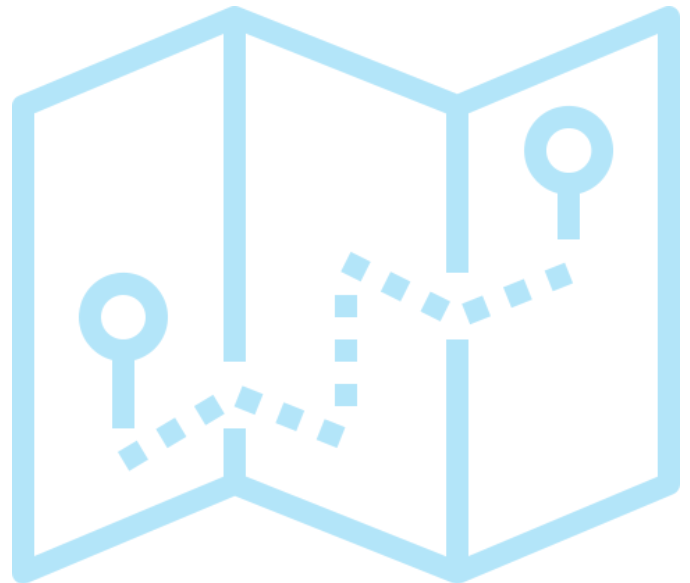

Your "Financial GPS" will provide you the answers to the 4 most important financial questions everyone needs to know

Prepared for Valued Client



Introduction

Today we are all familiar with GPS technology, and we use this powerful information almost daily to help us when driving to an unfamiliar destination. Your "Financial GPS" will provide you with the answers to the four financial questions necessary to help you remove the uncertainty and pressure of your financial travel. Your report will provide you with the following answers using a GPS analogy.

Rate of return required to reach your final destination = The **speed** at which you must travel to arrive on time at your desired location. The higher the return required the less likely you will be able to stay on course.

Amount to Save to reach your desired location = The **cost of fuel** or the amount of money you need to set aside during your working years to cover the cost of the trip.

When to Retire = The **estimated time of arrival** of when you can retire and live at your desired standard of living, adjusted for inflation until your life expectancy.

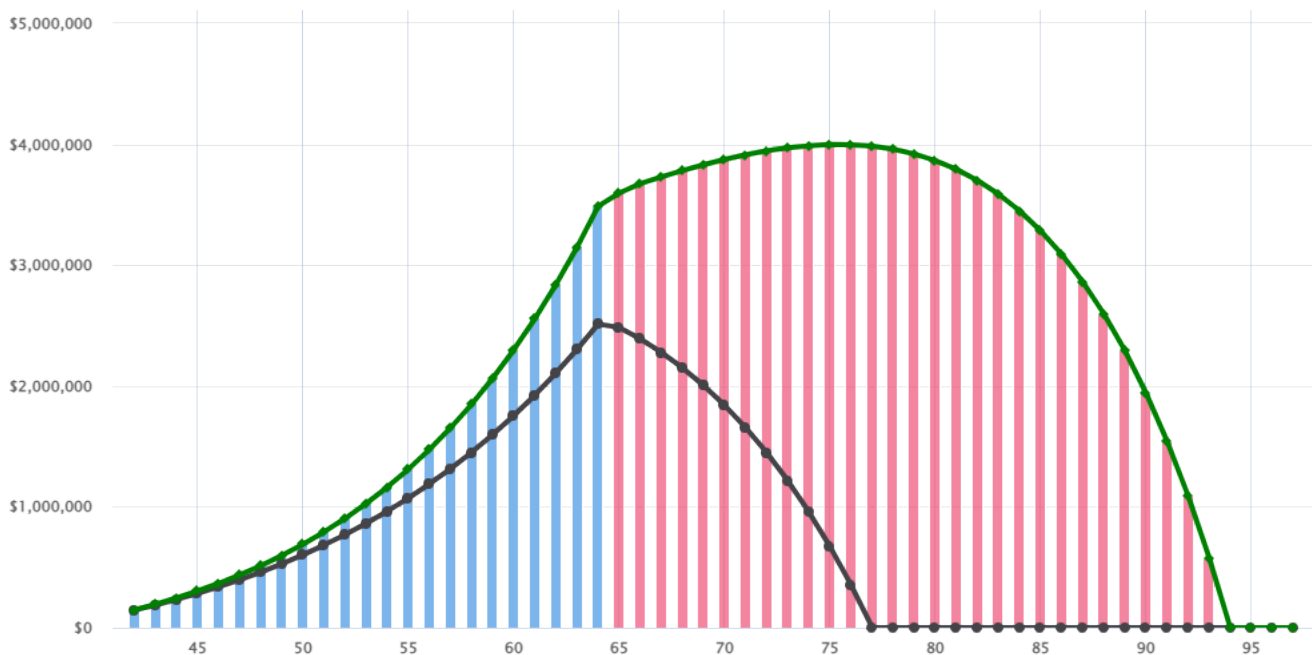
Retirement Lifestyle = **Reroute**, or how much you can spend on an annual basis and still have your money last until your life expectancy.

