

Funding: Equity Account

Savings Required: 12.53% of after tax pre-retirement income.

## **Retirement Needs Analysis Preface**

### **General Comments**

A recent Gallup survey discovered a significant series of concerns regarding retirement planning. About half of those questioned felt that the benefits they expected to receive from pensions and other employment-related retirement programs would not be enough to take care of their needs. More than half were concerned that they might run out of all funds during retirement. Two-thirds were worried a catastrophic illness or needs for nursing home care would bankrupt them. Over 90% in the survey believed saving for their retirement represented their single most important long term financial goal.

Most people don't plan to fail, they simply fail to plan.

The purpose of the accompanying analysis is to compare your retirement income goals with the assets/benefits that you expect will be available to meet those goals. If there are not sufficient assets/benefits, recommendations regarding funding of a Target Retirement Account will be included in order to offset the shortfall.

"Target Retirement Account" (also referenced as "TRA") is the name for a specific allocation of funds that is accumulated during pre-retirement years and used for distribution during retirement years.

### **Your Specific Analysis**

An analysis has been made of your retirement income goals compared to the expected assets/benefits that will be available to meet the goals. Based on this analysis, your expected assets/benefits will not be sufficient to meet all your retirement income goals.

Due to your shortfall of expected assets/benefits, it is necessary for you to fund a Target Retirement Account. In the material that accompanies this report, you will find a TRA illustrated utilizing an equity account.

The precision of your analysis will be dependent upon the accuracy of the financial data utilized. You should be certain that all the data used is an accurate reflection of your economic expectations.

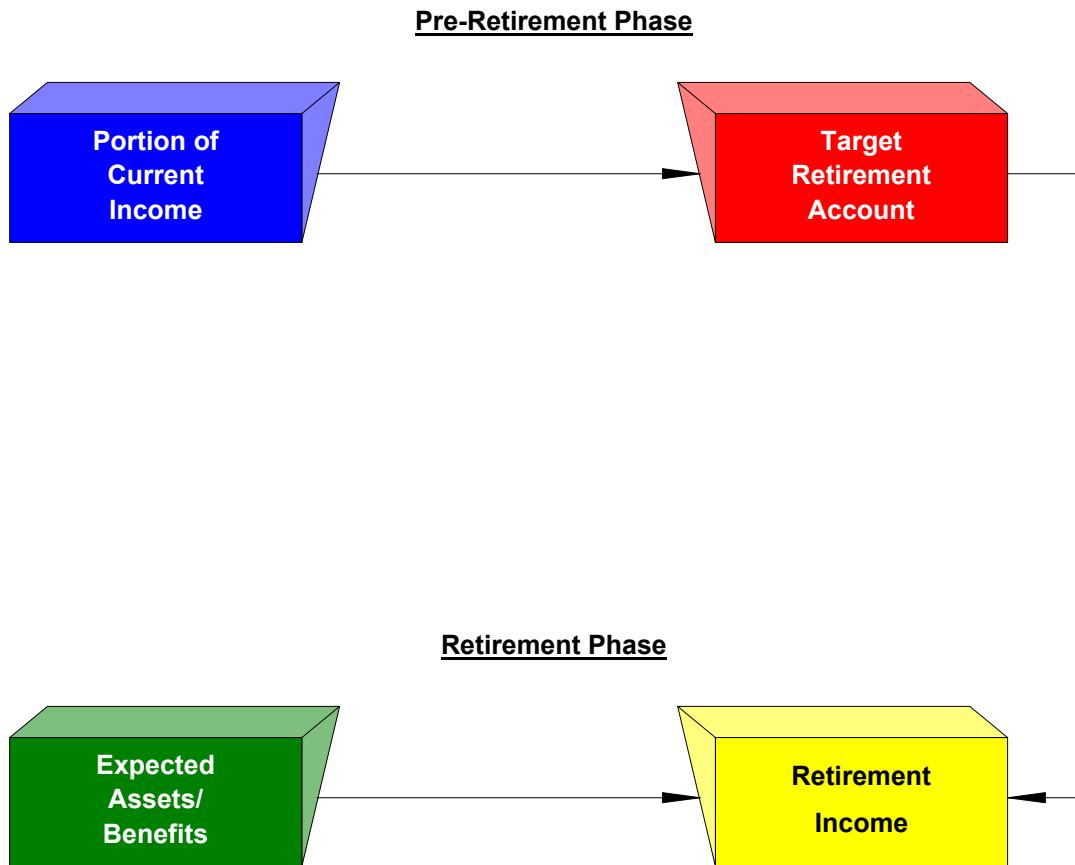
It is important to remember that what is presented in the study is only a future "snapshot" of your retirement situation. Some of the premises and conditions may change. Each year, you should arrange for a review of the analysis in order to evaluate the consequences of modifications to the assumptions. By doing so, your retirement plan will always remain up to date.

