Attainable Retirement

Objectives

Joe plans to retire in the year 2021 at age 65. Gloria plans to retire in the year 2023 at age 65.

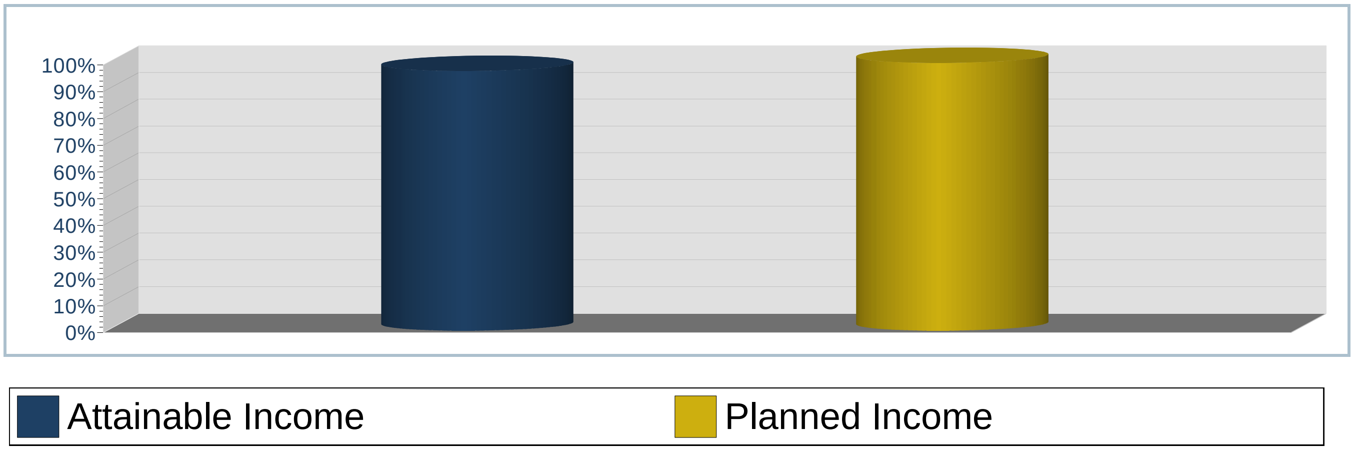
Analysis

Based on our assessment, it appears Joe may not be able to retire until the year 2022 at age 66 and Gloria may not be able to retire until the year 2024 at age 66.

If Joe were to retire in the year 2021, at age 65 and Gloria were to retire in the year 2023, at age 65, it appears your current savings strategies and retirement capital may provide you with the ability to cover 97% of your planned retirement expenses.

Attainable Retirement Expenses

Retire At 65/65



Attainable Retirement Age

	Retirement Goal	Attainable Retirement
Joe	65 (2021)	66 (2022)
Gloria	65 (2023)	66 (2024)

Attainable Retirement Expenses

Retirement Age	% of Retirement Expenses*
65/65	97%

* This value indicates the percentage of your stated annual retirement needs that can be funded by your available retirement resources throughout your entire retirement time period.

Consider the Following

- If the amount of required savings is unmanageable, we should review your goals to find a solution.
- If your projected savings exceed your need, you may be able to spend more in retirement.

Notes

College

Objectives

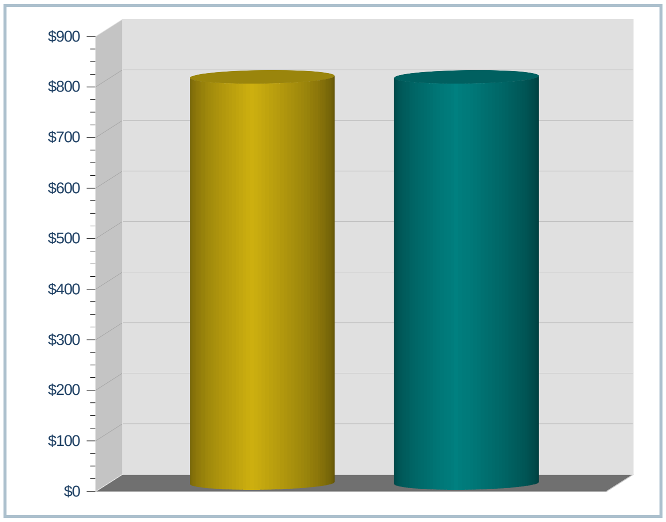
You want to accumulate sufficient assets to fund Junior's education goals for 4 years at a total cost of $33,000 per year, in today's dollars, beginning in the year 2007.

Analysis

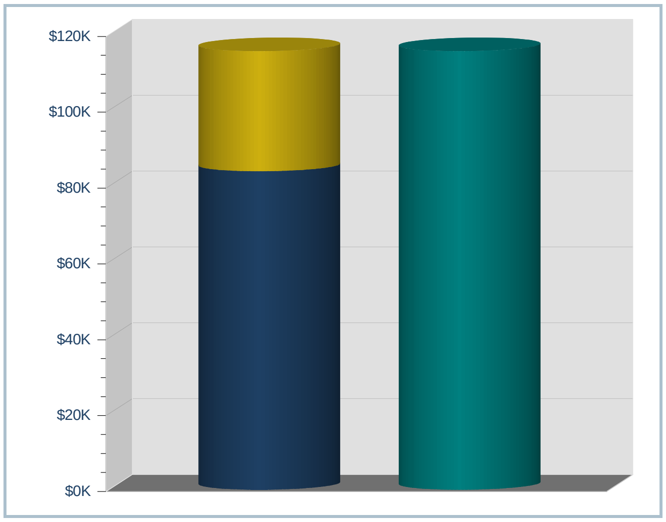
Based on our assessment you currently may not have sufficient savings strategies in place or sufficient capital, allocated to meet your goal.