Your Results

What rate of return (Speed of travel) do you have to earn on your savings and investment dollars to be able to retire at your current standard of living adjusted for inflation and have your money last through your life expectancy? The faster the speed the greater the chance for accidents and unexpected stops that can ruin your entire trip.

You would need to maintain a **9.08% average rate of return** across all your savings and investment accounts in order to retire at your desired retirement age of 65 and maintain the same lifestyle you enjoy today through your life expectancy.

An increased return of 2.26 percentage points requires **33.2% more risk** than the current growth rate assumptions you provided.



Understanding the graph illustrations: The blue bars represent your working/accumulation years, and the red bars represent your retirement/distribution years.

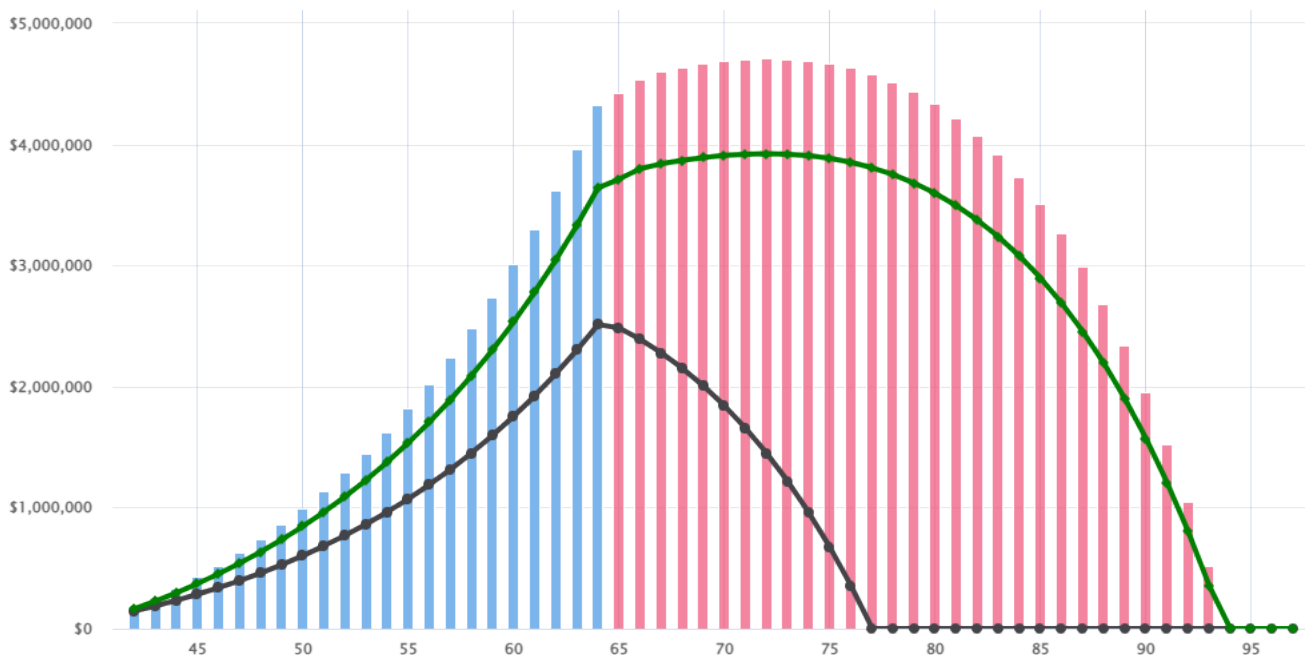
The black line represents the annual account balances generated from your present financial strategy.

The green line represents a revised projection illustrating the interest rate average required of 9.08% across all savings and investment accounts until your age 65 to maintain your current standard of living until life expectancy.

How much do you need to save on an annual basis to be able to retire at a sustainable standard of living and have your money last through life expectancy?