# Retirement Needs Analysis

Presented By: [Licensed user's name appears here]  
Date: [Current date appears here]

For: Bart Jones  
& Kristin Jones

## Flow Chart Analysis



# Cash Flow Summary for Retirement Years Utilizing Expected Assets/Benefits

Cash Flow Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Bart Jones  
& Kristin Jones

	First Year	Last Year	Total For All Years	Cash Flow Summary
After Tax Retirement Income Goal	259,012	414,070	6,616,382	6,616,382
Estimate of Expected After Tax Retirement Cash Flow:				
Social Security	17,955	48,331	734,511	
Certificate of Deposit	14,500	4,382	279,882	
Bart's 401(k)	106,950	106,950	2,139,000	
Kristin's 401(k)	51,750	50,743	1,033,993	
Equity Account	36,572	36,572	731,440	
Work After Retirement	25,000	0	250,000	
Total Expected After Tax Retirement Cash Flow	252,727	246,978	5,168,826	(5,168,826)
Shortfall in Expected After Tax Retirement Cash Flow				1,447,556

## Conclusion and Recommendation

We have compared the year-by-year relationships between the retirement income goals and expected retirement cash flow.

Based on your assumptions, the timing of your expected cash flow is not sufficient to meet all your financial goals. An additional amount of funding should be directed to a Target Retirement Account in the amount of 12.53% of your assumed pre-retirement income starting at age 45. By doing so, your desired goals should then be assured -- based, of course, on the accuracy of the assumptions you have provided.

Assumptions may change as economic circumstances change. It is strongly recommended you review this plan every year.

# Retirement Needs Analysis

## Annualized After Tax Income Projections

Income Projection Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Bart Jones  
& Kristin Jones

Current After Tax Income 100,000	Growth of Current Income 5.00%	Retirement Income Goal 252,695	Growth of Retirement Income 2.50%	Age at Retirement 65/63
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Pre-Retirement Phase			Retirement Phase		
Pre- Retirement Year	Ages	(1) Projected After Tax Pre- Retirement Income Incl. Growth	Retirement Year	Ages	(2) Desired After Tax Retirement Income Goal Incl. Growth
1	45/43	100,000	1	65/63	259,012
2	46/44	105,000	2	66/64	265,488
3	47/45	110,250	3	67/65	272,125
4	48/46	115,763	4	68/66	278,928
5	49/47	121,551	5	69/67	285,901
6	50/48	127,628	6	70/68	293,049
7	51/49	134,010	7	71/69	300,375
8	52/50	140,710	8	72/70	307,884
9	53/51	147,746	9	73/71	315,581
10	54/52	155,133	10	74/72	323,471
11	55/53	162,889	11	75/73	331,558
12	56/54	171,034	12	76/74	339,847
13	57/55	179,586	13	77/75	348,343
14	58/56	188,565	14	78/76	357,051
15	59/57	197,993	15	79/77	365,978
16	60/58	207,893	16	80/78	375,127
17	61/59	218,287	17	81/79	384,505
18	62/60	229,202	18	82/80	394,118
19	63/61	240,662	19	83/81	403,971
20	64/62	252,695	20	84/82	414,070
		3,306,597			6,616,382

### Retirement Income Goal

After tax income in year before retirement:	252,695
Goal for retirement:	100%
After tax income goal for retirement years:	252,695
2.50% growth during first retirement year:	+ 6,317
After tax income in first retirement year:	259,012

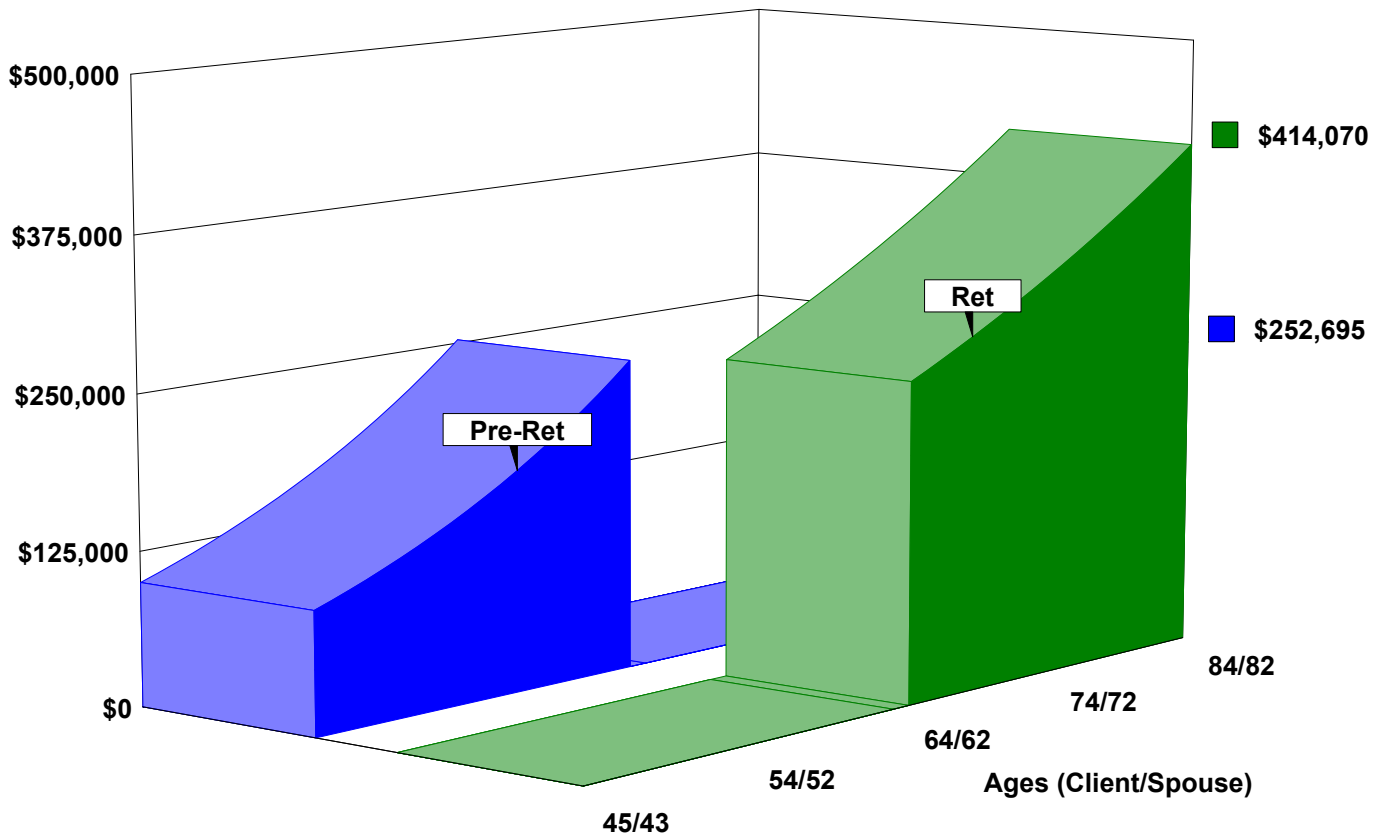
Note: All projections are based on client furnished data and assumptions.