Based on your assumptions, to meet your goal you would need to save an **additional $803 per month** or allocate an **additional $31,648 today**.

Monthly Savings



Capital Allocated



Current Savings/Capital	Additional Required Savings/Capital	Total Required Savings/Capital

Current Savings	$0 /month
Assets Currently Allocated	$84,000
Assumed Rate of Return	6.06%
Additional Savings Required	$803 /month
or	
Additional Capital Required	$31,648

These projections are based on current asset mix and rate of return.

Consider the Following

- Determine realistic values for tuition and related college expenses. Factor in the effects of inflation. College costs have historically increased at a significantly higher rate than inflation.
- Invest regularly for your family member's education, starting as early as possible.
- Where possible, take advantage of educational savings vehicles such as Coverdell ESAs, 529 Plans, UTMA accounts and UGMA accounts.

Notes

New Car

Objectives

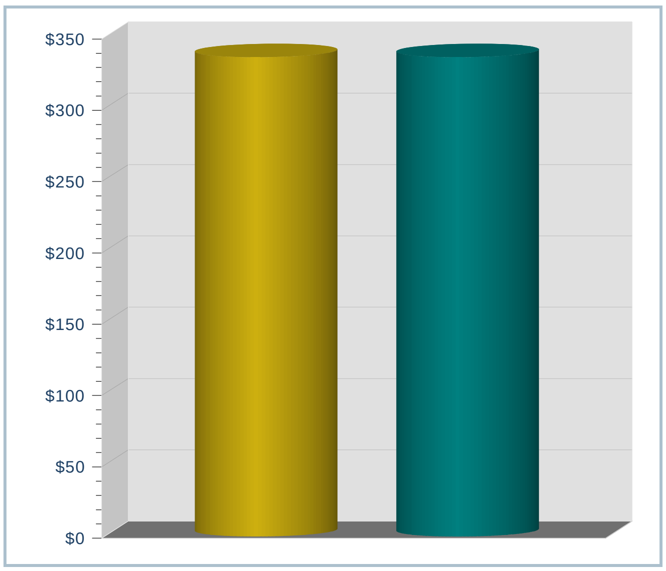
You want to purchase a "New Car" in 2 years, in the year 2008, for the amount of $35,000, in today's dollars.

Analysis

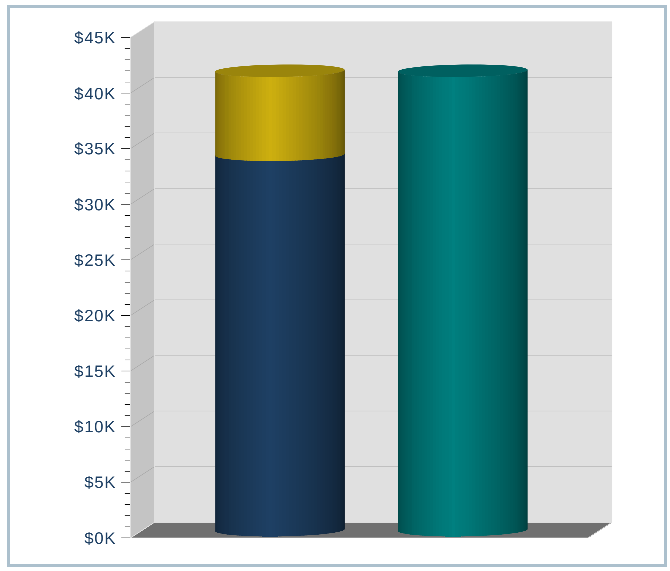
Based on our assessment, it appears you may not have sufficient savings strategies in place, or sufficient capital allocated, to meet your goal.

Based on your assumptions, to meet your goal you need to save an **additional $336 per month** or allocate an **additional $7,547 today**.

Monthly Savings



Capital Allocated



Current Savings/Capital | Additional Required Savings/Capital | Total Required Savings/Capital

Current Savings	$0 /month
Assets Currently Allocated	$33,750
Assumed Rate of Return	3.66%
Additional Savings Required	$336 /month
or	
Additional Capital Required	$7,547

These projections are based on current asset mix and rate of return.

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 your time horizon and risk tolerance.
- Start saving as early as possible.

