

RETIREMENT ROAD MAP



for
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and
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Important Notes

This analysis provides only broad, general guidelines, which may be helpful in shaping your thinking about your retirement planning needs. It can serve as a guide for discussions with your professional advisers. The quality of this analysis is dependent upon the accuracy of data provided by you. Calculations contained in this analysis are estimates only.

Actual results may vary substantially from the figures shown. All rates of return are hypothetical and are not a guarantee of future performance of any asset, including insurance or other financial products. All inflation rates are estimates provided by you.

This analysis contains very specific computations concerning the value of your assets today. These computations are based on assumptions you provided concerning the value of your assets today and the rate at which the assets will appreciate. These assumptions must be carefully reviewed for their reasonableness. These assumptions are only a "best guess". The actual values, rates of growth, and tax rates may be significantly different from those illustrated. The actual taxes due may be significantly greater or smaller than those illustrated. No guarantee can be made regarding values and taxes when actual appreciation rates and tax rates cannot be known at this time.

For illustrative purposes, many assumptions must be made. These assumptions are not to be considered as legal advice; only your legal counsel should provide such advice. No legal or accounting advice is being rendered either by this report or through any other oral or written communications. Please discuss legal and accounting matters directly with your counselors in each of those areas. Because your planning concerns and goals may change in the future, periodically monitoring actual results and making appropriate adjustments are essential components of your program. Annual updating allows a year of estimated values to be replaced with actual results and can be very helpful in your determining whether your plans are on your desired course. Strategies may be proposed during the course of planning, including the acquisition of insurance and other financial products. When this occurs, additional information about the specific product (including a prospectus, if required, or a policy illustration provided by the insurer) will be provided for your review.

For retirement peace of mind you need a

Retirement Road Map

When retirement concerns shift from

How should I accumulate funds for retirement?

to

Will my retirement funds last throughout my retirement?

You need clear directions!

Warning!

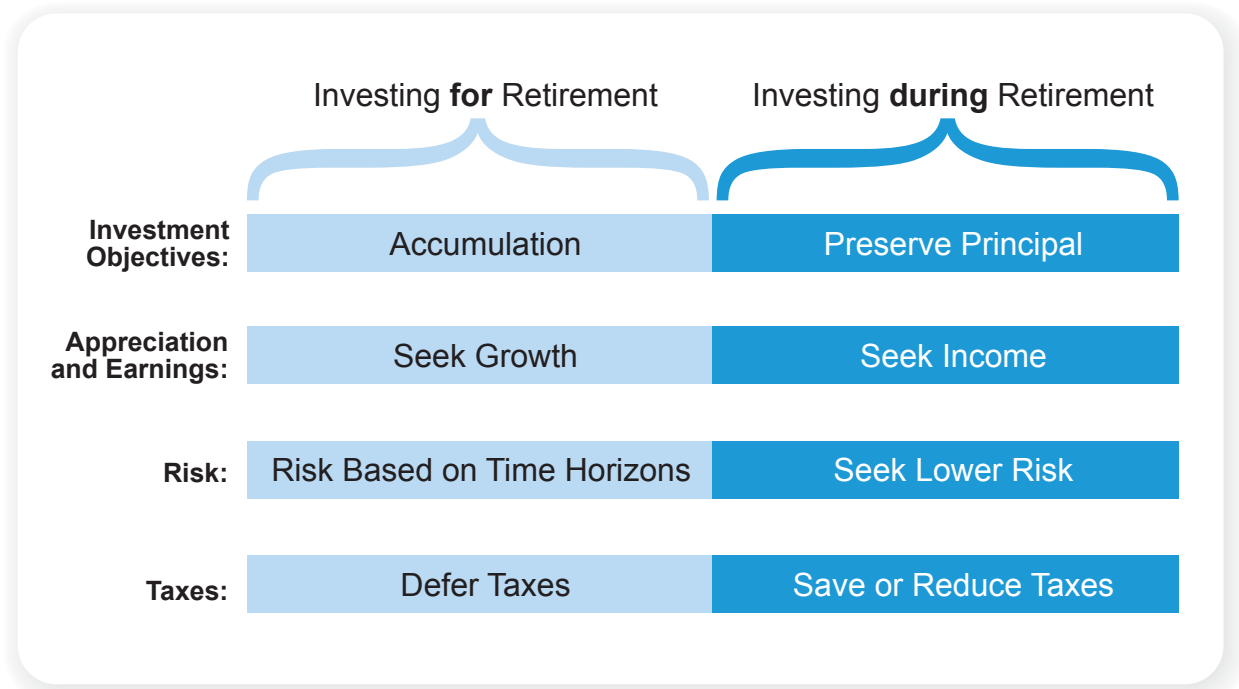
Some decisions made as you approach and begin your retirement must last a lifetime.

**Planning directions
needed.**



Shifting Retirement Concerns

Investing **for** retirement requires different strategies than investing **during** retirement.



Some investment strategies that work prior to retirement do not necessarily work during retirement.

Retirement brings a shift in concerns that are best considered in several phases.

Retirement Lifestyle Phases

Trying to plan for all of your retirement years at one time is very difficult. Looking at retirement in phases, based on the common activities of that phase, makes it much easier to plan. The level of activities is one way to classify retirement into different phases. These are the typical lifestyle phases of retirement:



The amount of retirement income required for each phase, before adjustments for inflation, usually averages 70% of pre-retirement income for basic needs. The needs vary with the level of activities. The greater your activities, the more income you need.

Retirement Phase	Level of Activities	Percent of Income Needed
INITIAL RETIREMENT	Activity level is almost the same as before retirement: work is replaced with more travel, hobbies, activities, etc. Assume 70% for basic needs and 20% for extra activities.	90%
SEASONED RETIREMENT	Activities decrease: less travel, hobbies, and other activities. Assume 70% for basic needs and 10% for extra activities.	80%
MATURED RETIREMENT	Activities decrease further, often due to health and other physical limitations. Assume 70% for your basic needs, and no extra activities.	70%
SURVIVORSHIP YEARS	The lifestyle needs after losing your spouse are usually at least 60% of pre-retirement income.	60%

These percentages of income are for total living expenses. Of course, they vary by individuals as well as from one year to another.

How Lifestyle Phases Affect Retirement Funding

You want predictable income, but you also want to increase the potential for returns on assets intended for a later phase. You want a retirement funding strategy that matches your retirement lifestyle phases.

Pre-Retirement—the "Decision Phase"

You make decisions about your pension and retirement plans that can affect your income for the rest of your life. Do you take your State Benefits immediately when eligible, or get a little more by waiting a few years? Will you just stop working, or just slow down for a few years? These decisions determine your retirement lifestyle changes, and what changes should be considered.

Initial Retirement Years—When You Start Receiving Income

This phase of your retirement should have predictable income—income provided by very conservative assets. More risk, and the opportunity for greater returns, can be taken with assets set aside for later phases of your retirement. The longer the time horizon prior to that phase, the more aggressive you can be with those assets.

Seasoned, Matured, and Survivorship Years—Future Income

Later, when you enter the next phases of your retirement, the assets intended for that phase should be switched to investments providing predictable income. Assets for each future phase, which now have a closer time horizon, should be invested with less risk.

Funding Strategy

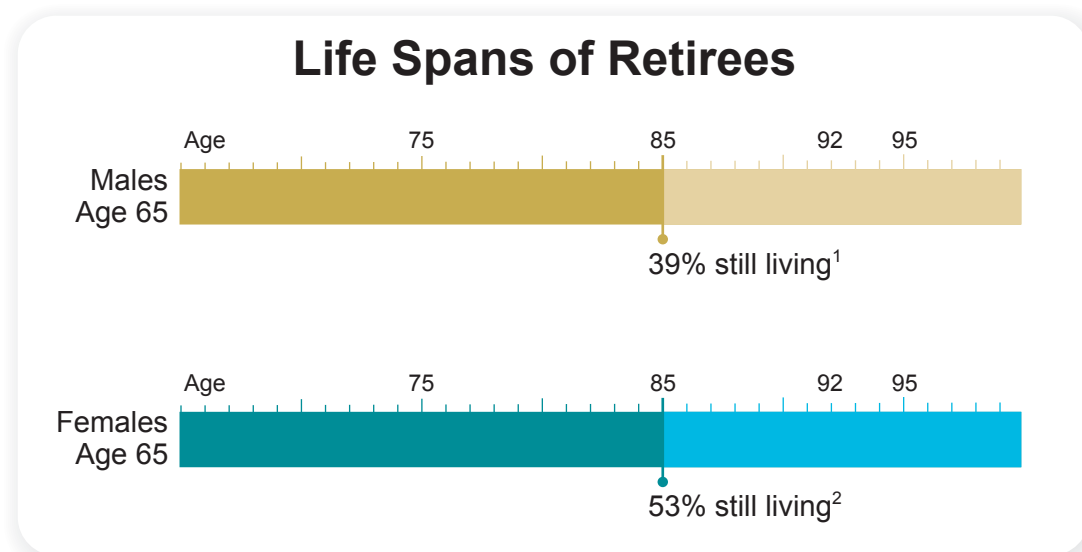
- Very conservative assets supply income
- Minimise fluctuation of assets for the next phase
- Seek high yields for future phases
- Re-allocate assets at the start of each phase

The Family Tree

How long will your retirement last?