# Retirement Needs Analysis

Presented By: [Licensed user's name appears here]  
 Date: [Current date appears here]

For: Bart Jones  
 & Kristin Jones

## Income Summary



■ Pre-Ret - Projected Annual After Tax Pre-Retirement Income  
■ Ret - Desired Annual After Tax Retirement Income Goal<sup>1</sup>

(1) Retirement income fully funded by expected retirement assets/benefits and the TRA.

## Retirement Needs Analysis Retirement Phase

### Expected Retirement Assets/Benefits vs. Retirement Income Goals

Assets/Benefits/Goals Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Bart Jones  
& Kristin Jones

		Retirement Cash Flow Analysis								
Retirement Year	Ages	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		After Tax Income from Social Security Benefits	After Tax Income from Certificate of Deposit	After Tax Income from Bart's 401(k)	After Tax Income from Kristin's 401(k)	After Tax Income From Equity Account	After Tax Income from Work After Retirement	Total After Tax Expected Retirement Assets/ Benefits	Desired After Tax Retirement Income Goal Incl. Growth	Additional After Tax Retirement Income Required (8) - (7)
1	65/63	17,955	14,500	106,950	51,750	36,572	25,000	252,727	259,012	6,285
2	66/64	18,404	14,500	106,950	51,750	36,572	25,000	253,176	265,488	12,312
3	67/65	18,865	14,500	106,950	51,750	36,572	25,000	253,637	272,125	18,488
4	68/66	32,557	14,500	106,950	51,750	36,572	25,000	267,329	278,928	11,599
5	69/67	33,370	14,500	106,950	51,750	36,572	25,000	268,142	285,901	17,759
6	70/68	34,205	14,500	106,950	51,750	36,572	25,000	268,977	293,049	24,072
7	71/69	35,060	14,500	106,950	51,750	36,572	25,000	269,832	300,375	30,543
8	72/70	35,936	14,500	106,950	51,750	36,572	25,000	270,708	307,884	37,176
9	73/71	36,835	14,500	106,950	51,750	36,572	25,000	271,607	315,581	43,974
10	74/72	37,756	14,500	106,950	51,750	36,572	25,000	272,528	323,471	50,943
11	75/73	38,700	14,500	106,950	51,750	36,572	0	248,472	331,558	83,086
12	76/74	39,667	14,500	106,950	51,750	36,572	0	249,439	339,847	90,408
13	77/75	40,659	14,500	106,950	51,750	36,572	0	250,431	348,343	97,912
14	78/76	41,675	14,500	106,950	51,750	36,572	0	251,447	357,051	105,604
15	79/77	42,717	14,500	106,950	51,750	36,572	0	252,489	365,978	113,489
16	80/78	43,786	14,500	106,950	51,750	36,572	0	253,558	375,127	121,569
17	81/79	44,879	14,500	106,950	51,750	36,572	0	254,651	384,505	129,854
18	82/80	46,002	14,500	106,950	51,750	36,572	0	255,774	394,118	138,344
19	83/81	47,152	14,500	106,950	51,750	36,572	0	256,924	403,971	147,047
20	84/82	48,331	4,382	106,950	50,743	36,572	0	246,978	414,070	167,092
		734,511	279,882	2,139,000	1,033,993	731,440	250,000	5,168,826	6,616,382	1,447,556