You need to be saving **\$56,541** each year, inflation adjusted, until you retire to maintain your current lifestyle during retirement. This would require a strategy that increases your ability to save by \$30,141.

Alternatively, at your current income level, you need to save **\$45,160** annually to solidify a sustainable inflation adjusted lifestyle throughout your life expectancy. This requires a more efficient lifestyle strategy that reduces your annual expenses to \$83,360.



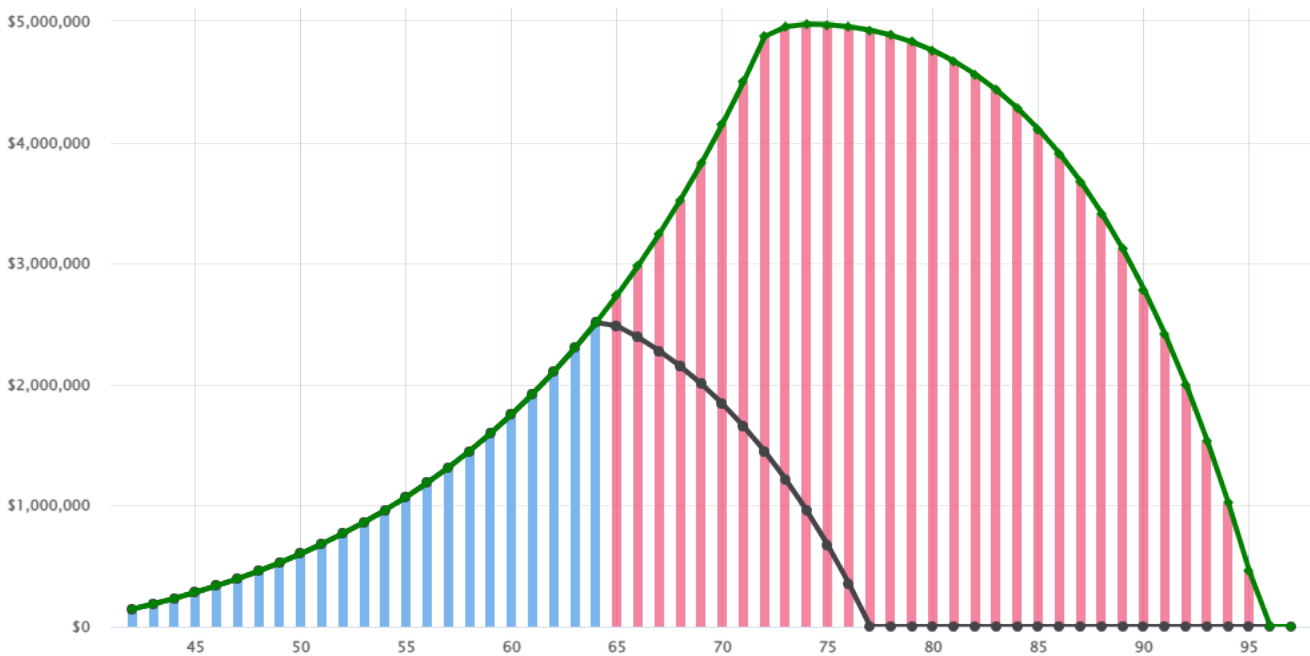
In this chart, the vertical bars represent the total account balance necessary each year in order to fund your current lifestyle through life expectancy. The blue bars represent your working/accumulation years and the red bars represent your retirement/distribution years.

The black line represents the annual account balances generated from your present financial strategy.

The green line represents a revised projection where you immediately increase your annual contributions to \$45,160 by reducing expenses, and inflate the contributions by 3% each year until age 65.

Travel time estimate = Years of work necessary to have enough money accumulated by your desired retirement age to begin withdrawals and enjoy the same standard of living you enjoy today, adjusted for inflation, and last until your life expectancy.

Based on the assumptions you provided, you would need to **work until your age 73**, requiring you to work an **additional 8 years** longer than your planned retirement age of 65 to accumulate the funds necessary to retire with a lifestyle equal to what you enjoy today through age 97. This reduces the opportunity to enjoy your retirement lifestyle to only 22 years before reaching your projected joint life expectancy.



Understanding the graph illustrations: In this chart, the vertical bars represent the total account balance necessary each year in order to fund your lifestyle through life expectancy. The blue bars represent your working/accumulation years and the red bars represent your retirement/distribution years.

The black line represents the annual account balances generated from your present financial strategy.