- Your family tree is often a good indication of how long you will live.
- Do many of your relatives live to an old age?
- How likely are you to live even longer?

Everyone wants a long, worry-free retirement. One of the greatest fears of retirement is running out of money! Living longer than planned could result in outliving your assets! A common mistake in retirement planning is not planning for enough years.



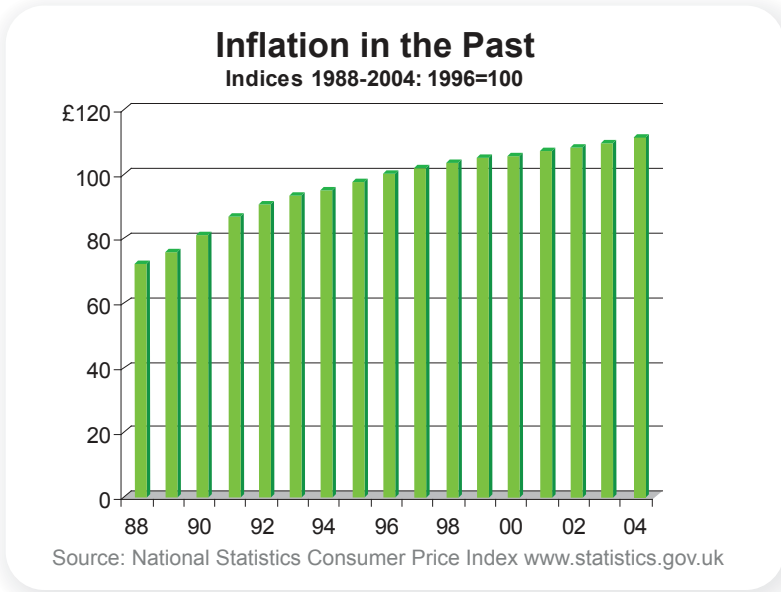
Will you run out of money?

¹Projections based on males in the United Kingdom ages 65 to 69 in 2005 being alive 20 years or later.

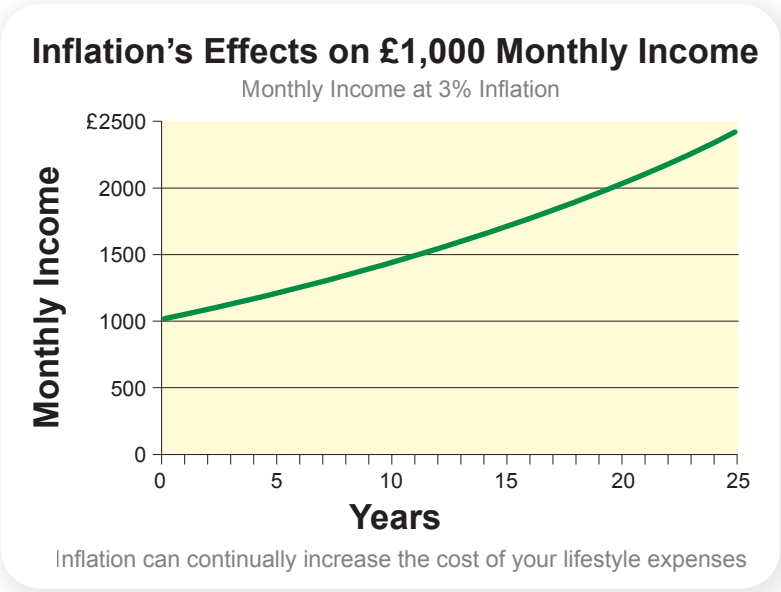
²Projections based on females in the United Kingdom ages 65 to 69 in 2005 being alive 20 years later.

Source: Interim Life Tables, The Government Actuary's Department, www.gad.gov.uk

Planning Must Consider Inflation



If inflation continues as it has in the past, your retirement income will need to increase during retirement for you to maintain the same spending power. If inflation averaged 3% during retirement, your income would need to double in 24 years to maintain the same lifestyle.

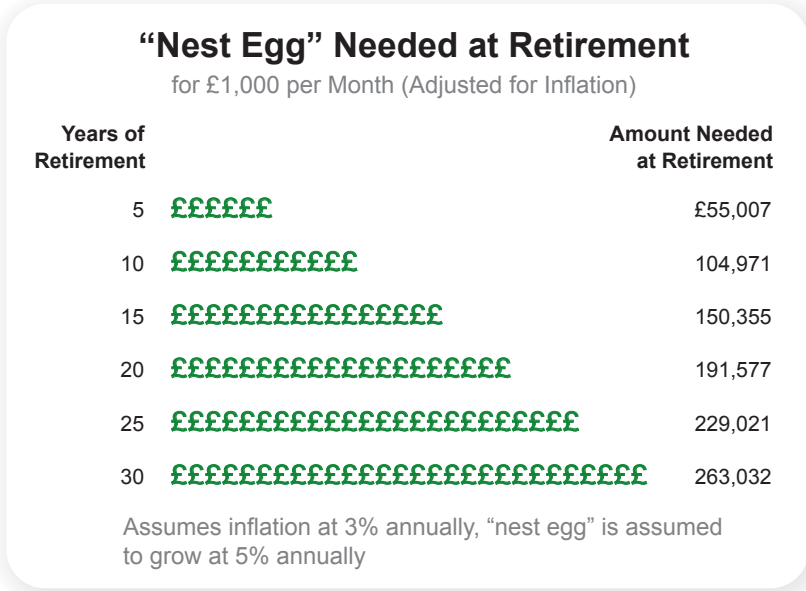


Inflation must be considered in retirement planning.

How Much Will You Need?

A sufficient retirement "nest egg" is based on

- How long you will live
- Your lifestyle expenses
- Inflation during your retirement
- Earnings and growth of your "nest egg"



If your "nest egg" grows at a rate greater than inflation, twice as many years of retirement do not cost twice as much, but costs do increase for each year of retirement. In retirement planning, how long is just as important as how much.

The longer you live, the more you will need!

Steps for Your Retirement Journey

STEP 1

Determine the likely duration of your retirement phases



STEP 2

Examine lifestyle requirements for each phase

- **Basic Needs:** Monthly needs that are essential to your basic standard of living
- **Additional Wants:** Additional amounts you desire—you would survive without it—but you would be disappointed
- **Total Desired Income:** Sum of basic needs and additional wants

STEP 3

Determine sources of retirement income

- State Benefits
- Approved retirement plans
- Other income

STEP 4

Calculate remaining requirements

$$\begin{array}{l} \text{Desired income requirements} \\ \textit{less} \quad \underline{\text{Known sources of income}} \\ \textit{equals} \quad \text{Remaining requirements} \end{array}$$

Remaining requirements may be provided by your available assets for retirement.

STEP 5

Start your journey

- Plan for shortfalls
- Invest by phases

Your Retirement Destination

Monthly Needs in Today's Money¹

		Begins at Henry's Age	Basic Needs	Additional Wants	Total Desired Income
INITIAL RETIREMENT	More travel, hobbies, activities, etc.	65	£3,750	£500	£4,250
SEASONED RETIREMENT	Less travel, hobbies, and other activities	70	3,250	300	3,550
MATURED RETIREMENT	Much less activities, often due to health and other physical limitations	80	2,750	100	2,850
SURVIVORSHIP YEARS	Henry dies at age 90. Monthly needs continue until Anne's death at age 95		2,500	0	2,500

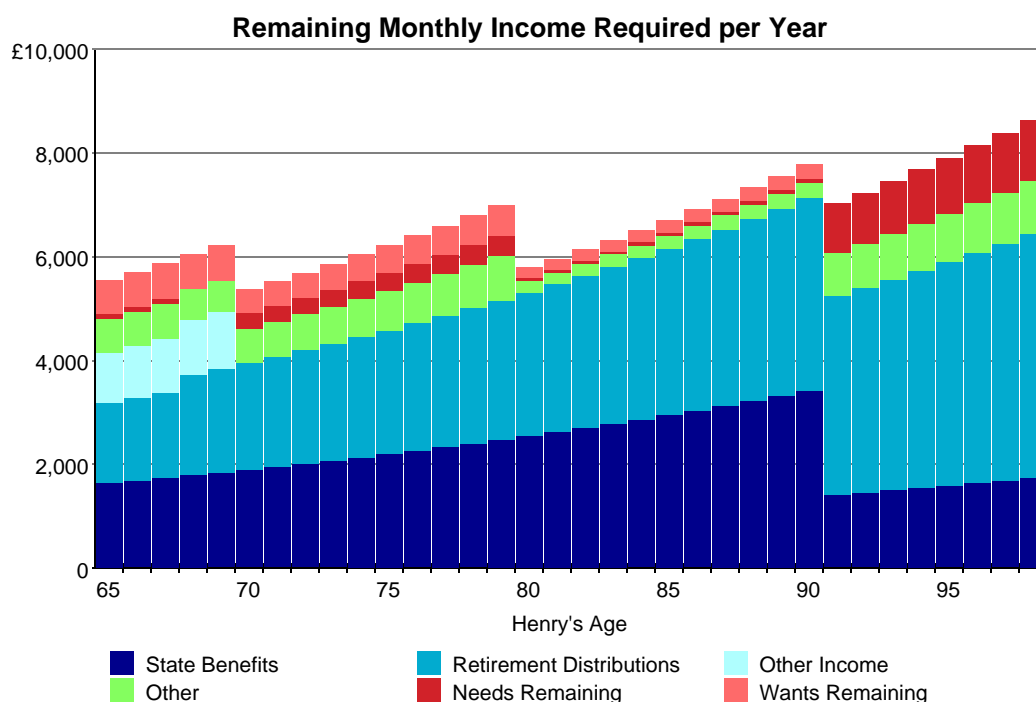
Known Sources of Retirement Income (In Today's Money)

