Life Goals

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and

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Important Notes

This report illustrates your financial lifestyle, or your hypothetical cash flow and its effects on your net worth. This analysis provides only broad, general guidelines, which may be helpful in shaping your thinking about your 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 concerning the sale of properties or the change of property ownership. These are for illustrative purposes and not to be considered as legal advice; only your solicitor 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 advisers 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 key features document, if required) will be provided for your review.

Confirmation of Facts

Personal Information

David Harris, Male Born: 23 Sep., 1974
Ellen Harris, Female Born: 18 Jul., 1976

- David and Ellen are married.
- Include State Benefits in analysis.

Dependants: Jamie Born: 08 Oct., 2006
Susie Born: 17 Apr., 2008

Salaries

David's Current Salary: £37,500
Ellen's Current Salary: £25,000
Estimated Average Income Tax Rate: 25%

Assets

Total Assets: £35,000
Total Monthly Savings: £200
Average Growth Rate: 4.21%

Description	Owner	Current Amount	Monthly Savings	Growth Rate	Available for Emergency Fund?
Savings	David / Ellen	£10,000	£100	3.50%	Yes
Investments	David / Ellen	£25,000	£100	4.50%	No

Debts

Total Mortgage Balance: £145,000

Total Other Debts: £0

Description	Balance	Monthly Payment	Interest Rate
Mortgage	£145,000	£750	3.50%

Retirement Assets

Total Retirement Assets: £58,000
Total Monthly Contributions: £300
Average Growth Rate: 5.00%

Description	Owner	Current Amount	Monthly Savings	Growth Rate
Pensions	David	£35,000	£150	5.00%
Pensions	Ellen	£23,000	£150	5.00%

Survivor Needs

Current Life Insurance Policies:

Description	Insured	Death Benefit	Premium
Mortgage Cover	David	£150,000	£240

Disability Needs

Current Disability Insurance Policies:

Long-Term Care Needs

Your Existing Long-Term Care Policies:

Confirmation of Facts (Continued)

Education Savings

Current Savings Amount: £10,000
Current Monthly Savings: £150
Growth Rate: 3.50%

Adviser Notes

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Isn't It Time You Started Dreaming Again?

Most dreams in life require having the money to achieve them—buying a new home or car, taking that trip of a lifetime, paying for children's university costs, or retiring in comfort. But skyrocketing costs, mountains of debt, lack of savings and a lack of an understanding about how money works have forced many people to downsize or even eliminate their dreams.

We believe you shouldn't have to compromise your dreams. Instead, we advocate taking a practical approach to finances, one that incorporates powerful financial concepts and programs to provide you with the information and tools needed to make smart choices.

Using a comprehensive financial needs analysis program, our advisers work with people, just like you, every day to create personalised Life Goals. The result is a strategy to help you move from dreaming to doing.

Your Goals and Dreams

The last time we met, I asked you to identify the goals and dreams you hope to achieve through your Life Goals. Here's what you told me:

My Short-term Dreams (1 to 3 years)

- Build savings for unexpected expenses (emergency fund)
- Alternate income in case of death or disability
- Pay off credit cards

My Medium-term Dreams (3 to 7 years)

- Make a major purchase (car, furniture, boat, family holiday)
- Help support aging parents
- Education funding for child(ren)

My Long-term Dreams (7+ years)