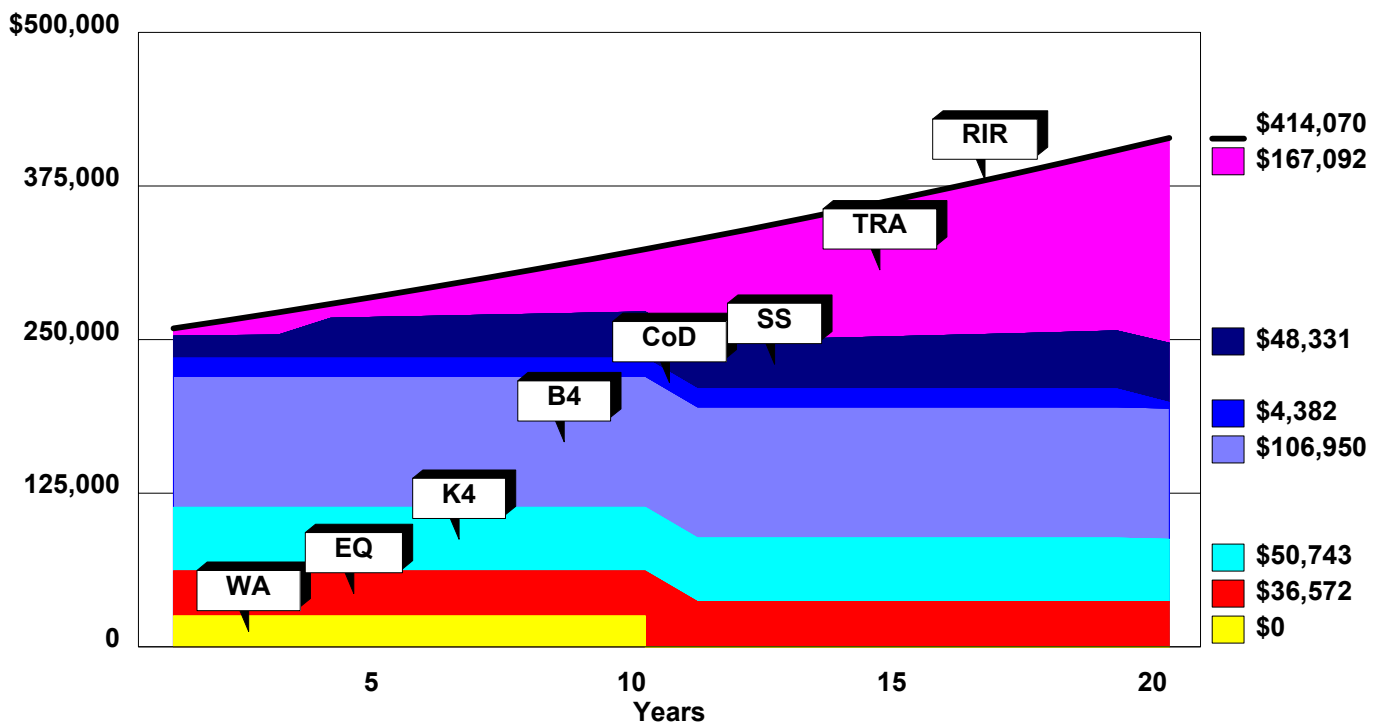
The expected assets/benefits shown above are based on client furnished data and assumptions.

# Retirement Needs Analysis

Presented By: [Licensed user's name appears here]  
 Date: [Current date appears here]

For: Bart Jones  
 & Kristin Jones

## Sources of Retirement Cash Flow



- RIR - Retirement Income Required
- TRA - Target Retirement Account
- SS - After Tax Income from Social Security Benefits
- CoD - After Tax Income from Certificate of Deposit
- B4 - After Tax Income from Bart's 401(k)
- K4 - After Tax Income from Kristin's 401(k)
- EQ - After Tax Income From Equity Account
- WA - After Tax Income from Work After Retirement

## Retirement Needs Analysis Pre-Retirement Phase

### Accumulating the Necessary Target Retirement Account (TRA)

TRA Accumulation Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Bart Jones  
& Kristin Jones

		TRA Required @ Age 65/63 718,761	TRA Invested in Equity Account	
		(1)	(2)	(3)
Pre- Retirement Year	Ages	Projected After Tax Pre- Retirement Income Incl. Growth	Target Retirement Account Allocation Required	Year End Value of Target Retirement Account
1	45/43	100,000	12,528	13,354
2	46/44	105,000	13,155	28,209
3	47/45	110,250	13,812	44,667
4	48/46	115,763	14,503	62,707
5	49/47	121,551	15,228	82,546
6	50/48	127,628	15,989	104,322
7	51/49	134,010	16,789	128,183
8	52/50	140,710	17,628	154,290
9	53/51	147,746	18,510	182,813
10	54/52	155,133	19,435	213,936
11	55/53	162,889	20,407	247,855
12	56/54	171,034	21,427	284,779
13	57/55	179,586	22,499	324,933
14	58/56	188,565	23,624	368,557
15	59/57	197,993	24,805	415,905
16	60/58	207,893	26,045	467,251
17	61/59	218,287	27,347	522,887
18	62/60	229,202	28,715	583,125
19	63/61	240,662	30,150	648,298
20	64/62	252,695	31,658	718,761
		3,306,597	414,254	

Column (2) = 12.53% of assumed pre-retirement income starting at age 45.