£175,000	Henry's approved retirement plan assets, and annual contributions of £1,200, with tax-free cash plus annuity distributions throughout retirement. These assets are expected to grow at 6%.
£55,000	Anne's approved retirement plan assets, and annual contributions of £600, with tax-free cash plus annuity distributions throughout retirement. These assets are expected to grow at 6%.
£35,000	Value of other assets you plan to use for retirement <ul style="list-style-type: none"> • Henry will receive State Benefits at levels provided. • Anne will receive State Benefits at levels provided. • Henry has other retirement income estimated at £750 per month, adjusted for inflation, starting at age 65 and continuing for 5 years.

Goal: Provide total monthly income for all phases.

¹ Monthly desired income will be adjusted for inflation at 3%.

Your Retirement Journey



Monthly income objectives are offset by your known retirement income: estimated State Benefits, pensions, other income, and distributions from your approved retirement plans. Approved retirement plan distributions¹ are illustrated assuming a 25% tax-free distribution at retirement and the balance as an annuity over the retirement years. Other retirement distribution options are available.

This illustration shows your available assets for retirement that could be used to provide the remaining income required. These assets should be invested based on the amount needed for each retirement phase. Your available assets for retirement plus tax-free cash would be able to provide for the remaining desired income.

Amounts Needed by Phase without Considering Available Assets

Retirement Phase	Phase Begins	Years Until Phase Begins	Amount Required At Start Of Period	Amount Required Today ²
Initial Retirement	Henry's Age 65	9	£77,412	£59,330
Seasoned Retirement	Henry's Age 70	14	173,892	96,692
Matured Retirement	Henry's Age 80	24	64,900	18,928
Survivorship Years	Anne's Age 88	35	174,013	26,275
				£201,226

Total amount required today to provide desired retirement income³ is £201,226. Using available assets and tax-free cash reduces your need to £104,338.

89% of the desired retirement income³ is satisfied.

¹ In the graph, "Other" represents the sum of available assets plus estimated tax-free cash
¹ Approved retirement plan distributions use a single life escalating annuity rate of £6,000 annually for each £100,000 of pension funds for Henry, and £5,750 annually for each £100,000 of pension funds for Anne.
² Amounts required today reflect the hypothetical rates of return for each phase of retirement.
³ Desired retirement income: £955,306

Your Retirement Journey

		Monthly Income Objectives			Known Retirement Income				
Ages of Henry & Anne		Basic Needs	Additional Wants	Total Desired	State Benefits	Approved Plans ¹	Other Income	Available Assets ²	Remaining Income Required ³
65	62	£4,893	£652	£5,545	£1,631	£1,552	£979	£642	£680
66	63	5,040	672	5,712	1,680	1,599	1,008	661	764
67	64	5,191	692	5,883	1,730	1,647	1,038	681	786
68	65	5,347	713	6,059	1,782	1,946	1,069	585	676
69	66	5,507	734	6,241	1,836	2,005	1,101	603	696
70	67	4,916	454	5,370	1,891	2,065	0	656	758
71	68	5,063	467	5,531	1,947	2,127	0	676	781
72	69	5,215	481	5,697	2,006	2,191	0	696	804
73	70	5,372	496	5,868	2,066	2,256	0	717	828
74	71	5,533	511	6,044	2,128	2,324	0	739	853
75	72	5,699	526	6,225	2,192	2,394	0	761	879
76	73	5,870	542	6,412	2,258	2,466	0	784	905
77	74	6,046	558	6,604	2,325	2,540	0	807	932
78	75	6,227	575	6,802	2,395	2,616	0	831	960
79	76	6,414	592	7,006	2,467	2,694	0	856	989
80	77	5,590	203	5,793	2,541	2,775	0	222	256
81	78	5,758	209	5,967	2,617	2,858	0	228	264
82	79	5,931	216	6,146	2,696	2,944	0	235	271
83	80	6,109	222	6,331	2,777	3,032	0	242	280
84	81	6,292	229	6,521	2,860	3,123	0	249	288
85	82	6,481	236	6,716	2,946	3,217	0	257	297
86	83	6,675	243	6,918	3,034	3,314	0	265	305
87	84	6,875	250	7,125	3,125	3,413	0	272	315
88	85	7,081	258	7,339	3,219	3,515	0	281	324
89	86	7,294	265	7,559	3,315	3,621	0	289	334
90	87	7,513	273	7,786	3,415	3,729	0	298	344
N/A	88	7,035	0	7,035	1,407	3,841	0	829	957
N/A	89	7,246	0	7,246	1,449	3,957	0	854	986
N/A	90	7,463	0	7,463	1,493	4,075	0	880	1,016
N/A	91	7,687	0	7,687	1,537	4,198	0	906	1,046
N/A	92	7,918	0	7,918	1,584	4,323	0	933	1,078
N/A	93	8,155	0	8,155	1,631	4,453	0	961	1,110
N/A	94	8,400	0	8,400	1,680	4,587	0	990	1,143
N/A	95	8,652	0	8,652	1,730	4,724	0	1,020	1,177

¹ Any pension payments from approved retirement plans.

² Estimated 25% tax-free cash from approved retirement plan has been included.

³ Total desired income reduced by known retirement income. All income is shown monthly. Years in which known retirement income is sufficient to fulfill income objectives are represented by a "N/A".

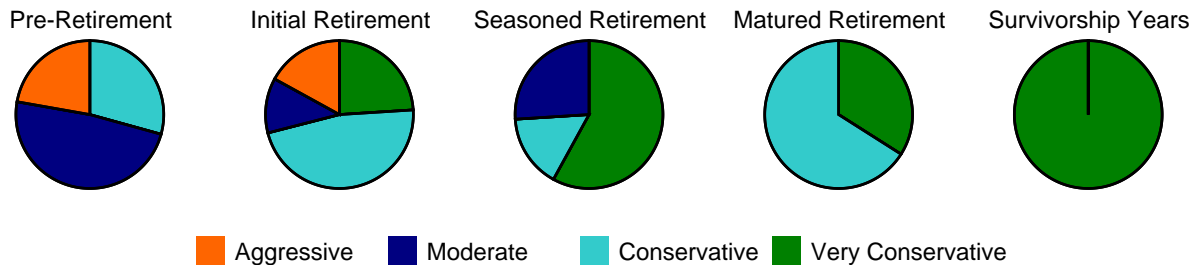
Investing by Phases

Remaining income needs are calculated by retirement phases. Investments needed to provide income for each phase are determined based on when the income is needed.

Investing by phases means you don't have to change investment strategies of all retirement assets when you retire—you shift investments by retirement phases.

The key is having very conservative assets for income in each phase, here's how:

- **Very conservative assets supply income**—Assets that are low risk, low yields, and are not likely to have much fluctuation.
- **Minimise fluctuation of assets for the next phase**—Assets to be used for the next phase of retirement income should be invested conservatively in assets with little fluctuations so that they can be easily converted to income when the next phase begins.
- **Seek high yields for future**—For phases that are several years away, investments can continue to seek maximum yields for each phase.
- **Re-allocate assets at the start of each phase**—The time horizon for each phase determines its investments.



When assets are needed determines how the assets are invested.

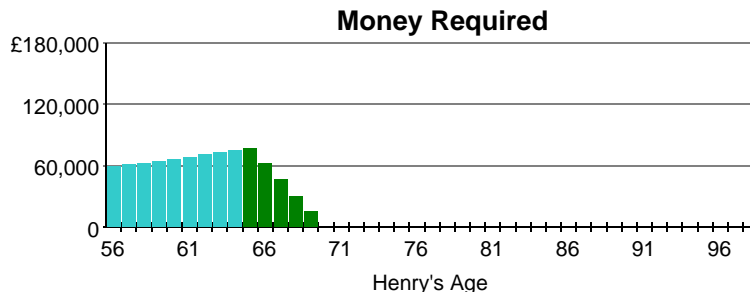
Investing for Each Phase

Assets to fund retirement should be allocated at the start of each phase. Assets for each phase are accumulated until it is time to take income for that phase. Income for a retirement phase is always taken from the very conservative assets.