Notes

Emergency Fund

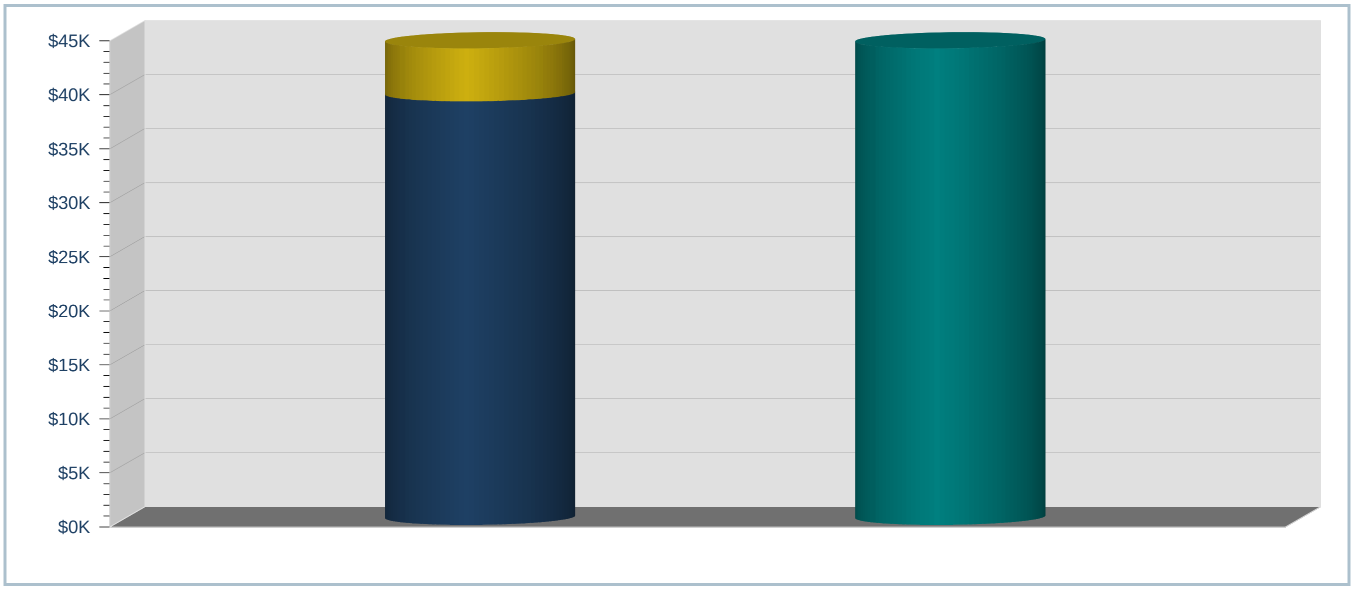
Objectives

An emergency fund is a reserve of liquid assets, which can be easily converted into cash, to cover emergency expenses. Your emergency fund target is currently **$44,110**.

Analysis

Based on our analysis, it appears that your emergency fund is under-funded by $4,898.

Capital Allocated



Current Capital | Additional Required Capital | Total Required Capital

Assets Currently Allocated	$39,212
Total Capital Required	$44,110
Additional Capital Required	$4,898
Assumed Rate of Return	3.66%

These projections are based on current asset mix and rate of return.

Consider the Following

- It is standard practice to have an average of 3 months day-to-day living expenses available as an emergency fund.
- Funds available for an emergency fund should be invested with a short-term time horizon in mind.

Notes

Disability Insurance - Joe

Objectives

To ensure there is sufficient income replacement to maintain your desired lifestyle, should Joe become disabled.

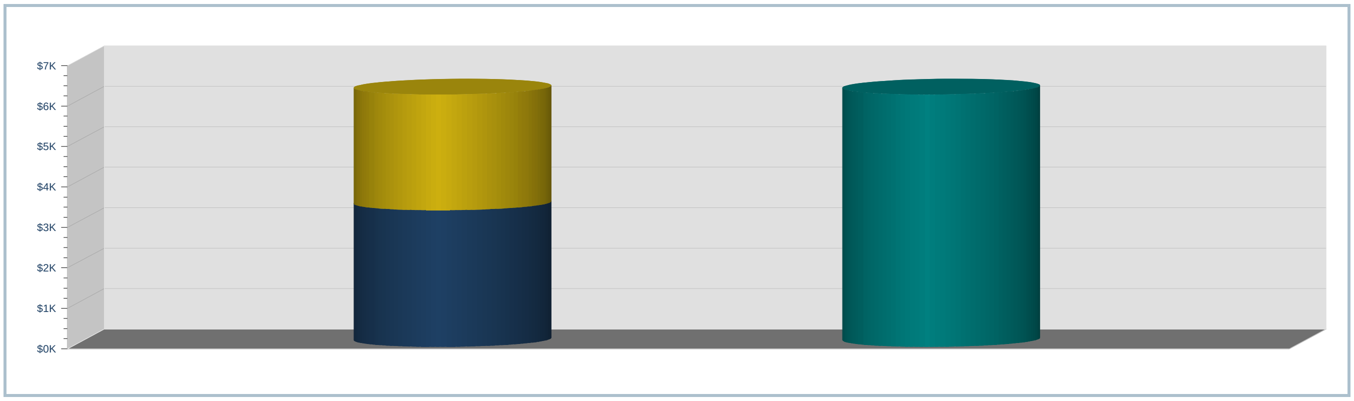
Analysis

Based on our assessment from now until you retire in the year 2021, you may experience deficits that average $2,860 per month, with the largest annual deficit being $143,604. Any deficits during retirement have been eliminated by saving $5,616 per month towards your retirement goal.

Increasing your coverage by $2,860 per month can help eliminate these deficits.

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

If Joe becomes Disabled



Current Monthly Insurance | Average Monthly Deficit | Approximate Insurance Required

If Joe becomes Disabled

Current Monthly Disability Insurance	$3,375
Average Monthly Deficit	$2,860
Approximate Monthly Disability Insurance Required*	$6,235

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

These projections are based on current asset mix and rate of return.

Consider the Following

- You may not want to rely solely on group policies at work. Should you change jobs or your employer change to another insurer, you may no longer be eligible for group benefits.
- 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 changes in your income and expenses.

Notes

Disability Insurance - Gloria

Objectives

To ensure there is sufficient income replacement to maintain your desired lifestyle, should Gloria become disabled.