Management fees assessed on column (3): 0.70%

See the Details of Equity Account and Details of Portfolio Turnover reports (Pre-Retirement Phase) for calculations used.

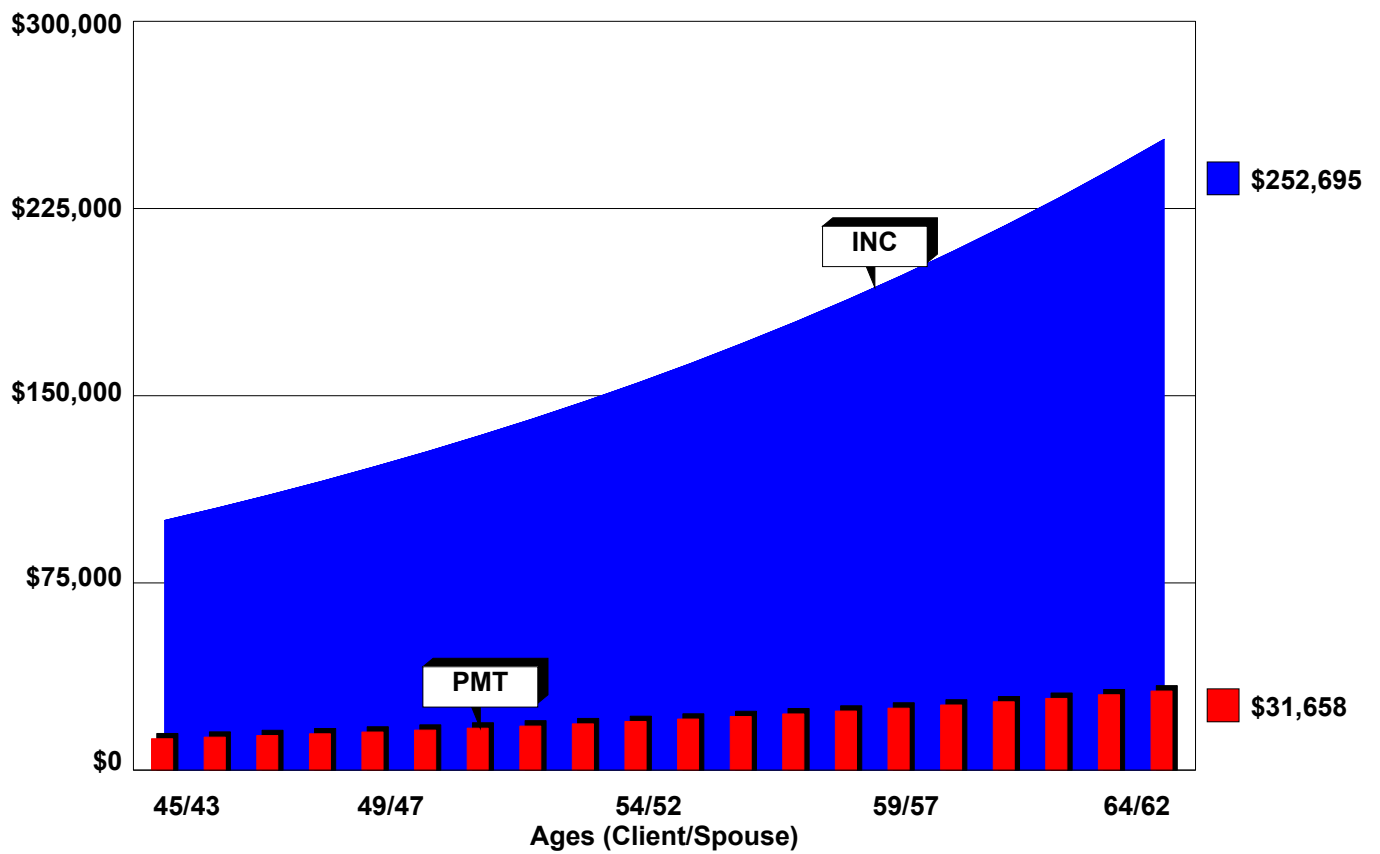
Calculations based on client's assumptions.

# Retirement Needs Analysis

Presented By: [Licensed user's name appears here]  
Date: [Current date appears here]

For: Bart Jones  
& Kristin Jones

## Pre-Retirement Summary



**INC** - Projected Annual After Tax Pre-Retirement Income  
**PMT** - Annual Allocation to Target Retirement Account

## Retirement Needs Analysis Retirement Phase

### Distributing the Target Retirement Account (TRA)

TRA Distribution Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Bart Jones  
& Kristin Jones