Initial Retirement

(Starts at Henry's age 65)

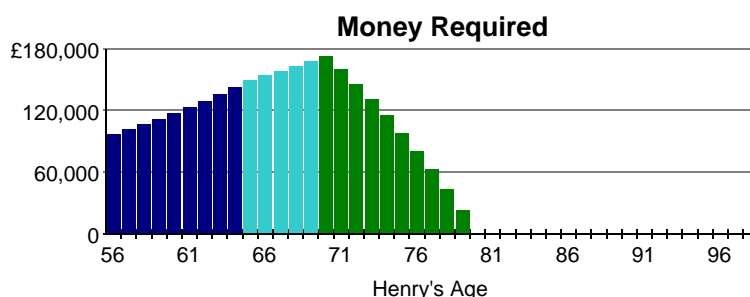
£59,330 required today in conservative assets. These assets should grow to £77,412 at start of retirement to provide income for Initial Retirement.



Seasoned Retirement

(Starts at Henry's age 70)

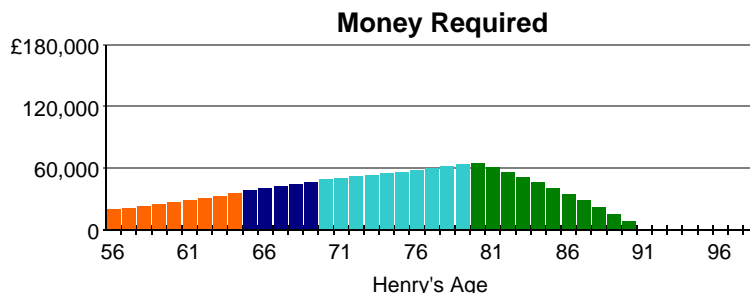
£96,692 required today in moderate assets. Re-allocate at retirement. With growth, this should provide £173,892 at the start of seasoned retirement to provide income for this phase.



Matured Retirement

(Starts at Henry's age 80)

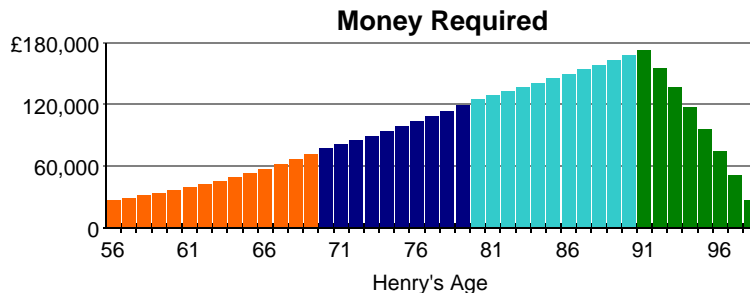
£18,928 required today in aggressive assets. Re-allocate at retirement and at Seasoned Retirement. With growth, this should provide £64,900 at the start of matured retirement to provide income for this phase.



Survivorship Years

(Starts at Anne's age 88)

£26,275 required today in aggressive assets. Re-allocate at the start of each phase. With growth, this should provide £174,013 at start of Survivorship Years to provide income for Anne.



The start of each phase is your retirement checkpoint and a re-allocation point.

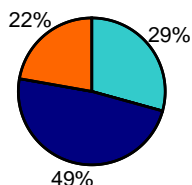
Investments change as the time to use them approaches, but very conservative assets supply your income.

■ Aggressive
 ■ Moderate
 ■ Conservative
 ■ Very Conservative

Asset Mix

Recommended mix of assets needed to provide remaining monthly income

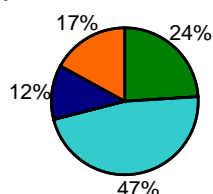
Today



£59,330	conservative assets for Initial Retirement
96,692	moderate assets for Seasoned Retirement
18,928	aggressive assets for Matured Retirement
26,275	aggressive assets for Survivorship Years
£201,226	total assets needed today for all remaining income required

Start of Initial Retirement

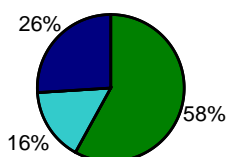
(After re-allocating at start of retirement)



£77,412	very conservative assets for income during Initial Retirement
150,001	conservative assets for Seasoned Retirement
37,838	moderate assets for Matured Retirement
52,524	aggressive assets for Survivorship Years
£317,776	total assets needed at start of retirement

Start of Seasoned Retirement

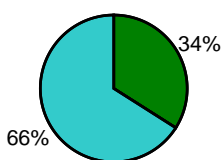
(After re-allocating at start of phase)



£173,892	very conservative assets for income during Seasoned Retirement
48,292	conservative assets for Matured Retirement
77,176	moderate assets for Survivorship Years
£299,360	total assets needed at start of Seasoned Retirement

Start of Matured Retirement

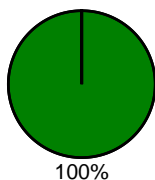
(After re-allocating at start of phase)



£64,900	very conservative assets for income during Matured Retirement
125,711	conservative assets for Survivorship Years
£190,611	total assets needed at start of Matured Retirement

Start of Survivorship Years

(After re-allocating at start of phase)



£174,013	very conservative assets for income during Survivorship Years
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■ Aggressive
 ■ Moderate
 ■ Conservative
 ■ Very Conservative

Money Required for All Phases

Assets required for remaining monthly income by phases

Ages of Henry & Anne		Initial Retirement	Seasoned Retirement	Matured Retirement	Survivorship Years	Total
56	53	£59,330	£96,692	£18,928	£26,275	£201,226
57	54	61,110	101,527	20,443	28,377	211,457
58	55	62,943	106,603	22,078	30,647	222,272
59	56	64,832	111,933	23,844	33,099	233,708
60	57	66,776	117,530	25,752	35,747	245,805
61	58	68,780	123,406	27,812	38,607	258,605
62	59	70,843	129,577	30,037	41,696	272,152
63	60	72,968	136,055	32,440	45,031	286,495
64	61	75,158	142,858	35,035	48,634	301,684
65	62	77,412	150,001	37,838	52,524	317,776
66	63	62,361	154,501	39,730	56,726	313,318
67	64	46,510	159,136	41,716	61,264	308,627
68	65	29,830	163,910	43,802	66,166	303,708
69	66	15,287	168,828	45,992	71,459	301,566
70	67	-	173,892	48,292	77,176	299,360
71	68	-	160,402	49,741	81,034	291,177
72	69	-	146,132	51,233	85,086	282,451
73	70	-	131,053	52,770	89,340	273,163
74	71	-	115,132	54,353	93,807	263,292
75	72	-	98,337	55,983	98,498	252,818
76	73	-	80,632	57,663	103,423	241,718
77	74	-	61,983	59,393	108,594	229,970
78	75	-	42,354	61,175	114,023	217,552
79	76	-	21,706	63,010	119,725	204,440
80	77	-	-	64,900	125,711	190,611
81	78	-	-	60,469	129,482	189,952
82	79	-	-	55,778	133,367	189,145
83	80	-	-	50,816	137,368	188,184
84	81	-	-	45,572	141,489	187,061
85	82	-	-	40,036	145,733	185,769
86	83	-	-	34,196	150,105	184,301
87	84	-	-	28,039	154,608	182,647
88	85	-	-	21,554	159,247	180,801
89	86	-	-	14,728	164,024	178,752
90	87	-	-	7,548	168,945	176,493
N/A	88	-	-	-	174,013	174,013
N/A	89	-	-	-	156,057	156,057
N/A	90	-	-	-	137,098	137,098
N/A	91	-	-	-	117,098	117,098
N/A	92	-	-	-	96,016	96,016
N/A	93	-	-	-	73,809	73,809
N/A	94	-	-	-	50,435	50,435
N/A	95	-	-	-	25,847	25,847