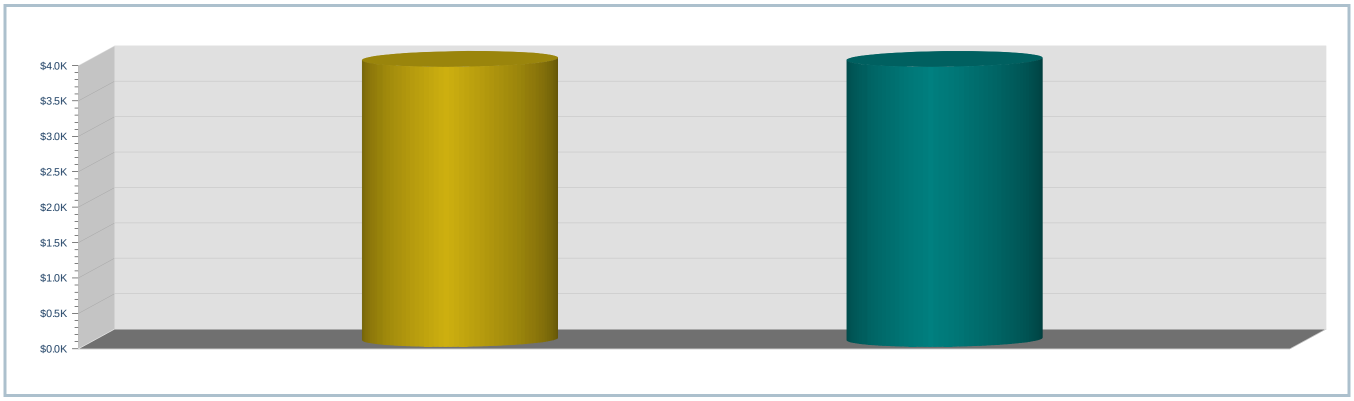
Analysis

Based on our assessment from now until you retire in the year 2023, you may experience deficits that average $3,954 per month, with the largest annual deficit being $190,230. Any deficits during retirement have been eliminated by saving $5,616 per month towards your retirement goal.

Increasing your coverage by $3,954 per month can help eliminate these deficits.

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

If Gloria becomes Disabled



Current Monthly Insurance | Average Monthly Deficit | Approximate Insurance Required

If Gloria becomes Disabled

Current Monthly Disability Insurance	$0
Average Monthly Deficit	$3,954
Approximate Monthly Disability Insurance Required*	$3,954

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

These projections are based on current asset mix and rate of return.

Consider the Following

- You may not want to rely solely on group policies at work. Should you change jobs or your employer change to another insurer, you may no longer be eligible for group benefits.
- 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 changes in your income and expenses.

Notes

Life Insurance - Joe

Objectives

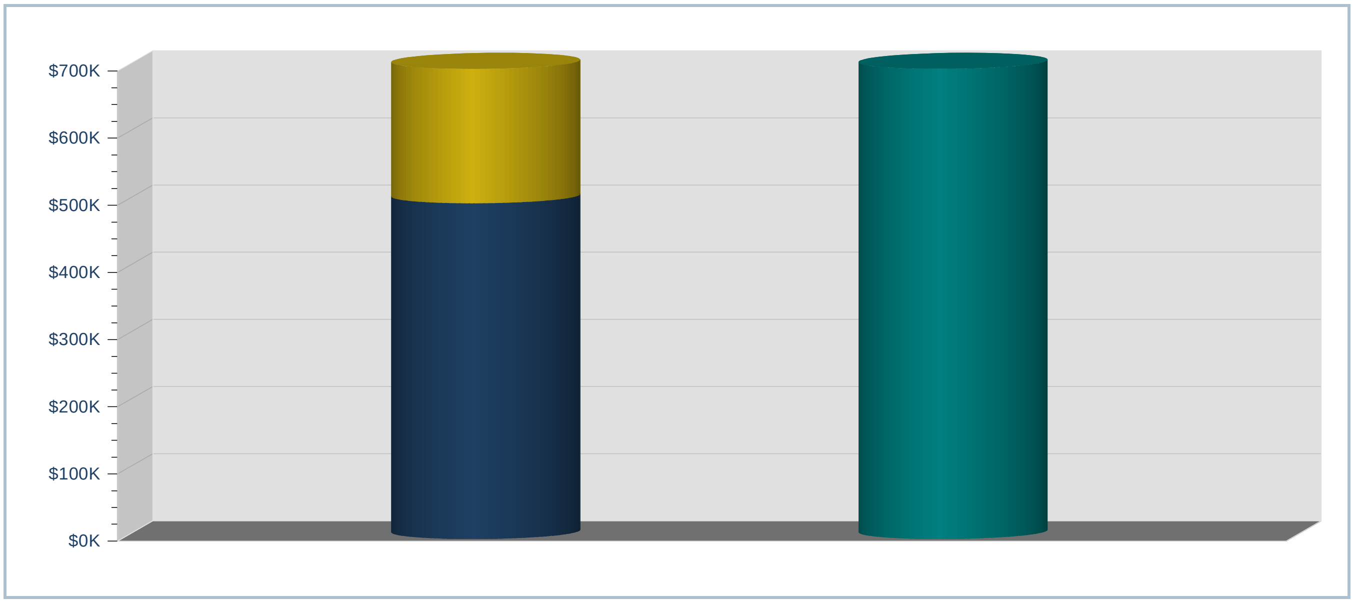
In the event of Joe's death you want to ensure that Gloria has enough income and capital to cover the family’s expenses and to fund your education and major purchase goals.

Analysis

Based on our assessment, you currently may not have sufficient life insurance to meet your family's ongoing needs.

Increasing your **Life Insurance coverage by $200,000** can help reduce this shortfall.