TRA Required @ Age 65/63  
718,761

TRA Invested in  
Equity Account

		Target Retirement Account Activity			
Retirement Year	Ages	(1) Additional After Tax Retirement Income Required	(2) Beginning of Year Balance in Equity Account	(3) Balance in Equity Account to Accrue	(4) Year End Value of Equity Account
1	65/63	6,285	718,761	717,407	753,181
2	66/64	12,312	753,181	745,907	782,935
3	67/65	18,488	782,935	769,554	807,673
4	68/66	11,599	807,673	801,510	841,170
5	69/67	17,759	841,170	828,944	869,940
6	70/68	24,072	869,940	851,460	893,560
7	71/69	30,543	893,560	868,628	911,571
8	72/70	37,176	911,571	879,982	923,484
9	73/71	43,974	923,484	885,027	928,777
10	74/72	50,943	928,777	883,230	926,890
11	75/73	83,086	926,890	848,455	890,396
12	76/74	90,408	890,396	804,215	843,969
13	77/75	97,912	843,969	749,786	786,849
14	78/76	105,604	786,849	684,396	718,227
15	79/77	113,489	718,227	607,225	637,241
16	80/78	121,569	637,241	517,404	542,980
17	81/79	129,854	542,980	414,004	434,469
18	82/80	138,344	434,469	296,044	310,677
19	83/81	147,047	310,677	162,478	170,510
20	84/82	167,092	170,510	821	862
		1,447,556			

Management fees assessed on column (4): 0.70%

See the Details of Equity Account and Details of Portfolio  
Turnover reports (Retirement Phase) for calculations used.

Calculations based on client's assumptions.

# Retirement Needs Analysis

## Retirement Distribution Phase

### Details of Equity Account

Retirement Equity Detail Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Bart Jones

		Growth Rate 7.50%	Dividend Rate 1.00%	Dividend Tax Rate 31.00%	Retirement Income Tax Bracket 31.00%	Composite Capital Gains Tax Rate* 28.00%	Turnover Assumption 50.00%		
Retirement Year	Ages	(1) Beginning of Year Value of Equity Account	(2) Sale of Equities	(3) Capital Growth	(4) After Tax Reinvested Dividends	(5) Net Year End Value of Equity Account**	(6) After Tax Dividends	(7) After Tax + Equity Sales	(8) Total After Tax Distributions
1	65/63	718,761	1,354	53,806	0	753,181	4,951	1,334	6,285
2	66/64	753,181	7,274	55,943	0	782,935	5,147	7,165	12,312
3	67/65	782,935	13,381	57,717	0	807,673	5,310	13,178	18,488
4	68/66	807,673	6,163	60,113	0	841,170	5,530	6,069	11,599
5	69/67	841,170	12,226	62,171	0	869,940	5,720	12,039	17,759
6	70/68	869,940	18,480	63,860	0	893,560	5,875	18,197	24,072
7	71/69	893,560	24,932	65,147	0	911,571	5,993	24,550	30,543
8	72/70	911,571	31,589	65,999	0	923,484	6,071	31,105	37,176
9	73/71	923,484	38,457	66,377	0	928,777	6,107	37,867	43,974
10	74/72	928,777	45,547	66,242	0	926,890	6,095	44,848	50,943
11	75/73	926,890	78,435	63,634	0	890,396	5,854	77,232	83,086
12	76/74	890,396	86,181	60,316	0	843,969	5,549	84,859	90,408
13	77/75	843,969	94,183	56,234	0	786,849	5,174	92,738	97,912
14	78/76	786,849	102,453	51,330	0	718,227	4,723	100,881	105,604
15	79/77	718,227	111,002	45,542	0	637,241	4,190	109,299	113,489
16	80/78	637,241	119,837	38,805	0	542,980	3,570	117,999	121,569
17	81/79	542,980	128,976	31,050	0	434,469	2,857	126,997	129,854
18	82/80	434,469	138,425	22,203	0	310,677	2,043	136,301	138,344
19	83/81	310,677	148,199	12,186	0	170,510	1,121	145,926	147,047
20	84/82	170,510	169,689	62	0	862	6	167,086	167,092
			1,376,783	998,737	0		91,886	1,355,670	1,447,556

\*The composite capital gains tax rate includes 50.00% short-term gains subject to ordinary income tax and 50.00% long-term gains subject to capital gains tax. The individual tax rates used to create the composite tax rate are:

Capital Gains Tax: 25.00%

Income Tax: 31.00%

\*\*Column (5) has been reduced by a 0.70% management fee.

Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

# Retirement Needs Analysis

## Retirement Distribution Phase

### Details of Portfolio Turnover

Retirement Equity Detail Page: 2  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Bart Jones