Aggressive

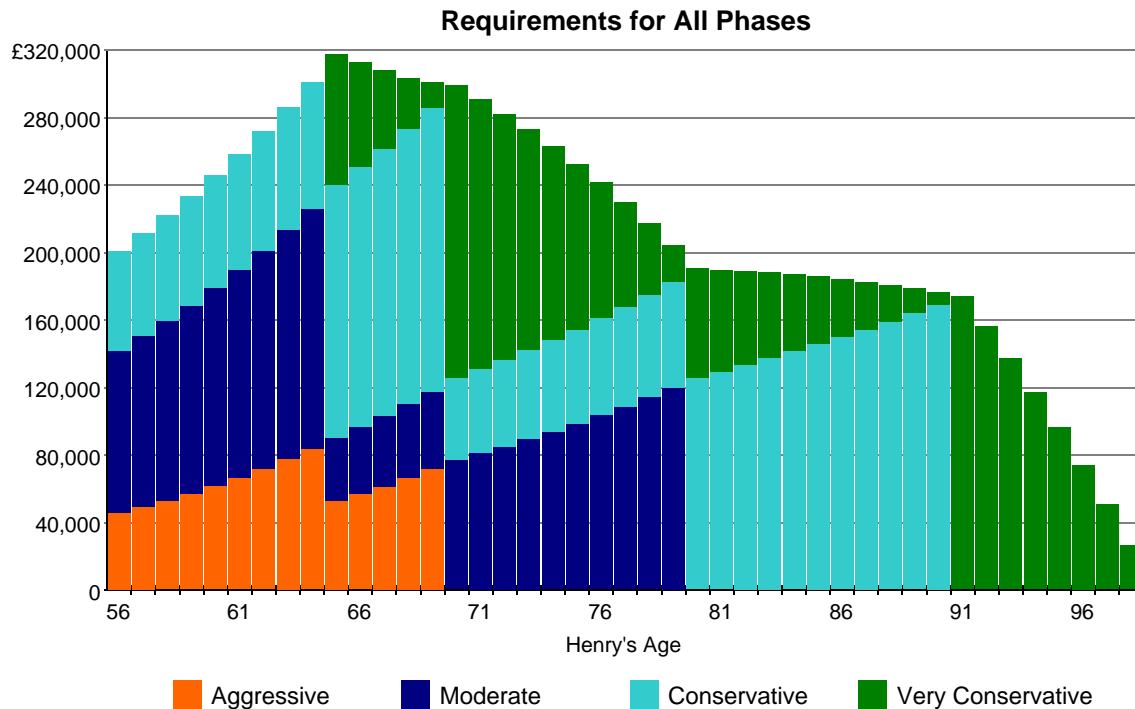
Moderate

Conservative

Very Conservative

Allocation by Year

By "stacking" the money for each phase you see the total amount required in each year and the total mix of investments for that year.



Money needed to provide for each phase of retirement is combined to show the total value and types of investments for each year. There is no guarantee of income or growth, or that investments will not decrease in value. That is why risk should be relative to the needed time horizon.

Any mix of investments should be consistent with your overall investment strategies and risk tolerances. These investments are suggested for just the funding of the remaining monthly income requirements. All of your known sources of income have been considered, but any assets you have available for retirement have not been applied yet.

Amounts Needed by Phase without Considering Available Assets

Retirement Phase	Phase Begins	Years Until Phase Begins	Amount Required At Start Of Period	Amount Required Today ¹
Initial Retirement	Henry's Age 65	9	£77,412	£59,330
Seasoned Retirement	Henry's Age 70	14	173,892	96,692
Matured Retirement	Henry's Age 80	24	64,900	18,928
Survivorship Years	Anne's Age 88	35	174,013	26,275
				£201,226

Total amount required today for all phases is £201,226

¹ Amounts required today reflect the hypothetical rates of return for each phase of retirement.

Applying Available Assets

The total required amount for all phases without applying available assets or tax-free cash from approved retirement plan: £201,226

This amount represents the amount¹ needed today to fund any remaining monthly income shortages—including the basic needs and the additional wants.

The total required amount for basic needs only without applying available assets or tax-free cash from approved retirement plan: £132,143

This amount represents the amount² needed today to fund just the remaining monthly income shortages for the basic needs to maintain your lifestyle.

You indicated existing available assets for retirement: £35,000

Your available assets appear to be insufficient. If your available assets for retirement were invested according to the asset mix shown, based on the assumptions in this analysis, you would not be able to provide the desired monthly incomes.

It is assumed that a tax-free cash distribution of 25% of your approved retirement plan will be available at retirement of approximately £104,559.

Remember that these values are estimates and that actual results will vary. Additional options may be available to help you meet your income objectives.

89% of the desired retirement income is satisfied.

¹ The total amount required today of £201,226 could be reduced by available assets and tax-free cash to £104,338. Annual deposits of £15,340 assuming 6.00% interest each year, could provide remaining difference.

² The basic needs amount required today of £132,143 could be reduced by available assets and tax-free cash to £35,255. Annual deposits of £5,183 assuming 6.00% interest each year, could provide remaining difference for just the basic needs.



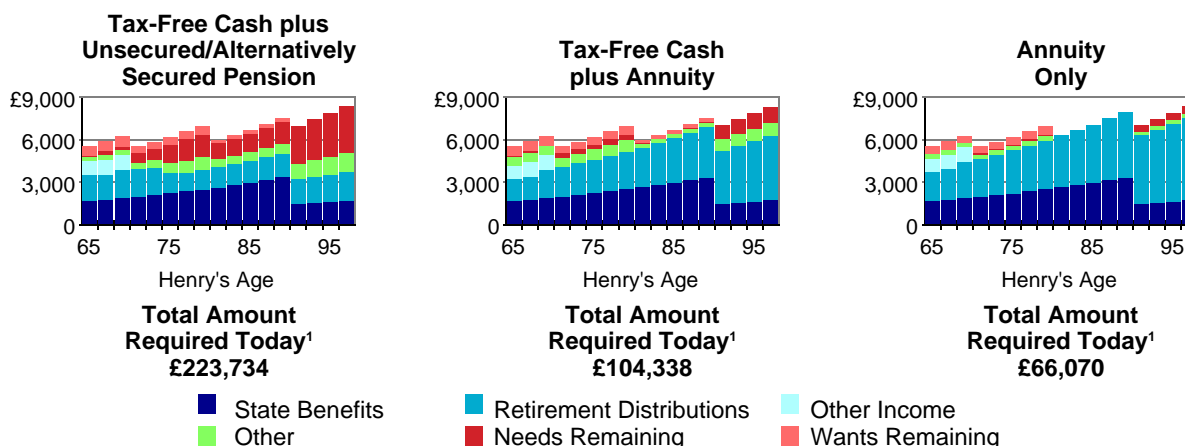
OTHER CONSIDERATIONS AND RECOMMENDATIONS

These recommendations consider other applications of your available assets for retirement.

How Should You Take Your Retirement?

Approved retirement plans offer a number of options for receiving your retirement benefits. The method selected can have a big impact on your remaining needs. Three methods of distributions illustrated are (1) tax-free cash plus unsecured/alternatively secured pension method, (2) tax-free cash plus an annuity income method, and (3) just an annuity income method. The method selected may also provide a level benefit (your monthly income remains the same each month during your retirement), or an escalating benefit (your monthly income increases each year). The amount of the income also varies with your choice of Single Life or Joint Life annuity.

Distribution Choice Effects on Monthly Income Needs



Tax-Free Cash plus Unsecured/Alternatively Secured Pension

Tax-free cash plus unsecured/alternatively secured pension method allows a great deal of flexibility. It provides 25% of your pension as a one-off cash payment and distributions of 120% of the annuity rate before age 75 and 70% thereafter.

Tax-Free Cash plus Annuity

Tax-free cash plus annuity method is a popular choice. It provides 25% of your pension as a one-off cash payment and spreads the balance as monthly payments over your life expectancy.

Annuity Only

The annuity only method will often provide the largest monthly annuity payments spread over your life expectancy.

This analysis uses the tax-free cash plus annuity method.²

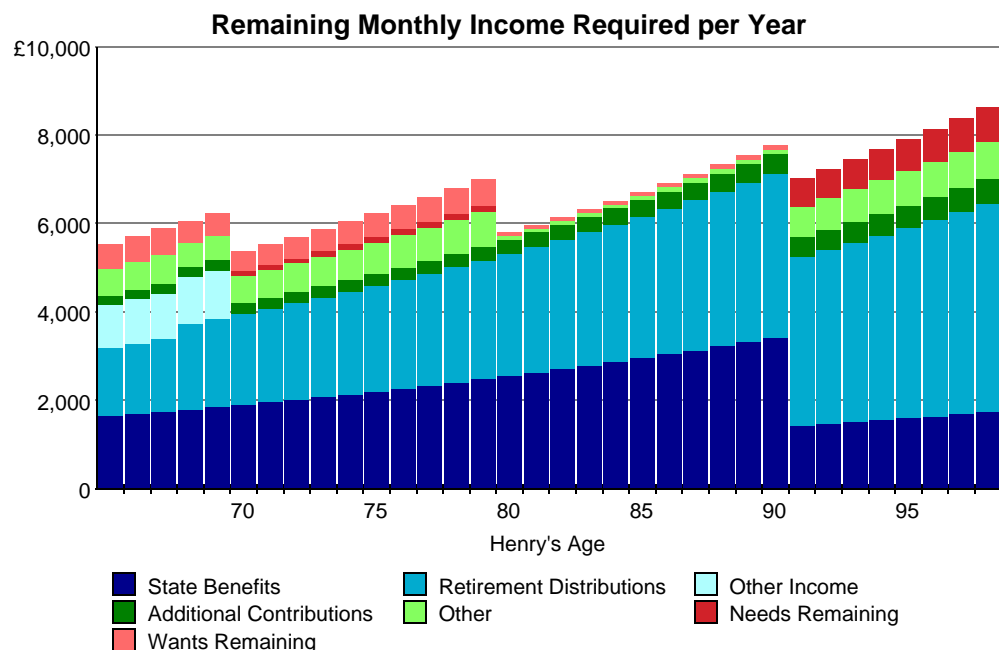
¹ Total Amount Required Today is any remaining amount after considering available assets of £35,000.

