

Mar 29, 2018

Personal Retirement Analysis

Allen & Betty Abbett

Sample Financial Plan - TOTAL Goal-Based Planning



John Smith

Asset Advisors Example, LLC
A Registered Investment Advisor
2430 NW Professional Drive
Corvallis, OR 97330
877-421-9815
www.moneytree.com

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

Table of Contents

Retirement Cover	1
Retirement Summary - A2a	2
Net Worth - A5	3
Asset Classes - B5	4
Retirement Planning (text) - C1	5
Retirement Graph - C2	6
Retirement Needs Analysis - C3	7
Retirement Capital Analysis - C4	8
Retirement Capital Notes (text) - C4a	9
Retirement Estimate Solution - C5	10
Retirement Capital Estimate - C6	11
Asset Illustrations (text) - C7	12
Asset Accounts - C8	13
Total Assets - C8a	14
Withdrawal Rates - C12	15
Withdrawal Rate Graph - C12a	16

Retirement Summary

A2a

Sample Financial Plan - TOTAL Goal-Based Planning

The following table summarizes the goals, assumptions and variables used in the Retirement Planning analysis.

RETIREMENT GOALS:

		<u>Allen</u>	<u>Betty</u>	
Retirement Age		65	64	
Life Expectancy		90	95	
Retirement Expenses (today's dollars)	\$97,121			G4
Inflation Rate	3.20%			G4
Retirement Tax Rate (Federal and State)	20.00%			

RETIREMENT CAPITAL:

Current Rate of Return	6.52%			C4
Total Assets Available for Retirement	\$761,850			C4
Annual Additions to Retirement Accounts	28,040			H5...H8
Annual Additions to Other Accounts	9,000			H1...H4

RETIREMENT INCOME (pre-tax):

		<u>Allen</u>	<u>Betty</u>	
Social Security Start Age		67	67	
Social Security Benefit		\$34,803	\$30,838	
Social Security COLA	2.00%			
Pension Start Age			65	
Pension Benefit			2,400	
Pension Benefit COLA			2.00%	

OTHER INCOME/EXPENSE ITEMS (after-tax):

Other Income	\$200,000			G8
Other Expense	(291,811)			G8
Stock option proceeds	4,764			G8
Post-Retirement Earnings	82,264			G8
Residence Sale Proceeds	(88,777)			G8
Rental Real Estate Income	299,118			B15
Education Expenses	(191,346)			G8
Other Goals	(29,187)			G8

RETIREMENT ANALYSIS:

Amount Needed for Retirement	\$2,090,000			C4
Amount Available at Retirement	2,012,172			C4
Age When Your Retirement Assets are Depleted	96			
Additional Lump Sum Needed at Retirement	77,828			C4
Increase Rate of Return to	7.00 %			C4
Increase Monthly Savings (at 5.00 % after-tax) by	250			C4
Increase Monthly Savings (at 7.00 % after-tax) by	120			C4
Increase Monthly Savings (at 9.00 % after-tax) by	60			C4
Reduce Retirement Spending by (today's \$)	2,000			C4
Delay Retirement until Ages		66	65	C4

Net Worth Statement

Sample Financial Plan - TOTAL Goal-Based Planning

ASSETS

	Allen	Betty	Joint / CP	Trust/Other	Total
Ordinary Income Accounts:					
Insurance Cash Value and Dividends	\$12,450	\$2,850			\$15,300
Total	12,450	2,850			15,300
Equity (Investment) Accounts:					
Mutual Funds			248,800		248,800
Total			248,800		248,800
Retirement Accounts:					
401(k) accounts	213,500				213,500
IRA accounts	54,000				54,000
403(b), SEP, Simple		110,250			110,250
Roth accounts	62,500	72,800			135,300
Total	330,000	183,050			513,050
Personal Use Assets:					
Personal Property	50,000		19,600		69,600
Stock Options (Bargain Element)	1,480				1,480
Total	51,480		19,600		71,080
Real Estate Assets:					
Residence	447,000				447,000
Rental real estate			200,000		200,000
Total	447,000		200,000		647,000
Total Assets	<u>\$840,930</u>	<u>\$185,900</u>	<u>\$468,400</u>		<u>\$1,495,230</u>
LIABILITIES					
Residence mortgage			(\$232,000)		(\$232,000)
Credit Cards	(6,640)				(6,640)
Life insurance loans	(2,500)				(2,500)
Rental real estate			(118,000)		(118,000)
Total Liabilities	<u>(\$9,140)</u>		<u>(\$350,000)</u>		<u>(\$359,140)</u>
NET WORTH					
	<u>\$831,790</u>	<u>\$185,900</u>	<u>\$118,400</u>		<u>\$1,136,090</u>

Note: Assets held in a Revocable Trust are included in the grantors assets.

Asset Classes

Sample Financial Plan - TOTAL Goal-Based Planning

The task of managing your assets is a lifetime undertaking, and should be managed with careful regard to your present and future financial goals. Of particular importance is maintaining an appropriate mix of assets in respect to your current objectives and the constantly changing economic and market conditions.

ASSET CLASSES:

There are many different types of assets available to which funds may be allocated. The characteristics of each asset will vary but will generally fit into one of the following categories.

Reserves
Income
Growth and income
Growth
Aggressive Growth
Misc

The amount of funds you place in each of these categories will be determined by a number of factors including your need for income, growth, tax sensitivity, inflation expectations and other items.

As your goals and objectives change, and as the current economic and market outlook varies it is expected that your use of the various asset classes will also change, requiring a periodic review and repositioning of your saving and investment assets.

Asset allocation does not guarantee a profit or protect against loss in a declining market.

Retirement Planning

Sample Financial Plan - TOTAL Goal-Based Planning

At some time we all reach a point where we are ready to "slow down" from the pressures of earning a living and would prefer to enjoy taking life as we want it instead of continuing with the daily work routine.