		Growth Rate 7.50%	Dividend Rate 1.00%	Dividend Tax Rate 31.00%	Retirement Income Tax Bracket 31.00%	Composite Capital Gains Tax Rate* 28.00%	Turnover Assumption 50.00%				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Retirement Year	Ages	Beginning of Year Cost Basis	Sale of Equities	Capital Growth	After Tax Reinvested Dividends	Value of Assets Before Turnover	Adjusted Cost Basis	Turnover Sale of Assets	Cost Basis Used by Turnover	After Tax Reinvested Turnover	Net Year End Value of Equity Account***
1	65/63	681,624	1,354	53,806	0	771,213	680,340	385,607	340,170	372,884	753,181
2	66/64	713,054	7,274	55,943	0	801,850	706,168	400,925	353,084	387,529	782,935
3	67/65	740,613	13,381	57,717	0	827,271	727,956	413,636	363,978	399,731	807,673
4	68/66	763,709	6,163	60,113	0	861,623	757,881	430,812	378,941	416,288	841,170
5	69/67	795,228	12,226	62,171	0	891,115	783,670	445,558	391,835	430,515	869,940
6	70/68	822,350	18,480	63,860	0	915,320	804,881	457,660	402,441	442,199	893,560
7	71/69	844,639	24,932	65,147	0	933,775	821,072	466,888	410,536	451,109	911,571
8	72/70	861,645	31,589	65,999	0	945,981	831,787	472,991	415,893	457,003	923,484
9	73/71	872,896	38,457	66,377	0	951,404	836,546	475,702	418,273	459,622	928,777
10	74/72	877,895	45,547	66,242	0	949,472	834,843	474,736	417,422	458,688	926,890
11	75/73	876,110	78,435	63,634	0	912,089	801,972	456,045	400,986	440,628	890,396
12	76/74	841,614	86,181	60,316	0	864,531	760,154	432,266	380,077	417,653	843,969
13	77/75	797,730	94,183	56,234	0	806,020	708,707	403,010	354,354	389,386	786,849
14	78/76	743,740	102,453	51,330	0	735,726	646,900	367,863	323,450	355,427	718,227
15	79/77	678,877	111,002	45,542	0	652,767	573,957	326,384	286,978	315,350	637,241
16	80/78	602,328	119,837	38,805	0	556,209	489,057	278,105	244,528	268,703	542,980
17	81/79	513,232	128,976	31,050	0	445,054	391,321	222,527	195,661	215,005	434,469
18	82/80	410,665	138,425	22,203	0	318,247	279,825	159,124	139,912	153,744	310,677
19	83/81	293,657	148,199	12,186	0	174,664	153,576	87,332	76,788	84,380	170,510
20	84/82	161,168	169,689	62	0	883	776	442	388	427	862

\*The composite capital gains tax rate includes 50.00% short-term gains subject to ordinary income tax and 50.00% long-term gains subject to capital gains tax. The individual tax rates used to create the composite tax rate are:

Capital Gains Tax: 25.00%

Income Tax: 31.00%

\*\*Column (10) has been reduced by a 0.70% management fee.

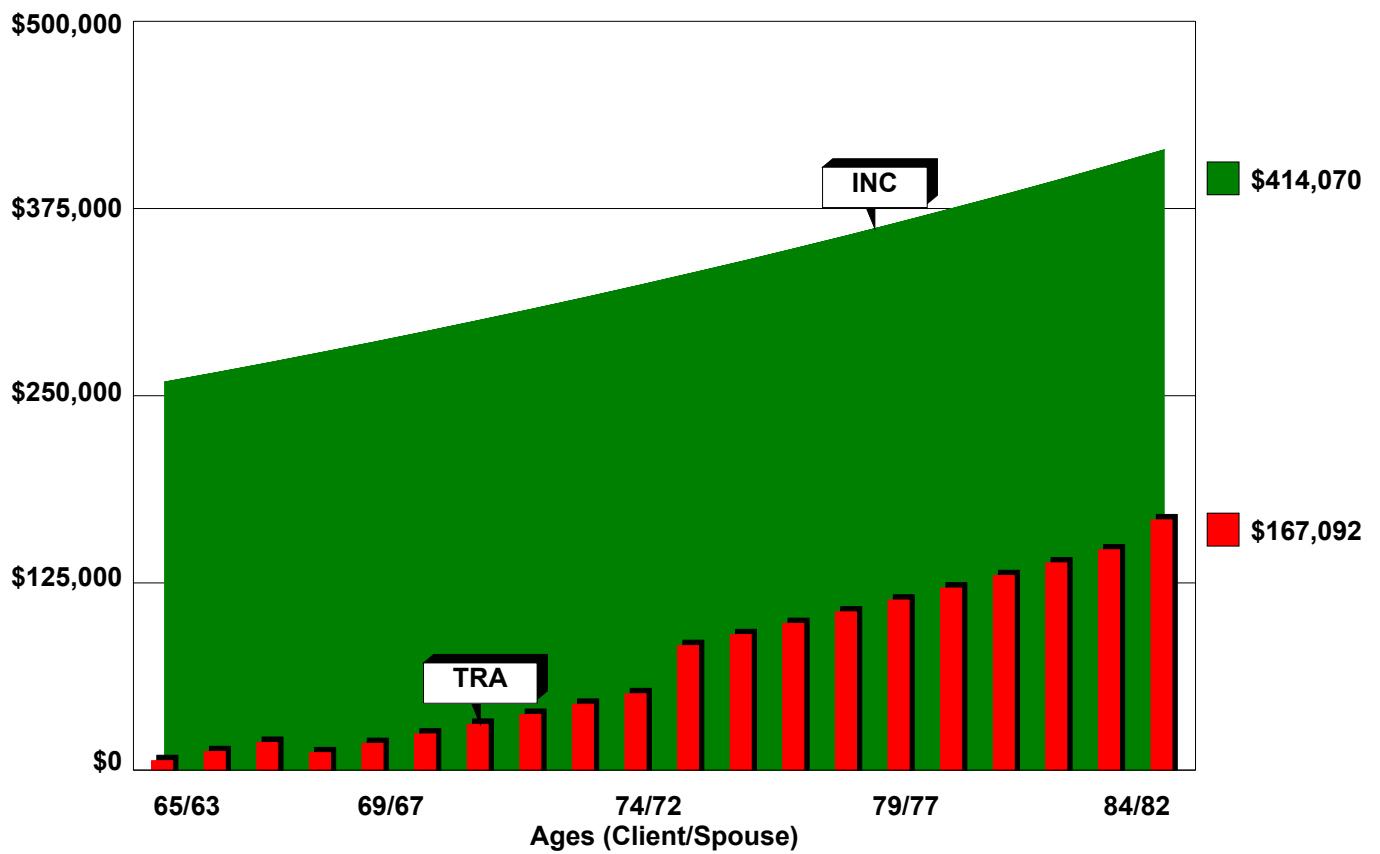
Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