In the graph, "Other" represents the sum of available assets plus estimated tax-free cash

² Approved retirement plan distributions use a single life escalating annuity rate of £6,000 annually for each £100,000 of pension funds for Henry, and £5,750 annually for each £100,000 of pension funds for Anne.

Effects of Additional Pension Contributions

Consider additional pension contributions for Henry with a one-off payment of £10,000 and additional annual pension contributions of £1,200. Consider additional pension contributions for Anne with a one-off payment of £10,000 and additional annual pension contributions of £600.



£20,000 of your available assets for retirement would be used for the additional pension purchase.

Amounts Needed by Phase without Considering Available Assets

Retirement Phase	Phase Begins	Years Until Phase Begins	Amount Required At Start Of Period	Amount Required Today ¹
Initial Retirement	Henry's Age 65	9	£64,920	£49,755
Seasoned Retirement	Henry's Age 70	14	£144,204	£80,184
Matured Retirement	Henry's Age 80	24	£20,793	£6,064
Survivorship Years	Anne's Age 88	35	£130,264	£19,669
				£155,673

Additional pension contributions change the total amount required today to £155,673. After applying available assets and tax-free cash this reduces to £78,785.

92% of desired retirement income² is satisfied.

¹ Amounts required today reflect the hypothetical rates of return for each phase of retirement.

² Desired retirement income: £955,306

Effects of Additional Pension Contributions

Ages of Henry & Anne		Known Retirement Income						Remaining Income Required ³
		Total Desired Monthly Income	State Benefits	Approved ¹ Plans	Other Income	Available ² Assets	Additional Pension Contribution	
65	62	£5,545	£1,631	£1,551	£979	£614	£210	£515
66	63	5,712	1,680	1,599	1,008	632	214	578
67	64	5,883	1,730	1,647	1,038	651	221	596
68	65	6,059	1,782	1,946	1,069	540	228	494
69	66	6,241	1,836	2,005	1,101	556	234	509
70	67	5,370	1,891	2,065	0	612	241	560
71	68	5,531	1,947	2,127	0	631	249	577
72	69	5,697	2,006	2,191	0	650	256	594
73	70	5,868	2,066	2,256	0	669	264	612
74	71	6,044	2,128	2,324	0	689	272	631
75	72	6,225	2,192	2,394	0	710	280	650
76	73	6,412	2,258	2,466	0	731	288	669
77	74	6,604	2,325	2,540	0	753	297	689
78	75	6,802	2,395	2,616	0	776	306	710
79	76	7,006	2,467	2,694	0	799	315	731
80	77	5,793	2,541	2,775	0	80	324	73
81	78	5,967	2,617	2,858	0	82	334	75
82	79	6,146	2,696	2,944	0	85	344	78
83	80	6,331	2,777	3,032	0	87	355	80
84	81	6,521	2,860	3,123	0	90	365	82
85	82	6,716	2,946	3,217	0	93	376	85
86	83	6,918	3,034	3,314	0	95	387	87
87	84	7,125	3,125	3,413	0	98	399	90
88	85	7,339	3,219	3,515	0	101	411	93
89	86	7,559	3,315	3,621	0	104	423	95
90	87	7,786	3,415	3,729	0	107	436	98
N/A	88	7,035	1,407	3,841	0	698	449	639
N/A	89	7,246	1,449	3,957	0	719	463	658
N/A	90	7,463	1,493	4,075	0	741	476	678
N/A	91	7,687	1,537	4,198	0	763	491	698
N/A	92	7,918	1,584	4,323	0	786	505	719
N/A	93	8,155	1,631	4,453	0	809	521	741
N/A	94	8,400	1,680	4,587	0	834	536	763
N/A	95	8,652	1,730	4,724	0	859	552	786

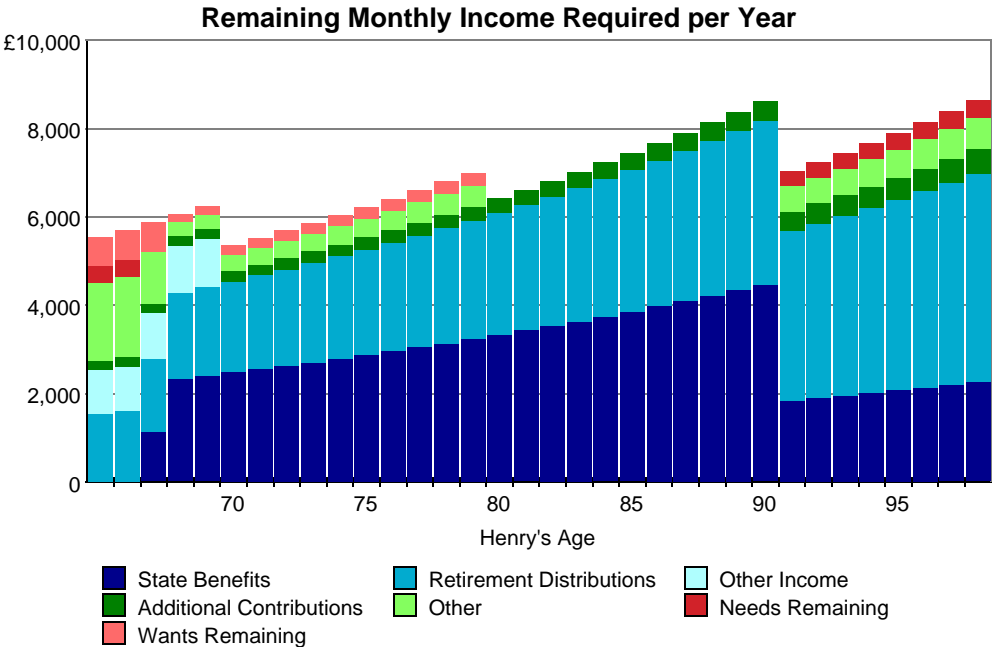
¹ Any pension payments from approved retirement plans

² Estimated 25% tax-free cash from approved retirement plan has been included.

³ Total desired income reduced by known retirement income. All income is shown monthly. Years in which known retirement income is sufficient to fulfill income objectives are represented by a "—".

Effects of Delaying State Benefits

Consider delaying the start of State Benefits for 3 years.



Amounts Needed by Phase without Considering Available Assets

Retirement Phase	Phase Begins	Years Until Phase Begins	Amount Required At Start Of Period	Amount Required Today ¹
Initial Retirement	Henry's Age 65	9	£77,412	£75,050
Seasoned Retirement	Henry's Age 70	14	£173,892	£40,104
Matured Retirement	Henry's Age 80	24	£64,900	£0
Survivorship Years	Anne's Age 88	35	£174,013	£13,254
				£128,409

Delaying State Benefits change the total amount required today to £128,409. After applying available assets and tax-free cash this reduces to £51,521.

95% of the desired retirement income² is satisfied.

¹ In the graph, "Other" represents the sum of available assets plus estimated tax-free cash
² Amounts required today reflect the hypothetical rates of return for each phase of retirement.
 Desired retirement income: £955,306