In recent years we have seen several trends that will affect your plans and how they are achieved.

In many cases an "early" retirement is desired - resulting in a difficult challenge to assure that adequate funds are available to last for a significant number of years.

In other cases, the thought of exiting the work place is difficult, resulting in what could be described as a "slow down" mode where instead of leaving the work force, the decision is made to work on a reduced schedule. This allows for a gradual change, as well as providing some continued income while the adjustment is made.

The "new retirement" mode also requires a different approach to income and expense planning. Where in the past, a retirement plan estimated that a specific dollar amount of income would be required from retirement age through life expectancy, we now recognize that the "retirement"

Typical "New Retirement" phases:

First 5 years - you may actually have an increased need for income as you now have time to travel to all the places you wanted to see but just couldn't get away from the daily grind in order to really enjoy yourself.

Next 5 to 10 years - a moderated level of expenses as you now have the extra play time out of your system. Perhaps you still enjoy various activities, but find them less expensive than in the earlier retirement years.

Additional years when your expenses actually decline as you reach an age where your energy level is now lower, and you spend less money on items subject to higher levels of inflation, like clothing, eating out, etc.

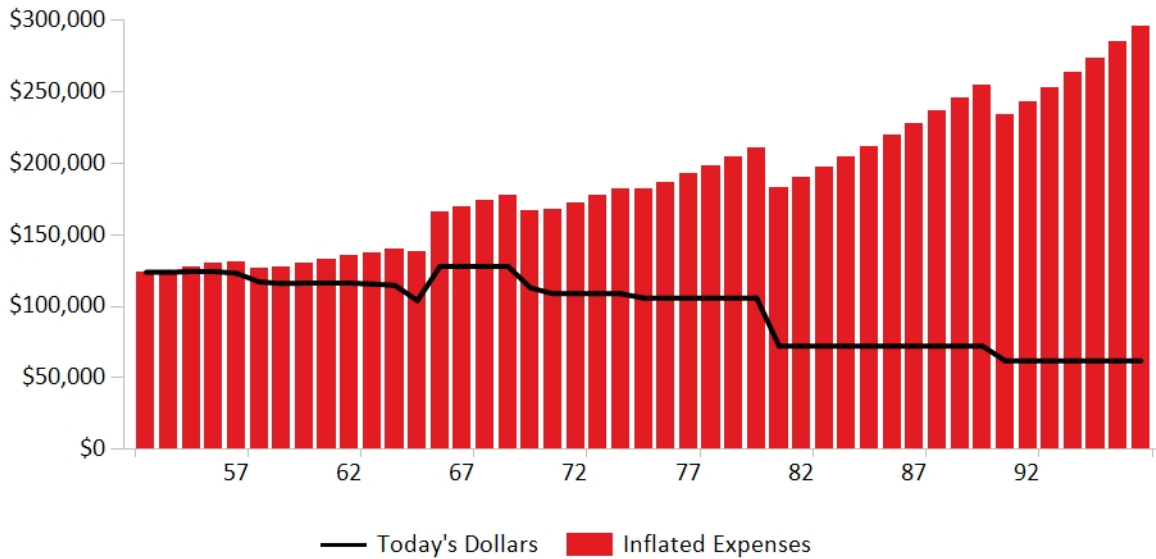
The later years when health conditions start to take an additional toll and your expenses again increase as medical costs become a more significant part of your living expenses.

As we have prepared your financial analysis we have tried to anticipate your needs and take into consideration how you might most effectively prepare for the golden years of your life.

Retirement

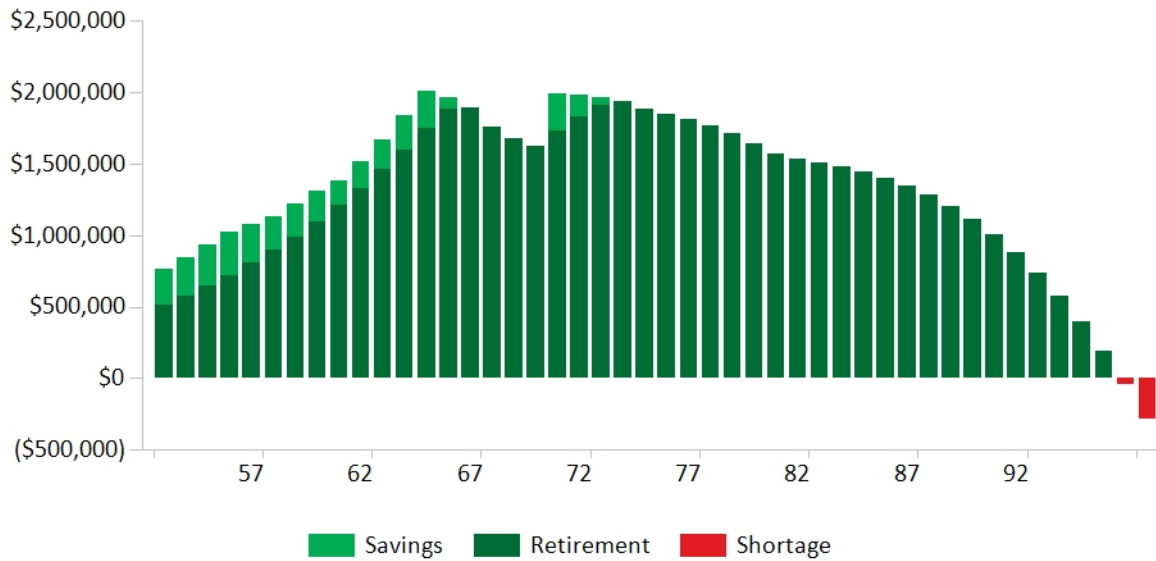
Sample Financial Plan - TOTAL Goal-Based Planning

Annual Expenses



The amount of monthly income needed for retirement can increase dramatically when inflation is considered. The above graph illustrates the impact of inflation on your desired income by showing annual expenses in today's dollars as well as the same items adjusted for inflation.*

Total Capital Available



If you have not accumulated enough capital to last through your lifetime, you could then find yourself dependent on others during the years when you most desire your financial independence. The graph above illustrates the amount of your capital available each year, or the amount of cumulative income shortage wh

*Annual expenses include basic living expenses, mortgage and debt payments, insurance premiums, itemized deductions, savings and investment deposits.