If Joe Dies



Current Life Insurance | Additional Life Insurance Recommended | Total Life Insurance Required

If Joe Dies

Total Coverage Needed	$700,000
Current Life Insurance Owned	$500,000
Additional Life Insurance Required	$200,000

These projections are based on current asset mix and rate of return.

Consider the Following

- You may not want to rely only on group policies, as you may change jobs or your employer could change to another insurer where you may no longer be eligible.
- Review your 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.

Notes

Life Insurance - Gloria

Objectives

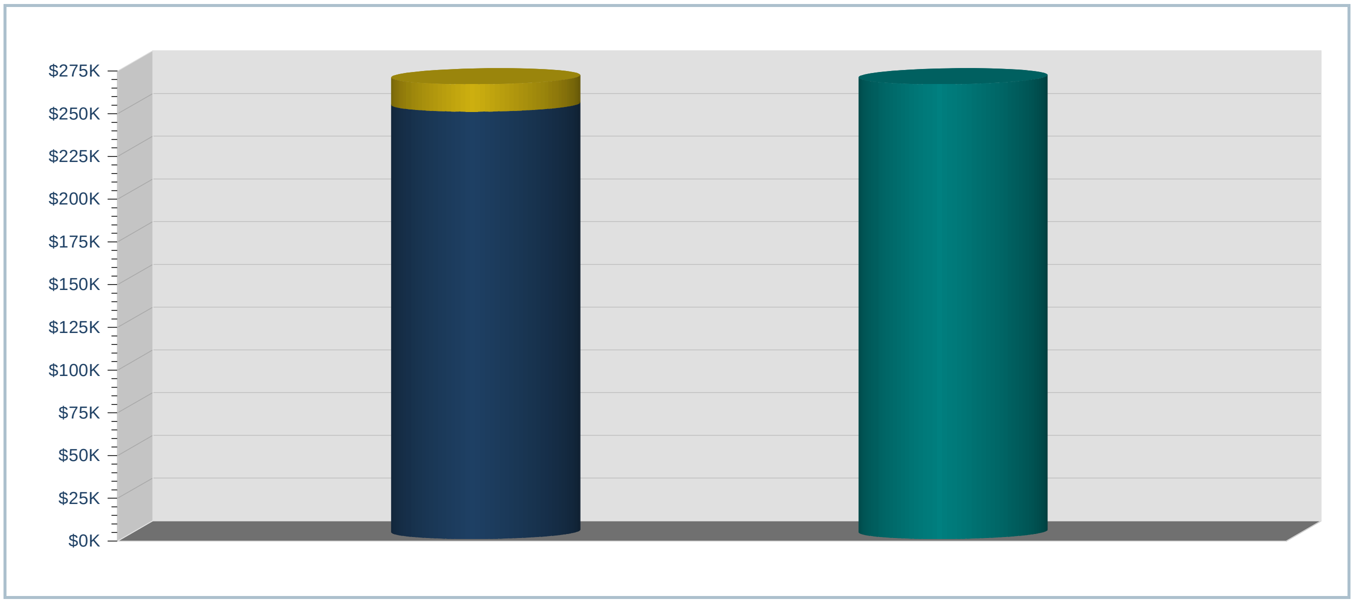
In the event of Gloria's death you want to ensure that Joe has enough income and capital to cover the family's expenses and to fund your education and major purchase goals.

Analysis

Based on our assessment you currently may not have sufficient life insurance to meet your family's ongoing needs.

Increasing your **Life Insurance coverage by $16,000** can help reduce this shortfall.

If Gloria Dies



Current Life Insurance | Additional Life Insurance Recommended | Total Life Insurance Required

If Gloria Dies

Total Coverage Needed	$266,000
Current Life Insurance Owned	$250,000
Additional Life Insurance Required	$16,000

These projections are based on current asset mix and rate of return.

Consider the Following

- You may not want to rely only on group policies, as you may change jobs or your employer could change to another insurer where you may no longer be eligible.
- Review your 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.