Effects of Delaying State Benefits

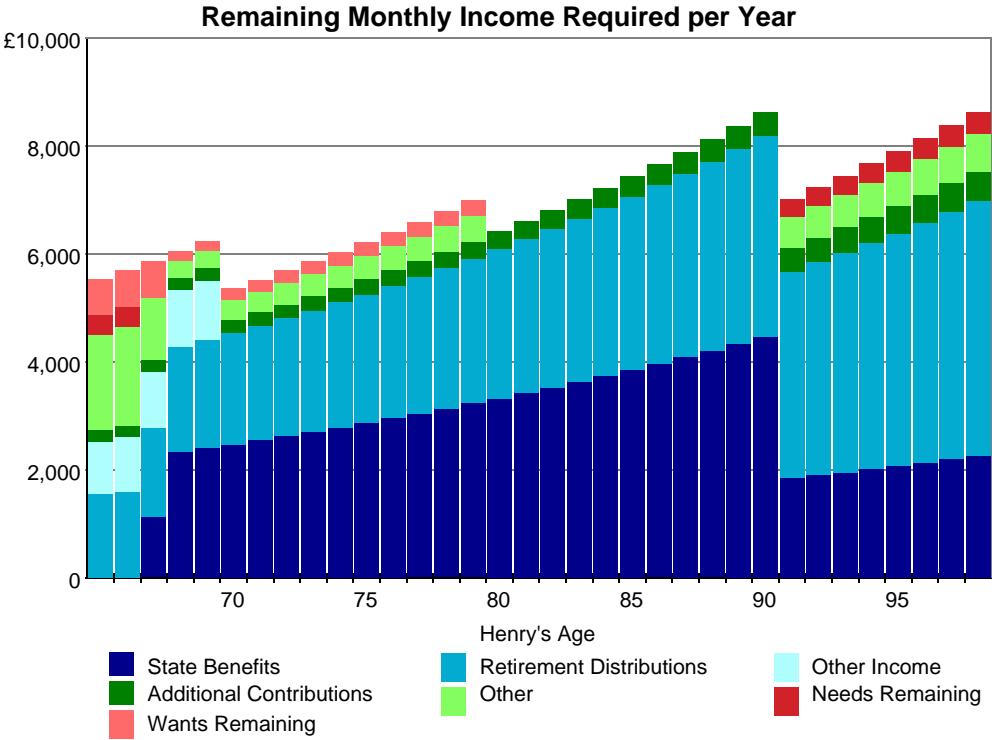
		Known Retirement Income						
Ages of Henry & Anne	Total Desired Monthly Income	State Benefits	Approved Plans ¹	Other Income	Additional Pension Contribution	Available Assets ²	Remaining Income Required ³	
65	62	£5,545	£0	£1,551	£979	£210	£1,776	£944
66	63	5,712	0	1,599	1,008	214	1,829	1,061
67	64	5,883	1,133	1,647	1,038	221	1,167	677
68	65	6,059	2,335	1,946	1,069	228	305	177
69	66	6,241	2,405	2,005	1,101	234	314	182
70	67	5,370	2,477	2,065	0	241	371	215
71	68	5,531	2,551	2,127	0	249	382	222
72	69	5,697	2,628	2,191	0	256	394	228
73	70	5,868	2,707	2,256	0	264	406	235
74	71	6,044	2,788	2,324	0	272	418	242
75	72	6,225	2,871	2,394	0	280	430	250
76	73	6,412	2,958	2,466	0	288	443	257
77	74	6,604	3,046	2,540	0	297	457	265
78	75	6,802	3,138	2,616	0	306	470	273
79	76	7,006	3,232	2,694	0	315	484	281
80	77	5,793	3,329	2,775	0	324	0	-
81	78	5,967	3,429	2,858	0	334	0	-
82	79	6,146	3,531	2,944	0	344	0	-
83	80	6,331	3,637	3,032	0	355	0	-
84	81	6,521	3,746	3,123	0	365	0	-
85	82	6,716	3,859	3,217	0	376	0	-
86	83	6,918	3,975	3,314	0	387	0	-
87	84	7,125	4,094	3,413	0	399	0	-
88	85	7,339	4,217	3,515	0	411	0	-
89	86	7,559	4,343	3,621	0	423	0	-
90	87	7,786	4,473	3,729	0	436	0	-
N/A	88	7,035	1,843	3,841	0	449	570	331
N/A	89	7,246	1,898	3,957	0	463	587	341
N/A	90	7,463	1,955	4,075	0	476	605	351
N/A	91	7,687	2,014	4,198	0	491	623	361
N/A	92	7,918	2,074	4,323	0	505	642	372
N/A	93	8,155	2,137	4,453	0	521	661	383
N/A	94	8,400	2,201	4,587	0	536	681	395
N/A	95	8,652	2,267	4,724	0	552	702	407

¹ Any pension payments from approved retirement plans

² Estimated 25% tax-free cash from approved retirement plan has been included.

³ Total desired income reduced by known retirement income. All income is shown monthly. Years in which known retirement income is sufficient to fulfill income objectives are represented by a "—". If income exceeds the total desired income for a month it is assumed spent. The sum of all such excess income is £97,558.

Effects of Recommendations



- Consider additional pension contributions for Henry with a one-off payment of £10,000 and additional annual pension contributions of £1,200. Consider additional pension contributions for Anne with a one-off payment of £10,000 and additional annual pension contributions of £600.
- Consider delaying the start of State Benefits for 3 years.

95% of the desired retirement income¹ is satisfied.

¹ In the graph, "Other" represents the sum of available assets plus estimated tax-free cash
 Desired retirement income: £955,306

Effects of Recommendations

		Known Retirement Income						
Ages of Henry & Anne	Total Desired Monthly Income	State Benefits	Approved Plans ¹	Other Income	Additional Pension Contribution	From Assets ²	Remaining Income Required ³	
65	62	£5,545	£0	£1,551	£979	£210	£1,776	£944
66	63	5,712	0	1,599	1,008	214	1,829	1,061
67	64	5,883	1,133	1,647	1,038	221	1,167	677
68	65	6,059	2,335	1,946	1,069	228	305	177
69	66	6,241	2,405	2,005	1,101	234	314	182
70	67	5,370	2,477	2,065	0	241	371	215
71	68	5,531	2,551	2,127	0	249	382	222
72	69	5,697	2,628	2,191	0	256	394	228
73	70	5,868	2,707	2,256	0	264	406	235
74	71	6,044	2,788	2,324	0	272	418	242
75	72	6,225	2,871	2,394	0	280	430	250
76	73	6,412	2,958	2,466	0	288	443	257
77	74	6,604	3,046	2,540	0	297	457	265
78	75	6,802	3,138	2,616	0	306	470	273
79	76	7,006	3,232	2,694	0	315	484	281
80	77	5,793	3,329	2,775	0	324	0	-
81	78	5,967	3,429	2,858	0	334	0	-
82	79	6,146	3,531	2,944	0	344	0	-
83	80	6,331	3,637	3,032	0	355	0	-
84	81	6,521	3,746	3,123	0	365	0	-
85	82	6,716	3,859	3,217	0	376	0	-
86	83	6,918	3,975	3,314	0	387	0	-
87	84	7,125	4,094	3,413	0	399	0	-
88	85	7,339	4,217	3,515	0	411	0	-
89	86	7,559	4,343	3,621	0	423	0	-
90	87	7,786	4,473	3,729	0	436	0	-
N/A	88	7,035	1,843	3,841	0	449	570	331
N/A	89	7,246	1,898	3,957	0	463	587	341
N/A	90	7,463	1,955	4,075	0	476	605	351
N/A	91	7,687	2,014	4,198	0	491	623	361
N/A	92	7,918	2,074	4,323	0	505	642	372
N/A	93	8,155	2,137	4,453	0	521	661	383
N/A	94	8,400	2,201	4,587	0	536	681	395
N/A	95	8,652	2,267	4,724	0	552	702	407

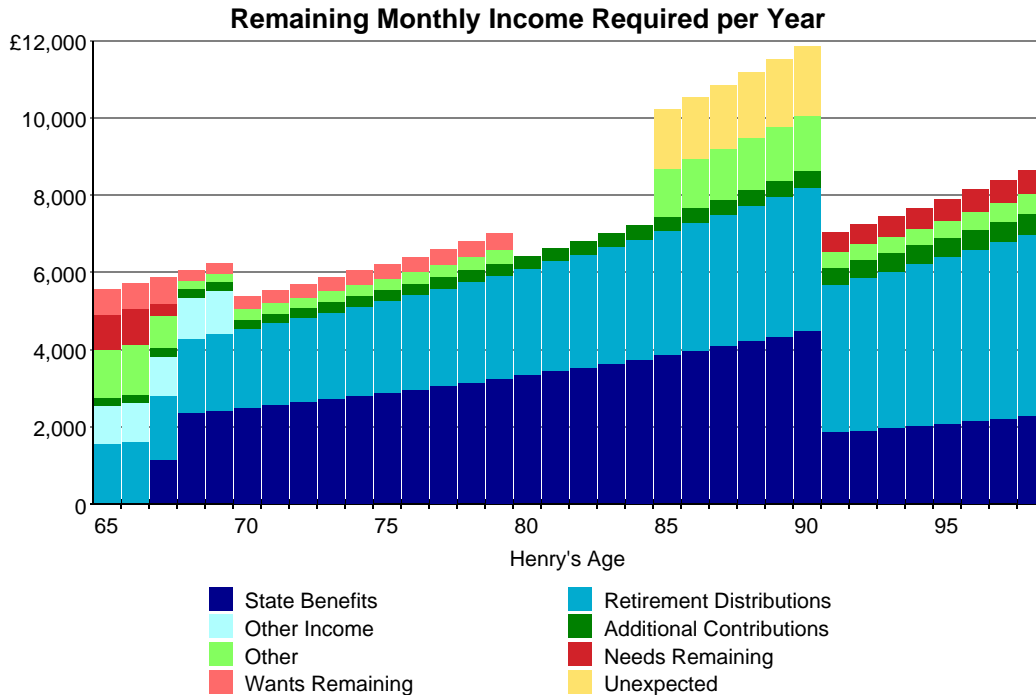
¹ Any pension payments from approved retirement plans

² Estimated 25% tax-free cash from approved retirement plan has been included.

³ Total desired income reduced by known retirement income. All income is shown monthly. Years in which known retirement income is sufficient to fulfill income objectives are represented by a "—". If income exceeds the total desired income for a month it is assumed spent. The sum of all such excess income is £97,558.

The Unexpected—"What if...?"

An unexpected need such as a critical illness, cancer, an accident, long-term care confinement at home or in a nursing home, or any expensive emergency, can wreck your retirement plans! For example, consider the effects of an unexpected need of £1,500 per month (in today's money) starting at Henry's age 85 and continuing for 6 years.



In this example, the additional cost¹ due to the unexpected needs is £67,549.

After applying the balance of available assets plus tax-free cash, unexpected costs increase the amount needed today to £105,008.