Retirement Needs Analysis

Sample Financial Plan - TOTAL Goal-Based Planning

In order to determine whether you will have adequate income and capital to fund your retirement, a number of factors must be evaluated:

- Income needed for basic living expense and number of years required.
- Income available from Social Security, pensions or other sources.
- Extraordinary income or expense items that will affect your retirement capital.
- Existing savings, investment and retirement funds and annual additions to the accounts.
- The effect of inflation on income and expenses.
- The rate of return you are able to earn on your accounts.

You are now ages 53 and 51 and plan to retire at ages 65 and 64. That leaves you 12 years to prepare for your financial independence.

The anticipated expenses and various income streams available are illustrated below. In order to help you visualize the relative value of the income streams, we have shown the total amount of payments needed or received over your retirement years through life expectancy, as well as the value of the streams of income at retirement.

Income needed:	Total Monthly Amounts in Today's \$ (a)	Inflation Rate	Inflation Adjusted Amounts (b)	Cumulative Income/Expense	In Today's Dollars at 4.50% NPV Discount	
Current living expenses	\$10,326	3.20%	\$10,326			
Living expenses at age 65	8,677	3.20%	11,811	\$6,934,210 (c)	\$2,053,845	
Expenses at age 75	8,825	3.20%	15,241			
Expenses at age 86	6,017	3.20%	18,442			
Sources of income:				Total Income (d)		
Social Security - Allen at age 67	1,824	2.00%	2,407	878,770	287,356	G11
Social Security - Betty at age 67	1,554	2.00%	2,133	1,044,146	275,336	G11
Spouse Pension 1	160	2.00%	160	81,369	22,879	G9
Rental real estate income				76,961	39,955	
Other income items & insurance				193,488	90,795	G8
Miscellaneous expenses:				Misc Inc./Exp. (e)		
Education funding and other goals				(29,186)	(17,210)	G8
Other expense items				(223,243)	(110,764)	G8
Total income or expenses				\$2,022,305		
Income shortfall - amount needed compared to amount available					\$4,911,905	
Estimated capital required at retirement to satisfy this shortfall					\$2,090,000 (f)	

Including an assumed 4.50% after-tax rate of return on capital.

(a) Total expense = personal expense, itemized deductions, insurance premiums, debts and mortgages, saving and investments. (G4)

(b) Inflation adjustments apply only to those items exposed to inflation (not debts, life insurance, etc.)

(c) Cumulative living expense is the total of all expense payments needed during retirement through life expectancy.

(d) The "Sources of income" represents the sum of all monthly or annual income expected from Social Security, pensions (after tax) or other anticipated post-retirement income sources. Any life insurance benefit shown is received at life expectancy.

(e) Total of all post-retirement expense items from education, goals and other income and expense report.

(f) This number is calculated using the most conservative of two separate calculations.

Note: Income taxes are not included as part of expenses as the taxes are paid out of the sources of taxable income.

Retirement Capital Analysis

C4

Sample Financial Plan - TOTAL Goal-Based Planning

The remaining expense anticipated as described on the Retirement Needs Analysis is **\$4,911,905** C3
 (This amount was carried forward from the Retirement Needs analysis page.)

At age 65 the remaining expense could require capital of approximately **\$2,090,000**
 (This assumes an after tax rate of return of 4.50% on assets used to fund shortage. The actual amount of capital needed will vary depending on the type of savings and investments used and their tax treatment.)

Estimate of future asset account values	Current year annual additions	Current value used for retirement estimate	Current weighted average rate	Current average after tax rate *	Future** Value at age 65	
Taxable Accounts	\$3,000	\$83,800	1.65%	1.14%	\$12,873	H1
Equity & other accounts	6,000	165,000	7.50%	6.38%	247,640	H2
Tax-Free accounts						H3
Tax-Deferred annuity or govt bonds.						H4
Deductible retirement - Allen	8,600	267,500	7.00%	7.00%	801,290	H5...H9
Deductible retirement - Betty	8,640	110,250	7.00%	7.00%	424,901	H5...H10
Roth accounts - Allen	5,400	62,500	7.00%	7.00%	251,132	H7
Roth accounts - Betty	5,400	72,800	7.00%	7.00%	274,335	H8
Total Asset values		\$761,850	6.52%	6.22%	\$2,012,172	

* The after-retirement rate may differ substantially from the pre-retirement rate, particularly on deductible retirement accounts.
 Tax rate on interest is 31.00% before retirement, 20.00% after. Dividend and Capital Gain taxed at 15.00% before retirement and 15.00% after.
 **Future values that are less than current values indicate that some of the assets have been consumed prior to retirement.

You might have as much as \$2,012,172 capital available at retirement. You may need additional capital of \$77,828.
Your current funds could last until your age 96 at which time your funds will be depleted.

The above results are hypothetical, based on the assumptions used, and are not guaranteed. The illustration is provided for educational purposes and does not represent any specific investment, class of investments or investment style.