Notes

Life Insurance - Joe and Gloria

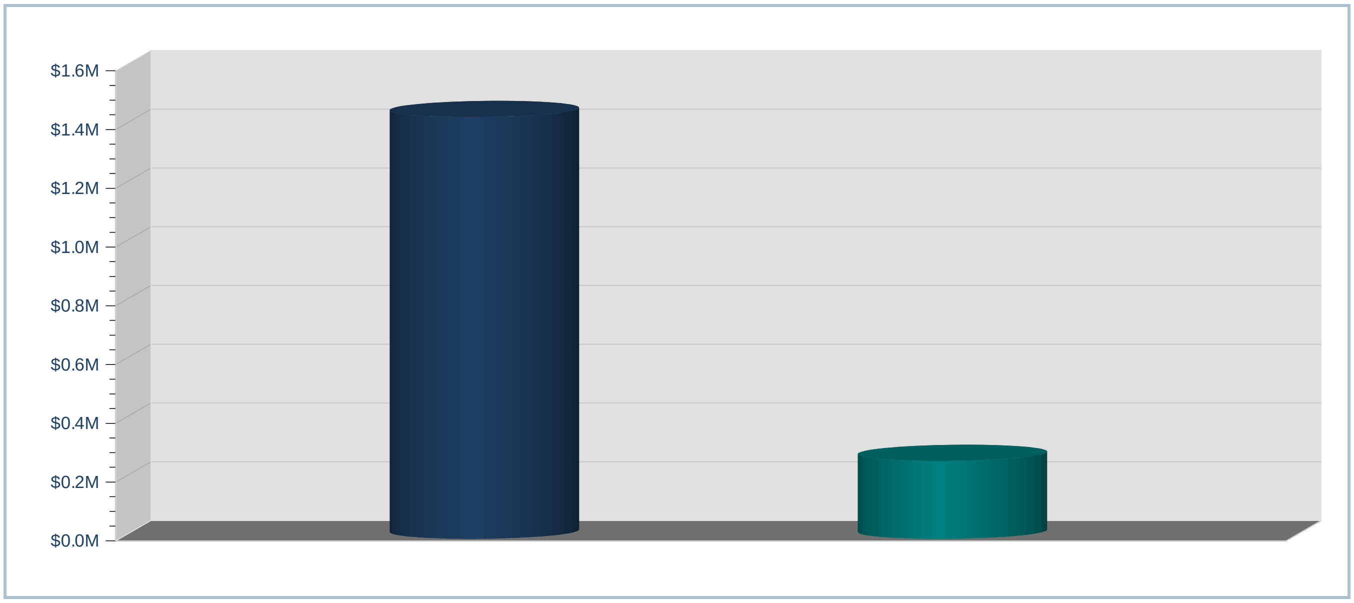
Objectives

In the event of Joe's and Gloria's deaths you want to ensure that your dependent has enough income and capital to cover lifestyle needs and education goals.

Analysis

Based on our assessment, it appears you currently have sufficient capital and life insurance to meet your family's ongoing needs.

If Joe and Gloria die



Current Net Estate   Additional Life Insurance Recommended   Required Net Estate

If Joe and Gloria Die

Required Net Estate	$265,000
Current Net Estate	$1,435,539
Additional Life Insurance Required	$0

These projections are based on current asset mix and rate of return.

Consider the Following

- You may not want to rely only on group policies, as you may change jobs or your employer could change to another insurer where you may no longer be eligible.
- Review your 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.

Notes

Long-Term Care Insurance - Joe

Objectives

Entering into long-term care can have a dramatic impact on your ability to achieve your goals. In the event that Joe requires long-term care you would like to ensure that there is enough income and capital to cover long-term care expenses and to cover the family's expenses and stated goals.

Analysis

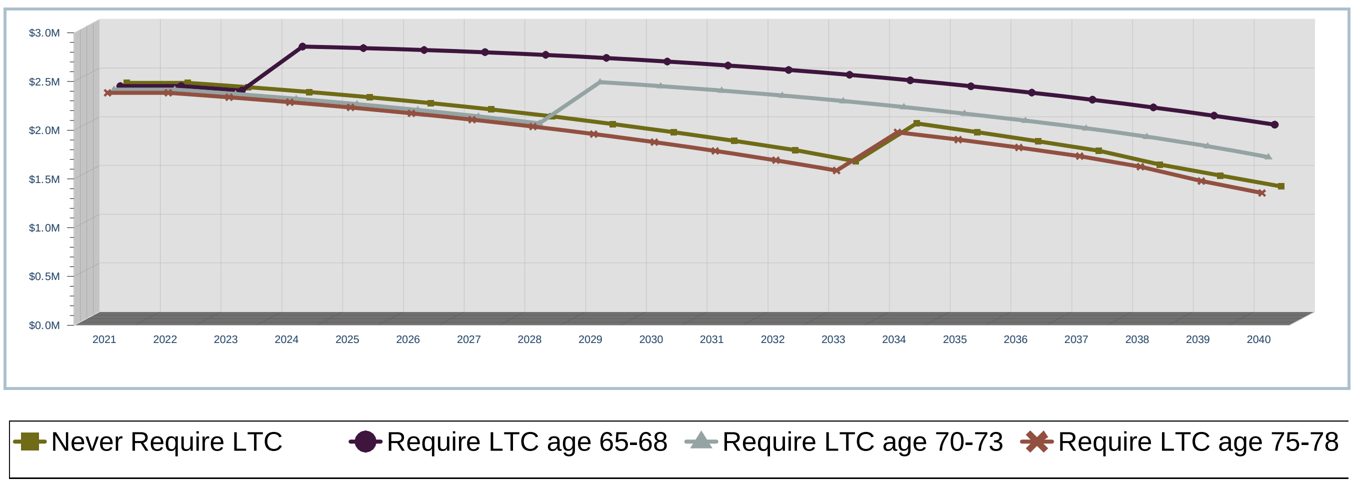
If Joe requires long-term care at age 65, your net worth at Gloria's death will be $1,969,955.

If Joe requires long-term care at age 70, your net worth at Gloria's death will be $1,672,298.

If Joe requires long-term care at age 75, your net worth at Gloria's death will be $1,339,001.

By comparison, if Joe does not require long-term care, your net worth at Gloria's death would be $1,302,522.

Net Worth When Requiring Long-Term Care



If Joe Requires Long-Term Care

Existing LTC Insurance	$0/day+
Long-Term Care Expenses	$0/day*
LTC Benefit Surplus/(Deficit)	$0/day

+In Today's Dollars. This benefit may be indexed.

*In Today's Dollars. Individual LTC expenses may be indexed at different rates.

Consider the Following

- Review your family health history to help determine the likelihood of requiring long-term care.
- Review your existing coverage to determine whether it will meet your needs.
- Assess your long-term care options within your family and your community, and the costs of each.

Notes

Long-Term Care Insurance - Gloria

Objectives

Entering into long-term care can have a dramatic impact on your ability to achieve your goals. In the event that Gloria requires long-term care you would like to ensure that there is enough income and capital to cover long-term care expenses and to cover the family's expenses and stated goals.