You should consider purchasing Lifetime Care.

Will an unexpected expense wreck your retirement plans?

¹ In the graph, "Other" represents the sum of available assets plus estimated tax-free cash. Additional cost is equal to £1,022,855 (desired retirement income after unexpected need) minus £955,306 (desired retirement income prior to unexpected need).

Assumptions used in these calculations are based on information you provided. Different assumptions can be requested. Calculations and recommendations will vary with different assumptions.

The Unexpected—"What if...?"

Consider the effects of an unexpected need of £1,500 per month (in today's money) starting at Henry's age 85 and continuing for 6 years.

Ages of Henry & Anne		Unexpected Needs	Known Retirement Income						Remaining Income Required ³
			Total Desired Monthly Income	State Benefits	Approved Plans ¹	Other Income	Additional Pension Contribution	From Assets ²	
65	62	£0	£5,545	£0	£1,551	£979	£210	£1,254	£1,423
66	63	0	5,712	0	1,599	1,008	214	1,291	1,599
67	64	0	5,883	1,133	1,647	1,038	221	824	1,020
68	65	0	6,059	2,335	1,946	1,069	228	215	266
69	66	0	6,241	2,405	2,005	1,101	234	222	274
70	67	0	5,370	2,477	2,065	0	241	262	324
71	68	0	5,531	2,551	2,127	0	249	270	334
72	69	0	5,697	2,628	2,191	0	256	278	344
73	70	0	5,868	2,707	2,256	0	264	286	355
74	71	0	6,044	2,788	2,324	0	272	295	365
75	72	0	6,225	2,871	2,394	0	280	304	376
76	73	0	6,412	2,958	2,466	0	288	313	387
77	74	0	6,604	3,046	2,540	0	297	322	399
78	75	0	6,802	3,138	2,616	0	306	332	411
79	76	0	7,006	3,232	2,694	0	315	342	423
80	77	0	5,793	3,329	2,775	0	324	0	-
81	78	0	5,967	3,429	2,858	0	334	0	-
82	79	0	6,146	3,531	2,944	0	344	0	-
83	80	0	6,331	3,637	3,032	0	355	0	-
84	81	0	6,521	3,746	3,123	0	365	0	-
85	82	3,535	10,251	3,859	3,217	0	376	1,251	1,548
86	83	3,641	10,559	3,975	3,314	0	387	1,288	1,595
87	84	3,750	10,875	4,094	3,413	0	399	1,327	1,643
88	85	3,863	11,202	4,217	3,515	0	411	1,367	1,692
89	86	3,979	11,538	4,343	3,621	0	423	1,408	1,743
90	87	4,098	11,884	4,473	3,729	0	436	1,450	1,795
N/A	88	0	7,035	1,843	3,841	0	449	403	498
N/A	89	0	7,246	1,898	3,957	0	463	415	513
N/A	90	0	7,463	1,955	4,075	0	476	427	529
N/A	91	0	7,687	2,014	4,198	0	491	440	545
N/A	92	0	7,918	2,074	4,323	0	505	453	561
N/A	93	0	8,155	2,137	4,453	0	521	467	578
N/A	94	0	8,400	2,201	4,587	0	536	481	595
N/A	95	0	8,652	2,267	4,724	0	552	495	613

¹ Any pension payments plus any qualified retirement plan distributions

² Estimated 25% tax-free cash from approved retirement plan has been included.

³ Total desired income reduced by known retirement income. All income is shown monthly. Years in which known retirement income is sufficient to fulfill income objectives are represented by a "—". If income exceeds the total desired income for a month it is assumed spent. The sum of all such excess income is £40,440.

Assumptions used in these calculations are based on information you provided. Different assumptions can be requested. Calculations and recommendations will vary with different assumptions.

Ways to Provide Predictable Incomes

Having predictable incomes can protect long-term investments from early liquidation

Although long-term investments can have the potential for higher returns, they usually have more ups and downs in the short-term. One of the risks associated with long-term investments is that you may need to sell it during one of its low or down periods. By having investments that provide predictable income during each phase of retirement, long-term investments intended for future phases are less likely to be liquidated early.

"Income Ladders"

Purchasing a series of quality, fixed-rate investments that mature as income is needed, is called income ladders. It may be possible to select a set of investments to maintain the desired income from a combination of interest and principal. This is an effective technique but requires careful selection of very conservative investments.

Secured Income Stream Desired

In a recent survey, 80% said they would prefer to convert all or part of their retirement assets into a secure income stream.

Article entitled, "Survey Confirms Need for Post-Retirement Income Planning", in Variable Annuity Specialist, March, 2004.

High Quality Bonds

The value of the bond varies with other economic conditions, but the dividends can be predictable for high quality bonds. Using bonds for the retirement income usually relies more on the earnings and less on the principal. This fact makes bonds a source for predictable income, but it does not utilize the principal for a portion of the income.

Annuities

Annuity payments offer an effective way to use earnings and principal, as payments can be stretched over your lifetime, regardless of how long that may be. Annuities are one of the few investments for providing predictable income that uses the principal and that you cannot outlive. Annuities must be selected carefully as there is much less flexibility in making future changes.

Recommendations

Purchase an additional pension called Existing Plan.

Consider additional pension contributions for Henry with a one-off payment of £10,000 and additional annual pension contributions of £1,200. Consider additional pension contributions for Anne with a one-off payment of £10,000 and additional annual pension contributions of £600.

Delay your State Benefits.

Consider delaying the start of State Benefits for 3 years.

Protect yourself from large, unexpected needs.

Purchase a Lifetime Care policy.

Review your total asset allocations.

This report considers the allocation of assets for your remaining retirement needs. You should review your total asset allocations incorporating these retirement recommendations.

Review your desired goals and available assets for retirement.

One solution to fulfilling the additional retirement needs is to do one or more of the following:

- Review all goals to be sure they are realistic and necessary for you to maintain your current lifestyle.
- Consider other assets that could be used for retirement—for example, downsizing the residence could provide additional assets.
- Consider delaying retirement by a year or two.
- Consider part-time work to supplement the early years of retirement.

Put plans into action.

The two major mistakes people make in preparing for retirement are not planning and not putting their plans into effect. Before purchasing any annuity contract or insurance policy, you should examine a complete illustration and policy description provided by the issuing company.

Review your plan annually.

The one thing you can be sure of is change—objectives change, investments change, and many things beyond your direct control such as State Benefits change. Consider this report like a road map. You must check often to be sure you are on course, and if not, make any necessary changes to return to the original course, or determine an alternative course to reach your retirement destination. Annual reviews of your retirement plans and objectives are the course corrections necessary to reach your retirement destination.

About the Calculations

Henry Higgins
Anne Higgins

Male
Female

Date of Birth: 9 May, 1950
Date of Birth: 18 July, 1952

Calculation Basis

All calculations are based on monthly income and monthly needs. Events and phases based on ages start the year in which a birthday occurs. Each year illustrated assumes 12 full months. All basic needs, additional wants, any special or unexpected needs, and any State Benefits are assumed to increase based on an annual inflation rate of 3%. All income received during a year is assumed to be spent during that year and is not used to reduce the following year's expenses.

State Benefits

- Henry will receive State Benefits at levels provided.
- Anne will receive State Benefits at levels provided.

Approved Retirement Plan

- All distributions from approved retirement plans are assumed monthly.
- This illustration uses single life escalating annuity rate of £6,000 annually for each £100,000 of pension funds for Henry, and £5,750 annually for each £100,000 of pension funds for Anne.
- These assumptions for the approved plans are intended to illustrate possible scenarios and are only estimates. You should always seek the advice of your legal or tax adviser before taking any action with your approved plans, as there are many rules and the possibility of severe penalties for not adhering to them.

Expenses Not Illustrated Directly

Taxes are assumed part of the basic needs. You should keep in mind that distributions from approved plans, as well as other income and dividend payments, are taxable and that the amount you specify as a basic need should be sufficient to pay the taxes due. Also, the survivor needs are based on income needs only and do NOT include amounts for any death or estate taxes, probate fees, final expenses, or other transfer costs at death.

About the Calculations Continued

Investments

All amounts shown are for purposes of illustration and are NOT to be constructed as a guarantee on any investment performance, as any investment may experience a gain or a loss, and past performance is no assurance of future performance. If any life insurance contracts are considered because of this illustration, please refer to a separate illustration from the provider for any such product discussed.

For calculation purposes in this illustration the following assumptions have been made:

Type of Investment	Asset Class	Yield or Growth Rate Used
Very Conservative	Capital Preservation	2.0%
Conservative	Income Assets	3.0%
Moderate	Income and Growth	5.0%
Aggressive	Growth	8.0%

Miscellaneous

Assets specified in this illustration are just the assets you have indicated will be available for retirement. Other assets, although not intended to be used for retirement, could be used to provide for any of the remaining income required. All assets are considered owned jointly with rights of survivorship between husband and wife or are left to the surviving spouse in the will.

IMPORTANT: The projections or other information generated by this investment analysis tool (Retirement Road Map) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.