In order to make up this shortage of capital required for your retirement, you could:

1. Increase the before-tax "weighted average" rate of return on all your existing asset accounts to . . . **Average rate 7.00%** C5
2. Increase the amount of money being added to your savings and investments. You would have to make the following additional monthly deposits at a return of . . . C5

5.00%	after tax =	\$250	(Assuming deposits
7.00%	after tax =	\$120	are increased by
9.00%	after tax =	\$60	3.00% per year.)

Note: The monthly additions are made into a side fund and computed to assure that asset account balances are never less than \$0.

3. Delay your retirement by 1 years until ages 66 and 65.
4. Reduce your retirement spending by \$2,000 annually.
5. Use a combination of the methods shown above.

Retirement Capital Notes

Sample Financial Plan - TOTAL Goal-Based Planning

The Retirement Capital Analysis report lists existing savings and investment accounts and shows hypothetical values at retirement age. The analysis is based on assumed rates of return information supplied by you and is not an estimate or guarantee of future performance. The assumptions used are detailed below.

Income taxes

The tax rate used for ordinary income items prior to retirement is 31.00% and after retirement is 20.00%. The taxable income includes interest, non-qualified dividends, tax deferred and retirement accounts distributions.

Tax on qualified dividends, capital gains and appreciation is computed at the rate of 15.00% before retirement and 15.00% after retirement.

The rates used are estimates based on your current tax bracket and may or may not reflect the rates that might be in effect at any time in the future. These rates are used for illustration purposes only and future changes in the tax laws or in your taxable income level may significantly affect the tax results of this analysis.

Future Values at Retirement Age

Each type of asset illustrated in the previous page uses a different assumed rate of return and tax treatment for estimating the future result. The assumed rates of return are derived from the asset and rate information you provided and may not actually reflect future results and are used for illustration purposes. The Current Weighted Average Rates come from the Asset Summary report. The Current After Tax Rates reflect the effective tax treatment of each asset type as described below.

Taxable Accounts

Interest earned on this asset type is taxed at the ordinary tax rate each year, both before and after retirement. As interest is earned, the estimated tax is deducted and the remaining interest is reinvested.

Equity and Other Accounts

The appropriate income tax effect is applied to the portfolio return based on the sources of income (interest, dividend, capital gain and appreciation). The after-tax return is reinvested.

Tax-Free Accounts

The income on this asset type is assumed to be fully exempt from tax and the entire return is reinvested each year.

Tax-Deferred Accounts

In years when there are no distributions from the accounts, the entire return is reinvested with no tax effect. In any year when a distribution is made, the distribution is assumed to come first from the accumulated tax-deferred returns. When all the accumulated tax-deferred returns have been distributed, the annual earnings are then taxed when distributed. The balance of distributions are treated as non-taxable distribution of the original capital. All taxable distributions are taxed at the ordinary income tax rate.

Deductible Retirement Accounts

Annual returns on these accounts are reinvested each year with no income tax. When distributions are made, the entire amount is taxed at the ordinary income tax rate. If distributions are made prior to age 59 1/2 they may be subject to an additional 10% excise tax penalty. Distributions must begin by age 70 1/2 unless special conditions apply.

Roth IRA Accounts

The earnings and withdrawals in these accounts are exempt from tax, both during the accumulation and distribution years.

Retirement Estimate Solution

Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Original Capital Estimate	Revised Estimate With All Assets at 7.00%	Original estimate plus monthly additions into side fund. (Monthly deposits increase at 3% per year. Annual deposit amounts shown.)					
			250 5.00%		120 7.00%		60 9.00%	
			Total Value	Total Value	Total Value	Total Value		
53 51	\$847,587	\$850,033	\$3,000	\$850,658	\$1,440	\$849,076	\$720	\$848,339
54 52	939,614	944,692	3,090	946,007	1,483	942,745	742	941,212
55 53	1,027,205	1,034,858	3,183	1,037,185	1,528	1,032,143	764	1,029,752
56 54	1,078,292	1,087,364	3,278	1,092,141	1,574	1,085,215	787	1,081,902
57 55	1,131,048	1,139,350	3,377	1,149,062	1,621	1,140,147	810	1,135,842
58 56	1,219,752	1,227,599	3,478	1,242,248	1,669	1,231,234	835	1,225,867
59 57	1,314,981	1,322,381	3,582	1,342,297	1,719	1,329,072	860	1,322,568
60 58	1,379,558	1,386,596	3,690	1,412,051	1,771	1,396,501	886	1,388,784
61 59	1,520,604	1,527,392	3,800	1,558,653	1,824	1,540,659	912	1,531,649
62 60	1,672,029	1,678,590	3,914	1,716,034	1,879	1,695,478	939	1,685,093
63 61	1,837,569	1,843,930	4,032	1,887,954	1,935	1,864,715	968	1,852,869
64 62	2,012,172	2,018,352	4,153	2,069,387	1,993	2,043,340	997	2,029,946
65 63	1,969,856	1,987,123		2,030,001		2,003,279		1,989,299
66 64	1,895,707	1,925,224		1,958,934		1,931,550		1,916,975
67 65	1,761,231	1,801,592		1,827,694		1,799,665		1,784,494
68 66	1,682,312	1,733,780		1,752,179		1,723,527		1,707,758
69 67	1,626,587	1,689,621		1,700,031		1,670,782		1,654,419
70 68	1,994,335	2,073,513		2,071,534		2,041,721		2,024,772
71 69	1,984,597	2,079,528		2,065,747		2,035,408		2,017,887
72 70	1,968,601	2,079,902		2,053,905		2,023,086		2,005,012
73 71	1,935,574	2,066,385		2,025,244		1,993,997		1,975,398
74 72	1,880,994	2,030,149		1,975,253		1,943,640		1,924,551
75 73	1,850,494	2,019,079		1,949,578		1,917,668		1,898,135
76 74	1,811,532	1,998,373		1,915,687		1,883,562		1,863,639
77 75	1,765,830	1,974,364		1,875,318		1,843,069		1,822,824
78 76	1,711,440	1,942,942		1,826,534		1,794,263		1,773,779
79 77	1,647,530	1,903,319		1,768,516		1,736,341		1,715,715
80 78	1,573,202	1,854,641		1,700,381		1,668,434		1,647,780
81 79	1,532,648	1,839,735		1,666,318		1,634,744		1,614,198
82 80	1,511,309	1,816,903		1,651,819		1,620,784		1,600,504
83 81	1,482,833	1,812,652		1,630,535		1,600,221		1,580,391
84 82	1,446,487	1,806,446		1,601,748		1,572,360		1,553,192
85 83	1,401,475	1,793,486		1,564,684		1,536,447		1,518,185
86 84	1,346,938	1,773,000		1,518,499		1,491,666		1,474,590
87 85	1,281,944	1,744,150		1,462,286		1,437,133		1,421,565
88 86	1,202,986	1,706,020		1,392,553		1,369,387		1,355,693
89 87	1,113,813	1,657,618		1,313,082		1,292,241		1,280,838
90 88	1,010,900	1,593,719		1,220,367		1,202,225		1,193,585
91 89	883,736	1,511,881		1,103,923		1,088,889		1,083,549
92 90	739,719	1,415,704		971,176		959,701		958,268
93 91	577,352	1,303,781		820,654		813,234		816,393
94 92	395,018	1,174,585		650,773		647,949		656,474
95 93	190,975	1,026,460		459,819		462,188		476,946
96 94		857,614		241,833		250,045		272,016
97 95		666,103		12,043		25,958		55,370
98 96								