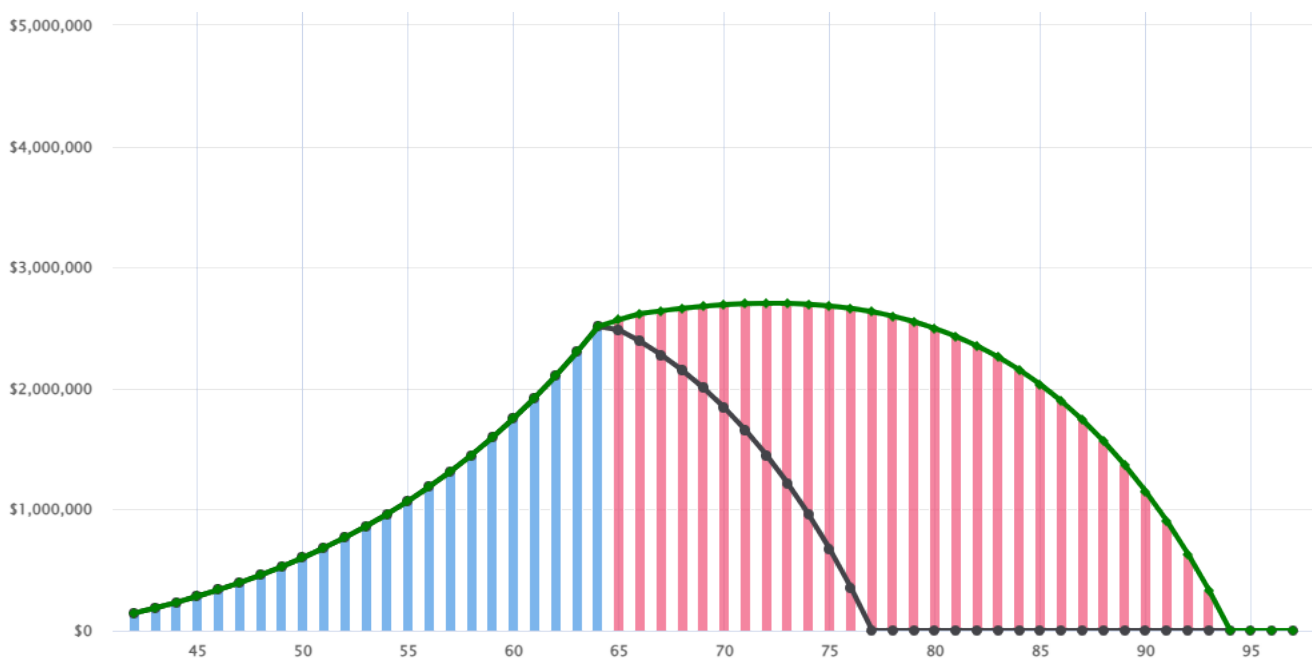
The green line represents a revised projection where you continue your present financial plan but work until age 73 before retiring.

Reroute = Final destination change necessary to keep from exhausting accumulated assets before life expectancy.

If you don't do anything different than you are doing today, how much will you have to reduce your standard of living at retirement for your money to last to your life expectancy?

If you continue on your current path, you will only be able to spend **\$112,540** at your retirement age of 65 to avoid running out of money before your projected joint life expectancy.

This is a **42.76% lifestyle reduction** and is equivalent to living on \$57,023 in today's dollars due to the effects of your inflation assumption of 3%.



Understanding the graph illustrations: In this chart, the vertical bars represent the total account balance necessary each year in order to fund your lifestyle through life expectancy. The blue bars represent your working/accumulation years and the red bars represent your retirement/distribution years.

The black line represents the annual account balances generated from your present financial strategy.

The green line represents a revised projection where you continue your present financial plan but retire on a reduced annual lifestyle equivalent to \$57,023 in today's dollars.

Summary

Our desire is for this report to give you an idea of where you are today with your current financial strategy and what it will take for you to achieve your desired future lifestyle goal. While solving any shortfall by focusing on only one of the four options may be possible, your goal may be more easily achieved through smaller changes in a combination of several of the categories mentioned.