Analysis

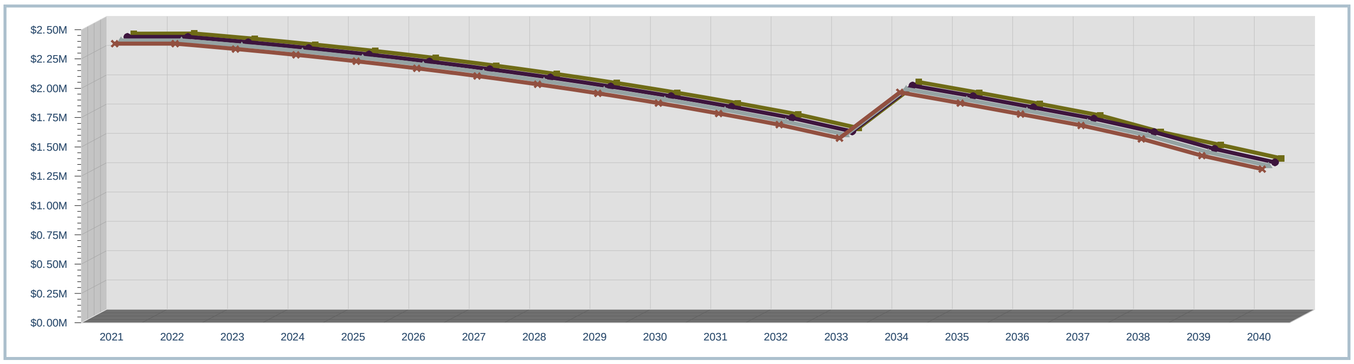
If Gloria requires long-term care at age 80, your net worth at Gloria's death will be $1,806,098.

If Gloria requires long-term care at age 80, your net worth at Gloria's death will be $1,805,763.

If Gloria requires long-term care at age 80, your net worth at Gloria's death will be $1,295,737.

By comparison, if Gloria does not require long-term care, your net worth at Gloria's death would be $1,302,522.

Net Worth When Requiring Long-Term Care



Never Require LTC | Require LTC age 80-83 | Require LTC age 80-83 | Require LTC age 80-83

If Gloria Requires Long-Term Care

Existing LTC Insurance	$0/day+
Long-Term Care Expenses	$0/day*
LTC Benefit Surplus/(Deficit)	$0/day

+In Today's Dollars. This benefit may be indexed.

*In Today's Dollars. Individual LTC expenses may be indexed at different rates.

Consider the Following

- Review your family health history to help determine the likelihood of requiring long-term care.
- Review your existing coverage to determine whether it will meet your needs.
- Assess your long-term care options within your family and your community, and the costs of each.

Notes

Estate Planning

Joe dies in 2016, Gloria dies in 2021

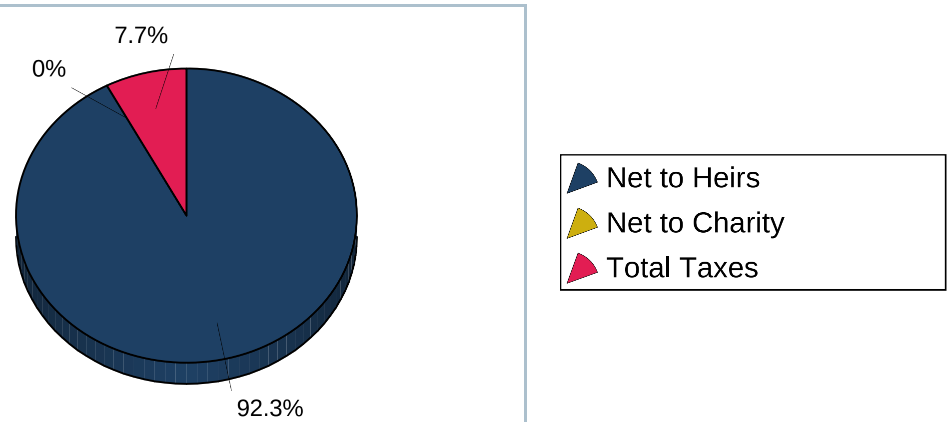
Objectives

Minimize estate taxes and maximize distribution of assets in the event that Joe dies in the year 2016 and Gloria dies in the year 2021.

Analysis

Based on our current analysis at Gloria's death in 2021 your estate will distribute **$2,531,118 to your heirs, $0 to charity, and $211,721 to taxes.**

Joe dies in 2016 Gloria dies in 2021



Joe dies in 2016, Gloria dies in 2021

Net to Charities	$0
Total Estate Taxes	$211,721
Net to Heirs	$2,531,118
Total	$2,742,839

These projections are based on current asset mix and rate of return.

Consider the Following

- Regardless of the size of your estate, everyone should have a will, durable power of attorney, medical power of attorney, living will and health care proxy.
- Many estate planning strategies reduce taxes and fees that would otherwise have to be paid upon your death.
- Each strategy has its advantages and disadvantages and may provide various degrees of control over the assets once they leave the estate.
- We should discuss some of these alternatives with your attorney to determine if your wills and other legal documents need updating.