C6

Monthly deposits are computed to assure that assets never fall below \$0 prior to last life expectancy.

* An asterisk (*) indicates that the monthly deposits would exceed 1/3 of your income and this option is not practical.

N/A - The "N/A" sign indicates that this solution is not available.

Retirement Capital Estimate

Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Annual Expenses (\$6,934,210)	Income available/Other expenses				Annual Surplus (shortage)	Annual Deposits	Return on Assets	Tax Due Each Year 31.00% 20.00%	Total Acct Values (end of year)
		Pension & Min. Dist.	Scheduled Dist.	Social Security	Other Inc/Exp					
		\$324,944		\$1,922,916	(\$77,330)		\$518,892		\$761,850	
53 51						\$37,040	\$51,027	(\$2,329)	\$847,587	
54 52						37,643	56,922	(2,537)	939,614	
55 53					(12,080)	39,206	63,190	(2,725)	1,027,205	
56 54					(55,481)	39,860	69,486	(2,776)	1,078,292	
57 55					(60,081)	40,528	74,874	(2,565)	1,131,048	
58 56					(30,707)	41,211	80,697	(2,497)	1,219,752	
59 57					(31,147)	41,909	86,877	(2,410)	1,314,981	
60 58					(68,568)	43,217	92,013	(2,083)	1,379,558	
61 59						43,961	99,045	(1,958)	1,520,604	
62 60						44,721	108,871	(2,166)	1,672,029	
63 61				2,915	2,915	45,498	119,529	(2,401)	1,837,569	
64 62						46,292	130,960	(2,648)	2,012,172	
65 R 63	(141,733)				(40,119)	(181,852)	17,806	123,054	(1,323)	1,969,856
66 64 R	(166,876)				(4,517)	(171,393)		118,616	(21,374)	1,895,707
67 65	(170,791)	1,920		28,886	(59,024)	(199,009)		114,284	(49,752)	1,761,231
68 66	(174,857)	1,958		29,464	(5,919)	(149,354)		107,772	(37,338)	1,682,312
69 67	(179,079)	1,998		55,649	(6,048)	(127,481)		103,625	(31,870)	1,626,587
70 68	(168,365)	3,810		56,762	367,421	259,628		111,244	(907)	1,994,335
71 69	(168,819)	11,679		57,897	(17,629)	(116,872)		120,436	(1,301)	1,984,597
72 70	(173,552)	32,749		59,055	(18,193)	(99,941)		123,082	(851)	1,968,601
73 71	(178,469)	34,689		60,236	(18,776)	(102,321)		120,711	(10,761)	1,935,574
74 72	(183,580)	34,869		61,441	(19,376)	(106,647)		119,556	(26,662)	1,880,994
75 73	(182,893)	32,105		62,670		(88,119)		116,966	(22,030)	1,850,494
76 74	(188,224)	29,839		63,923		(94,461)		113,545	(23,615)	1,811,532
77 75	(193,767)	27,016		65,202		(101,549)		112,080	(25,387)	1,765,830
78 76	(199,534)	23,491		66,506		(109,537)		108,912	(27,384)	1,711,440
79 77	(205,534)	19,241		67,836		(118,458)		105,169	(29,614)	1,647,530
80 78	(211,777)	13,930		69,192		(128,654)		100,798	(32,164)	1,573,202
81 79	(184,576)	7,485		70,576		(106,515)		94,057	(21,907)	1,532,648
82 80	(191,339)	2,584		71,988		(116,767)		95,428		1,511,309
83 81	(198,381)	2,636		73,428		(122,317)		93,841		1,482,833
84 82	(205,712)	2,688		74,896		(128,128)		91,781		1,446,487
85 83	(213,348)	2,742		76,394		(134,212)		89,200		1,401,475
86 84	(221,302)	2,797		77,922		(140,583)		86,046		1,346,938
87 85	(229,589)	2,853		79,480		(147,256)		82,261		1,281,944
88 86	(238,224)	2,910		81,070		(154,244)		75,286		1,202,986
89 87	(247,224)	2,968		82,691		(161,564)		72,391		1,113,813
90 L 88	(256,605)	3,028		84,345		(169,233)		66,319		1,010,900
91 89	(235,736)	3,088		46,462		(186,186)		59,021		883,736
92 90	(245,015)	3,150		47,391		(194,475)		50,457		739,719
93 91	(254,704)	3,213		48,339		(203,152)		40,785		577,352
94 92	(264,821)	3,277		49,305		(212,239)		29,904		395,018
95 93	(275,389)	3,343		50,291		(221,755)		17,711		190,975
96 94	(286,429)	3,410		51,297		(231,722)				
97 95 L	(297,964)	3,478		52,323		(242,163)				
98 96										