In most situations, addressing only rate of return will most likely not be a realistic or prudent sole solution to the problem. Working longer may or may not be a possibility or desirable option depending on your chosen profession, your ability to work or future financial market environments. Many are of the assumption that when they retire, they will have fewer expenses and be able to live on less income. While this can happen, it is generally not wise to assume this is the norm. Unfortunately, current lifestyle costs are often replaced by other expenses like healthcare, long term care expenses, taxes and inflation. Saving more now requires one to reduce current lifestyle today to secure a better future which is often difficult to do. However, saving more today should always be on the top of your list of options, but may not be currently possible. The longer you put off this option, the greater the future annual savings requirement will become and the longer you may have to work to reach your desired destination. Thankfully, having the capacity to save more is not entirely dependent on reducing your current standard of living today.

Becoming more efficient should be your first plan of attack to the problem rather than taking on more risk. You should focus first on things you can control. There are basically five areas where a great deal of money is lost unknowingly and unnecessarily. The first is how you pay for your housing. The second is taxes, third is how you fund and spend your retirement plan contributions and distributions, fourth is education costs for you and your children, especially college costs. Fifth is how you pay for major capital purchases which is anything you can't pay for in full with your monthly cash flow.

This focus makes the most sense before considering options that require taking on more risk. **It is this focus that makes us unique.** Helping clients become as efficient as possible before taking on additional risk simply makes good economic sense. There is often more opportunity in avoiding the losses than in trying to pick investment winners. I look forward to reviewing the information you received in your Financial GPS report and discussing opportunities to help you achieve your future lifestyle requirements while at the same time helping to make the journey along the way a pleasant one.

Supporting Documentation

Your results are based on the following assumptions:

Personal Info & Financial Assumptions							
Your Name	Age	Retire Age	LE Age	Spouse Name	Age	Retire Age	LE Age
John Smith	42	65	95	Jane Smith	40	65	95
Effective Tax Rates		Inflation Rate		Desired Lifestyle		Desired Legacy	
Accum: 20% Dist: 20% CG: 15%		3%		\$99,619 + COLA		\$0	

Earned Income, Defined Benefits and Future Inflow Sources							
Name/Description	Owner	Amount	Inflate @	% Taxable	Deductible Amt	Start Age	End Age
John's Income	Client	\$100,000	3%	100%	\$29,200	42	64
Name/Description	Owner	Amount	Inflate @	% Taxable	Deductible Amt	Start Age	End Age
Jane's Income	Client	\$65,000	3%	100%	\$0	42	64

Investments, Savings, and Other Future Lifestyle Sources									
Name/Description	Owner	Type	Balance	Rate	Risk	Access	Annual Contribution	Start Age	End Age
Savings	Joint	Taxable	\$15,000	0%	Low	Yes	\$6,000	42	64
Name/Description	Owner	Type	Balance	Rate	Risk	Access	Contribution/Match	Start Age	End Age
John's 401k	Client	TDBT	\$60,000	7%	High	No	\$12,000 / \$3,000	42	64
Name/Description	Owner	Type	Balance	Rate	Risk	Access	Contribution/Match	Start Age	End Age
Jane's 401k	Spouse	TDBT	\$30,000	7%	High	No	\$8,400 / \$1,950	40	64

Mortgages, Installment Loans and Credit Lines						
Name/Description	Owner	Type	Balance	Rate	Monthly P&I	Credit Line
Mortgage	Joint	Loan	\$225,000	4%	\$1,313.00	\$0

Primary / Secondary Residence						
Name/Description	Owner	Market Value	Appr. Rate	Cost Basis	CG Exception	Sell at Age
Home	Joint	\$325,000	3%	\$0	\$500,000	0

Insurance Coverage						
Name/Description	Owner	Type	Annual Premium	Benefit/Limit	Start Age	End Age
John Term Policy	Client	Term Life	\$1,200	\$500,000	42	62
Name/Description	Owner	Type	Annual Premium	Benefit/Limit	Start Age	End Age
Jane's Term Policy	Spouse	Term Life	\$720	\$500,000	40	60

Disclosure

These calculators are provided as a means to illustrate financial principles. They should not be construed as a solicitation of any insurance, investment, or other financial product. Nor should they be considered financial advice. For advice concerning your own situation, please consult with a financial professional who is appropriately licensed to transact business and provide advice for the financial product being illustrated.

The information contained in this tool is not intended as tax or legal advice, and it may not be relied on for the purposes of avoiding any federal tax penalties. You are encouraged to seek tax or legal advice from an independent professional tax or legal advisor.

The projections or other information generated by the calculator regarding the likelihood of various outcomes are hypothetical in nature, and are not guarantees of future results. Investment rates of return can not be guaranteed. This report is calculated using information supplied by you, the client. If any of this information is inaccurate, it would create inaccuracies in the report.