# Retirement Needs Analysis

Presented By: [Licensed user's name appears here]  
 Date: [Current date appears here]

For: Bart Jones  
 & Kristin Jones

## Retirement Summary



■ INC - Desired Annual After Tax Retirement Income Goal  
■ TRA - Portion Funded By Target Retirement Account<sup>1</sup>

(1) Balance of retirement income goal fully funded by expected retirement assets/benefits.

# Retirement Needs Analysis

## Summary Analysis

Summary Page: 1

Presented By: [Licensed user's name appears here]

For: Bart Jones  
& Kristin Jones

Date: [Current date appears here]

Pre-Retirement Phase					Retirement Phase				
Pre-Retirement Year	Ages	(1)	(2)	(3)	Retirement Year	Ages	(4)	(5)	(6)
		Projected After Tax Pre-Retirement Income Incl. Growth	Target Retirement Account Allocation Required	Year End Living Value of Target Retirement Account			Desired After Tax Retirement Income Goal Incl. Growth	Portion of Column (4) Funded by Target Retirement Account*	Year End Living Value of Target Retirement Account
1	45/43	100,000	12,528	13,354	1	65/63	259,012	6,285	753,181
2	46/44	105,000	13,155	28,209	2	66/64	265,488	12,312	782,935
3	47/45	110,250	13,812	44,667	3	67/65	272,125	18,488	807,673
4	48/46	115,763	14,503	62,707	4	68/66	278,928	11,599	841,170
5	49/47	121,551	15,228	82,546	5	69/67	285,901	17,759	869,940
6	50/48	127,628	15,989	104,322	6	70/68	293,049	24,072	893,560
7	51/49	134,010	16,789	128,183	7	71/69	300,375	30,543	911,571
8	52/50	140,710	17,628	154,290	8	72/70	307,884	37,176	923,484
9	53/51	147,746	18,510	182,813	9	73/71	315,581	43,974	928,777
10	54/52	155,133	19,435	213,936	10	74/72	323,471	50,943	926,890
11	55/53	162,889	20,407	247,855	11	75/73	331,558	83,086	890,396
12	56/54	171,034	21,427	284,779	12	76/74	339,847	90,408	843,969
13	57/55	179,586	22,499	324,933	13	77/75	348,343	97,912	786,849
14	58/56	188,565	23,624	368,557	14	78/76	357,051	105,604	718,227
15	59/57	197,993	24,805	415,905	15	79/77	365,978	113,489	637,241
16	60/58	207,893	26,045	467,251	16	80/78	375,127	121,569	542,980
17	61/59	218,287	27,347	522,887	17	81/79	384,505	129,854	434,469
18	62/60	229,202	28,715	583,125	18	82/80	394,118	138,344	310,677
19	63/61	240,662	30,150	648,298	19	83/81	403,971	147,047	170,510
20	64/62	252,695	31,658	718,761	20	84/82	414,070	167,092	862
		3,306,597	414,254				6,616,382	1,447,556	

See the accompanying reports for details of assumptions, data, and logic used to generate the values illustrated.

\*Balance of column (5) funded by the expected retirement assets/benefits.

# Retirement Needs Analysis

Presented By: [Licensed user's name appears here]  
Date: [Current date appears here]

For: Bart Jones  
& Kristin Jones

## Summary Analysis at Ages 84/82

### Pre-Retirement Phase

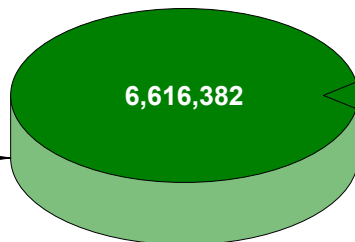
Cumulative  
After Tax  
Pre-Retirement  
Income



Cumulative  
Allocation to  
Target Retirement  
Account

### Retirement Phase

Cumulative  
After Tax  
Retirement Income  
Goal



Portion of  
Goal Funded by  
Target Retirement  
Account <sup>1</sup>

(1) Balance of retirement income funded by expected retirement assets/benefits.

# Retirement Needs Analysis

Presented By: [Licensed user's name appears here]  
Date: [Current date appears here]

For: Bart Jones  
& Kristin Jones

## Target Retirement Account Summary