Note: All incomes/expenses are represented in after-tax values with 85% of Social Security taxable. Tax rate on income and interest is 31.00% before retirement, 20.00% after. Dividend and Capital Gain taxed at 15.00% before retirement and 15.00% after.
R = Retirement Age, L = Life Expectancy

Asset Illustration

Sample Financial Plan - TOTAL Goal-Based Planning

Your assets are illustrated in this plan based on two major groups, Personal Accounts and Tax Deductible Retirement accounts. Within these groups, the assets are further divided as described below.

Personal Accounts:

Fully Taxable:

These are savings and investments that earn interest or dividends which are fully taxable at ordinary income rates. Included in this category are savings accounts, certificates of deposit, money market funds and accounts, bonds, notes and mortgages, etc.

Tax-Deferred:

Some assets allow you to accumulate money without current taxation on interest or other returns. The most common are fixed or variable annuities issued by insurance companies. Any illustration of an annuity account is hypothetical, and does not represent any specific product or underlying investment accounts and is not intended to project or predict investment results. The variable nature of a variable annuity will affect not only the investment returns, but will also affect the cash value and death benefits of the annuity. The annuity could result in zero or negative return, depending on the performance of the underlying investments and the terms of the annuity contract.

Tax-Free:

Interest earned on certain bonds issued by federal, state or local municipalities are exempt from federal and in some cases state income tax. These are referred to as "tax exempt" securities and may be purchased individually or as muni bond investment trusts or mutual funds.

Equity and Other:

Assets which receive part or all of their return in the form of appreciation and qualify for special capital gains treatment on the profits would be included in this category. Such assets include: stocks, equity mutual funds, real estate, business interest, etc.

Retirement Accounts:

This includes any account treated by the IRS as tax-advantaged, qualifying for special tax treatment, deferral or deduction.

IRA - Individual Retirement Accounts.

401(k) - corporate thrift or savings plans.

Keogh or SEP - retirement plans for self employed individuals.

TSA - tax sheltered annuity plans for employees of 403(b) tax exempt organizations.

SIMPLE 401(k) and SIMPLE IRA - employer sponsored plans.

Profit Sharing - corporate plans for employee profit sharing.

Roth IRA accounts (tax free growth).

Roth 401(k) - tax-free after-tax personal contributions, pre-tax company additions.

These accounts generally allow for pre-tax contributions and tax-deferred earnings. When funds are withdrawn from these accounts the entire amount is taxable at the ordinary tax rate. (Roth accounts use after tax contributions and tax-free accumulation and withdrawal.)

Not an Investment Offer:

This is not an offer to sell or a solicitation of an offer to buy any security. Such offer would be accompanied by a prospectus or other offering materials.

IMPORTANT:

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

Asset Accounts

Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Taxable		Equity		Tax-Free		Tax-Deferred		Retirement Accts		Roth Accounts		Total Working Assets (eoy)
	Deposits or draws	Balance \$83,800 1.65%	Deposits or draws	Balance \$165,000 7.50%	Deposits or draws	Balance 5.75%	Deposits or draws	Balance 6.00%	Deposits or draws	Balance \$377,750 7.00%	Deposits or draws	Balance \$135,300 7.00%	
53 51	\$3,000	\$87,770	\$6,000	\$181,728					\$17,240	\$422,100	\$10,800	\$155,989	\$847,587
54 52	3,000	91,785	6,000	199,522					17,627	469,957	11,016	178,350	939,614
55 53	(9,080)	83,691	6,000	218,451					18,969	522,558	11,236	202,505	1,027,205
56 54	(52,481)	31,836	6,000	238,586					19,399	579,286	11,461	228,585	1,078,292
57 55	(31,836)		(19,245)	233,878					19,838	640,442	11,690	256,728	1,131,048
58 56			(21,707)	226,322					20,287	706,346	11,924	287,084	1,219,752
59 57			(22,147)	217,829					20,747	777,340	12,162	319,812	1,314,981
60 58			(59,568)	170,066					21,811	854,409	12,405	355,083	1,379,558
61 59	3,000	3,018	6,000	187,117					22,307	937,388	12,653	393,081	1,520,604
62 60	3,000	6,070	6,000	205,255					22,814	1,026,703	12,907	434,001	1,672,029
63 61	3,583	9,744	8,331	226,962					23,332	1,122,808	13,165	478,055	1,837,569
64 62	3,000	12,873	6,000	247,640					23,863	1,226,191	13,428	525,467	2,012,172
65 63	(12,873)		(168,979)	85,896					10,957	1,317,244	6,848	566,716	1,969,856
66 64			(85,896)						(106,870)	1,292,156		603,551	1,895,707
67 65									(248,761)	1,118,450		642,781	1,761,231
68 66									(186,691)	997,752		684,560	1,682,312
69 67									(159,350)	897,532		729,055	1,626,587
70 68	103,851	104,595	155,777	159,722					(2,216)	953,575		776,443	1,994,335
71 69	(104,595)		(12,277)	154,561					(12,001)	1,003,125		826,911	1,984,597
72 70			(99,941)	59,276					(38,286)	1,028,666		880,659	1,968,601
73 71			(59,276)						(94,463)	997,673		937,901	1,935,574
74 72									(174,136)	882,130		998,864	1,880,994
75 73									(147,466)	786,705		1,063,789	1,850,494
76 74									(152,507)	678,598		1,132,934	1,811,532
77 75									(157,781)	559,257		1,206,573	1,765,830
78 76									(163,301)	426,441		1,284,999	1,711,440
79 77									(169,078)	279,007		1,368,523	1,647,530
80 78									(175,125)	115,726		1,457,476	1,573,202
81 79									(115,726)		(18,885)	1,532,648	1,532,648
82 80											(116,767)	1,511,309	1,511,309
83 81											(122,317)	1,482,833	1,482,833
84 82											(128,127)	1,446,487	1,446,487
85 83											(134,212)	1,401,475	1,401,475
86 84											(140,583)	1,346,938	1,346,938
87 85											(147,255)	1,281,944	1,281,944
88 86											(154,244)	1,202,986	1,202,986
89 87											(161,564)	1,113,813	1,113,813
90 88											(169,232)	1,010,900	1,010,900
91 89											(186,185)	883,736	883,736
92 90											(194,474)	739,719	739,719
93 91											(203,152)	577,352	577,352
94 92											(212,238)	395,018	395,018
95 93											(221,754)	190,975	190,975
96 94											(190,975)		
97 95													
98 96													
		H1		H2		H3		H4		H5...H6d		H7,H8	