Notes

Estate Planning - Alternate Life Expectancy

Gloria dies in 2016, Joe dies in 2021

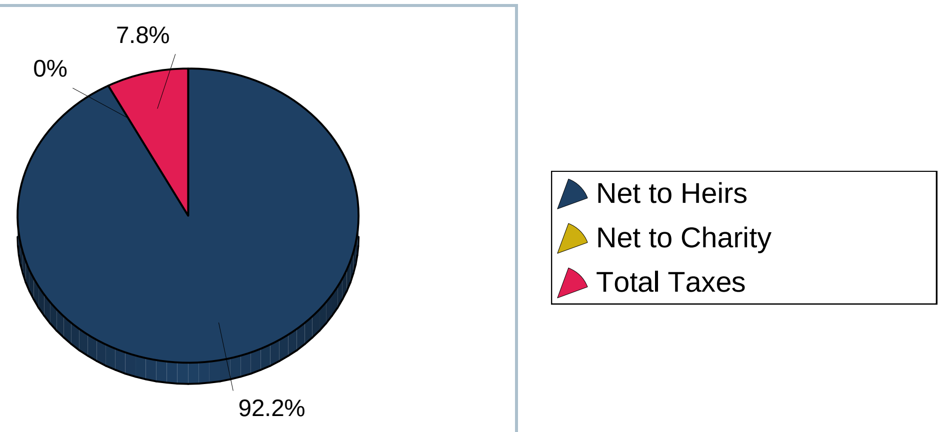
Objectives

Minimize estate taxes and maximize distribution of assets in the event that Gloria dies in the year 2016 and Joe dies in the year 2021.

Analysis

Based on our current analysis at Joe's death in 2021 your estate will distribute **$2,613,475 to your heirs, $0 to charity, and $219,667 to taxes.**

Gloria dies in 2016 Joe dies in 2021



Gloria dies in 2016, Joe dies in 2021

Net to Charities	$0
Total Estate Taxes	$219,667
Net to Heirs	$2,613,475
Total	$2,833,142

These projections are based on current asset mix and rate of return.

Consider the Following

- Regardless of the size of your estate, everyone should have a will, durable power of attorney, medical power of attorney, living will and health care proxy.
- Many estate planning strategies reduce taxes and fees that would otherwise have to be paid upon your death.
- Each strategy has its advantages and disadvantages and may provide various degrees of control over the assets once they leave the estate.
- We should discuss some of these alternatives with your attorney to determine if your wills and other legal documents need updating.

Notes

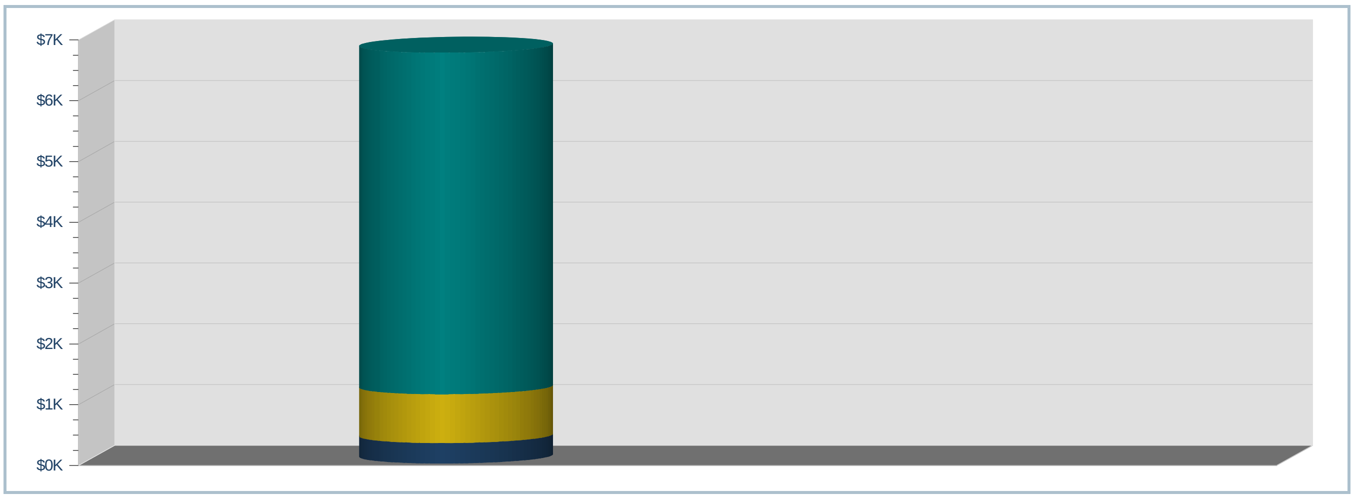
Goal Attainability

Analysis

Based on our assessment, you currently may not have sufficient cash flow resources to meet the additional savings requirements for your goals.

We recommend you review your current cash flow and prioritize your current and future goals appropriately.

The *Average Monthly Surplus* shown in the graph below is an average of your cash flow surpluses and/or deficits through the next five years. If the final average is a deficit, the graph will show zero.



Additional Savings Major Purchase(s)/mth
Additional Savings Retirement /mth
Additional Savings Education /mth
Average Monthly Surplus

Additional Savings for:	
Retirement	$5,616/month
Education:	
“College”	$803/month
Major Purchase:	
“New Car”	$336/month
Average Monthly Surplus/Deficit*	$0

*Represents your average surplus/deficit over the next 5 years.

These projections do not take into consideration potential premium increases for additional Life Insurance, Disability Insurance and Long Term Care Insurance.

These projections are based on current asset mix and rate of return.

Consider the Following

- It is important to balance future goals with current lifestyle needs.
- Assess the priority future goals based on available cash flow.

Notes

Conclusion

Now that you have an overview of your current financial situation, where do you go from here? Our recommendations are as follows:

- **Review this document** and ensure you understand the information contained in the report. Be sure to ask us questions on areas that need clarification.
- **Assess the original objectives.** Are they realistic? 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.
- **Review various strategies** that will help you to achieve your goals and determine a time frame for these strategies.
- **Decide on a course of action.** Together, we will evaluate the alternative that is consistent with your objectives and your financial ability.

Notes