Note: Rate of return shown for the asset groups are for the first year only. Refer to asset reports for future rates.

Total Asset Accounts

Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Personal Deposits	Company Deposits	Personal Withdrawals	Cash Flow (shortage)	Tax Due Each Year 31.00% 20.00%	Minimum Distribution **	Return on Assets	Savings and Investment	Retirement & Roth Accounts	Account Balance
								\$248,800	\$513,050	\$761,850
53 51	\$29,280	\$7,760			(\$2,329)		\$51,027	\$269,498	\$578,089	\$847,587
54 52	29,711	7,932			(2,537)		56,923	291,307	648,307	939,614
55 53	30,719	8,487			(2,725)		63,190	302,142	725,063	1,027,205
56 54	31,184	8,677			(55,481)		69,487	270,422	807,870	1,078,292
57 55	31,658	8,871			(60,081)		74,874	233,878	897,170	1,131,048
58 56	32,143	9,069			(30,707)		80,697	226,322	993,430	1,219,752
59 57	32,638	9,272			(31,147)		86,877	217,829	1,097,152	1,314,981
60 58	33,500	9,717			(68,568)		92,013	170,066	1,209,492	1,379,558
61 59	34,026	9,935			(1,958)		99,046	190,135	1,330,469	1,520,604
62 60	34,563	10,158			(2,166)		108,872	211,325	1,460,704	1,672,029
63 61	35,112	10,386		2,915	(2,401)		119,530	236,706	1,600,863	1,837,569
64 62	35,672	10,620			(2,648)		130,961	260,513	1,751,659	2,012,172
65 63	12,327	5,479			(181,852)		123,055	85,896	1,883,960	1,969,856
66 64					(171,392)		118,617		1,895,707	1,895,707
67 65					(199,009)		114,285		1,761,231	1,761,231
68 66					(149,353)		107,772		1,682,312	1,682,312
69 67					(127,480)		103,625		1,626,587	1,626,587
70 68				259,628	(907)	(2,216)	111,244	264,317	1,730,018	1,994,335
71 69					(116,872)	(1,301)	(12,001)	154,561	1,830,036	1,984,597
72 70					(99,941)	(851)	(38,286)	59,276	1,909,325	1,968,601
73 71					(102,320)	(10,761)	(40,658)		1,935,574	1,935,574
74 72					(106,646)	(26,662)	(40,829)		1,880,994	1,880,994
75 73					(88,118)	(22,030)	(37,319)		1,850,494	1,850,494
76 74					(94,461)	(23,615)	(34,431)		1,811,532	1,811,532
77 75					(101,549)	(25,387)	(30,845)		1,765,830	1,765,830
78 76					(109,537)	(27,384)	(26,380)		1,711,440	1,711,440
79 77					(118,457)	(29,614)	(21,007)		1,647,530	1,647,530
80 78					(128,654)	(32,164)	(14,308)		1,573,202	1,573,202
81 79					(106,515)	(21,907)	(6,189)		1,532,648	1,532,648
82 80					(116,767)		95,428		1,511,309	1,511,309
83 81					(122,317)		93,841		1,482,833	1,482,833
84 82					(128,127)		91,781		1,446,487	1,446,487
85 83					(134,212)		89,200		1,401,475	1,401,475
86 84					(140,583)		86,046		1,346,938	1,346,938
87 85					(147,255)		82,261		1,281,944	1,281,944
88 86					(154,244)		75,286		1,202,986	1,202,986
89 87					(161,564)		72,391		1,113,813	1,113,813
90 88					(169,232)		66,319		1,010,900	1,010,900
91 89					(186,185)		59,021		883,736	883,736
92 90					(194,474)		50,457		739,719	739,719
93 91					(203,152)		40,785		577,352	577,352
94 92					(212,238)		29,904		395,018	395,018
95 93					(221,754)		17,711		190,975	190,975
96 94					(231,721)					
97 95					(242,162)					
98 96										

Note: This report is a summary of all the asset illustration pages (H1 - H8).

Withdrawal Rates

Sample Financial Plan - TOTAL Goal-Based Planning

Ages in Retirement		Account Balance	Personal & Company Additions	Annual Return	Total Funds Available	Personal Withdrawals and RMDs	Surplus or (Shortage)	Total Withdrawal Amount	Net Withdrawal Rate
65	63	\$2,012,172	\$17,806	\$123,055	\$2,153,032		(\$181,852)	(\$183,175)	8.51%
66	64	1,969,856		118,617	2,088,473		(171,392)	(192,766)	9.23%
67	65	1,895,707		114,285	2,009,992		(199,009)	(248,761)	12.38%
68	66	1,761,231		107,772	1,869,003		(149,353)	(186,691)	9.99%
69	67	1,682,312		103,625	1,785,937		(127,480)	(159,350)	8.92%
70	68	1,626,587		111,244	1,737,831	(2,216)	259,628		
71	69	1,994,335		120,436	2,114,771	(12,001)	(116,872)	(130,174)	6.16%
72	70	1,984,597		123,082	2,107,679	(38,286)	(99,941)	(139,078)	6.60%
73	71	1,968,601		120,712	2,089,313	(40,658)	(102,320)	(153,739)	7.36%
74	72	1,935,574		119,556	2,055,130	(40,829)	(106,646)	(174,137)	8.47%
75	73	1,880,994		116,967	1,997,960	(37,319)	(88,118)	(147,467)	7.38%
76	74	1,850,494		113,545	1,964,039	(34,431)	(94,461)	(152,507)	7.76%
77	75	1,811,532		112,080	1,923,612	(30,845)	(101,549)	(157,781)	8.20%
78	76	1,765,830		108,912	1,874,742	(26,380)	(109,537)	(163,301)	8.71%
79	77	1,711,440		105,169	1,816,609	(21,007)	(118,457)	(169,078)	9.31%
80	78	1,647,530		100,798	1,748,328	(14,308)	(128,654)	(175,126)	10.02%
81	79	1,573,202		94,057	1,667,259	(6,189)	(106,515)	(134,611)	8.07%
82	80	1,532,648		95,428	1,628,076		(116,767)	(116,767)	7.17%
83	81	1,511,309		93,841	1,605,150		(122,317)	(122,317)	7.62%
84	82	1,482,833		91,781	1,574,614		(128,127)	(128,127)	8.14%
85	83	1,446,487		89,200	1,535,687		(134,212)	(134,212)	8.74%
86	84	1,401,475		86,046	1,487,521		(140,583)	(140,583)	9.45%
87	85	1,346,938		82,261	1,429,199		(147,255)	(147,255)	10.30%
88	86	1,281,944		75,286	1,357,230		(154,244)	(154,244)	11.36%
89	87	1,202,986		72,391	1,275,377		(161,564)	(161,564)	12.67%
90	88	1,113,813		66,319	1,180,132		(169,232)	(169,232)	14.34%
91	89	1,010,900		59,021	1,069,921		(186,185)	(186,185)	17.40%
92	90	883,736		50,457	934,193		(194,474)	(194,474)	20.82%
93	91	739,719		40,785	780,504		(203,152)	(203,152)	26.03%
94	92	577,352		29,904	607,256		(212,238)	(212,238)	34.95%
95	93	395,018		17,711	412,729		(221,754)	(221,754)	53.73%
96	94	190,975			190,975		(190,975)	(190,975)	100.00%
		<i>C8a</i>	<i>C8a</i>	<i>C8a</i>		<i>H1 ...H8</i>	<i>C8a</i>	<i>C8a</i>	

Withdrawal Rates Analysis

Sample Financial Plan - TOTAL Goal-Based Planning

It is important to ensure that income is available when you need it. If some of the income requirements are to be met from the capital you have accumulated, then monitoring the rate at which you are spending capital is critical.

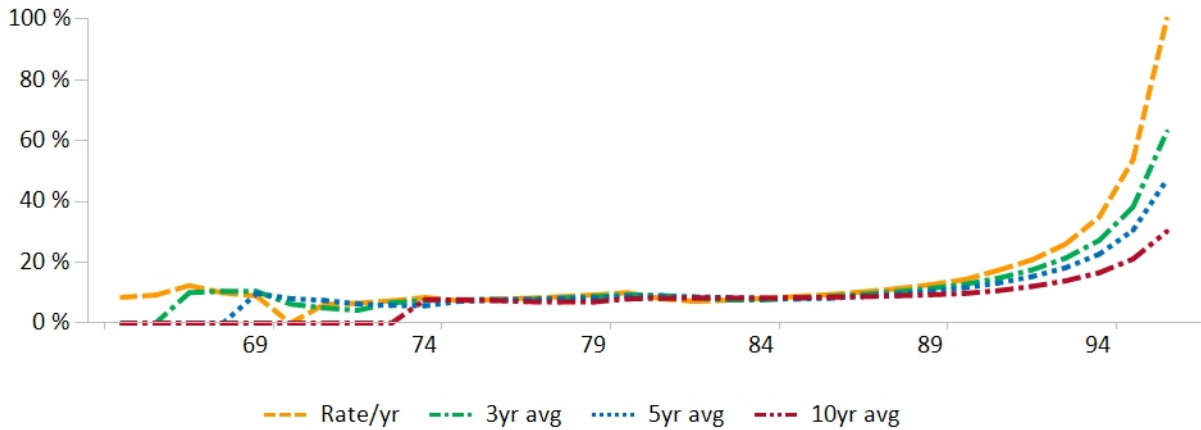
The bar graph, indicated on the left scale, measures your capital values available at each year. The line represents the dollar amounts withdrawn from your assets to meet spending requirements.

Capital Available -vs- Annual Spending Amounts



The following graph measures your spending as a percent of capital each year. It uses a "moving average" method to smooth the lines into an average withdrawal rate over one, three, five and ten year periods.

Moving Average Withdrawal Rates as Percent of Capital Available



Withdrawal Rate Averages

	High	Low*	Average
Annual range (rate for each year)	100.00%	0.00%	14.99%
Three year average range	62.89%	4.25%	12.88%
Five year average range	47.10%	5.72%	11.75%
Ten year average range	30.16%	6.96%	10.58%

*Years when there is a positive cash flow and no withdrawals are required results in a 0% withdrawal rate.