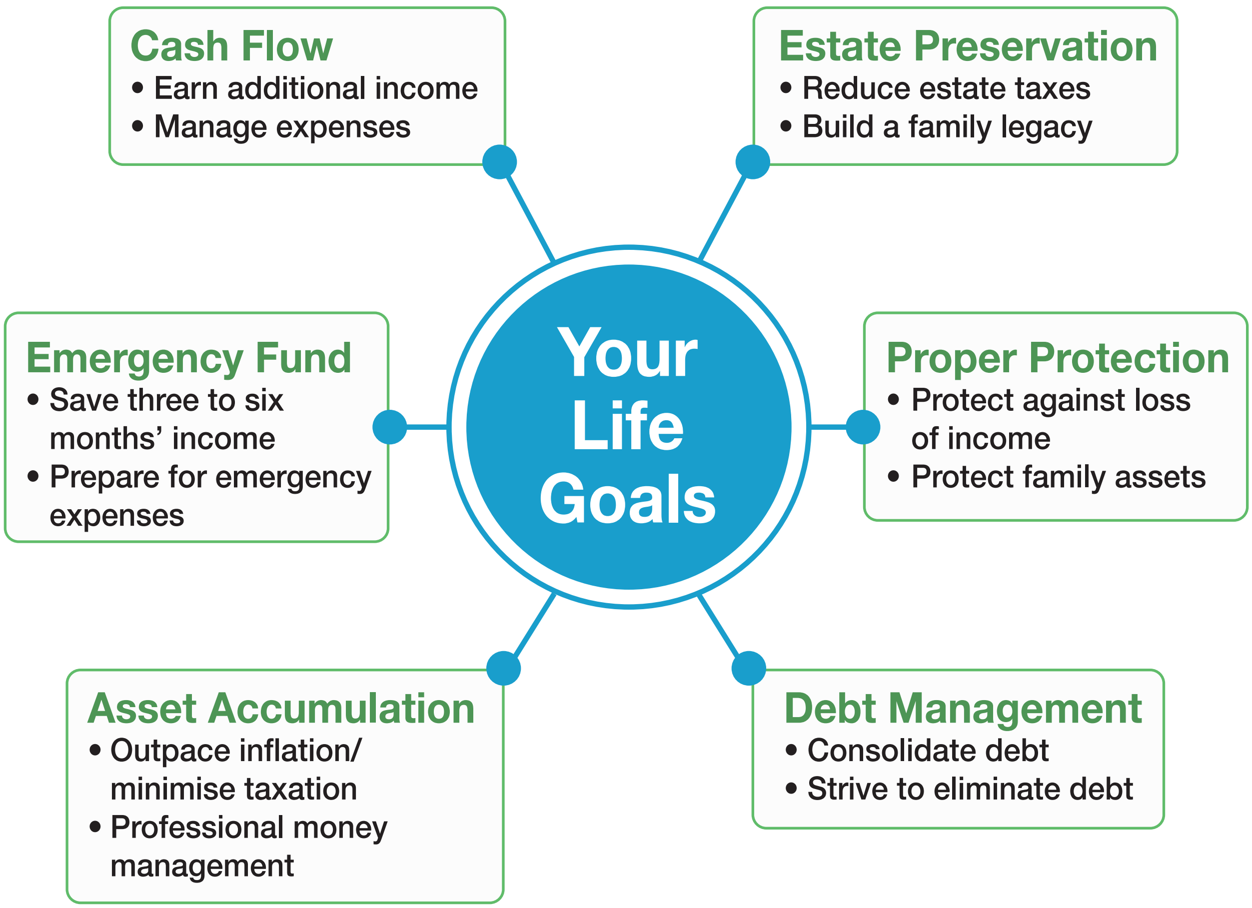
- Build retirement wealth
- Reduce or pay off mortgage

Now that you know where you want to go, let's take a look at how we get there.

Your Life Goals[1,2,3]

Charting a Course to Financial Independence

Your journey to financial independence begins today. As you move through each of the areas highlighted, you'll evaluate your current financial situation, identify your goals, objectives and dreams, and what products and services would be suitable to help you meet your objectives and dreams. The result is your personalised Life Goals.



[1] Life Goals is a suitability and needs analysis that is based upon information obtained from sources believed to be complete and accurate. However, discuss any legal, tax or financial matter with the appropriate professional. Neither the information presented nor any opinion expressed constitutes a solicitation for the purchase or sale of any specific security or financial service.

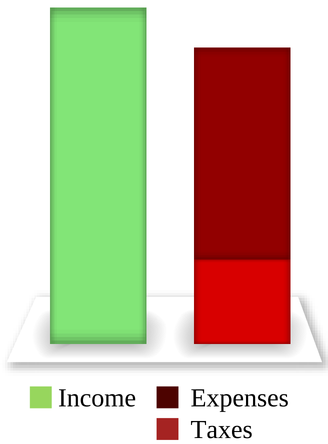
[2] All figures are for illustrative purposes only and do not reflect an actual investment in any product, nor do they reflect the performance risks, expenses or charges associated with any actual investment. Past performance is not an indication of future performance. Actual results may vary substantially from the figures in the example. All rates of return are hypothetical and are not a guarantee of future performance of any asset, including insurance or other financial products. Higher rates of return have been associated with higher volatility. All inflation rates and rates of return on current financial holdings are estimates provided by the client.

[3] When investing, there are certain risks, fees, charges, and limitations that one must take into consideration.

Cash Flow

An important step along the path to financial independence is increasing the amount of money available to you. This money can help you reduce debt and build savings.

Your Monthly Cash Flow[1]



Salary	£5,208	
Other Income	£0	
Estimated Gross Monthly Income		**£5,208**
Estimated Monthly Taxes on Income	£1,302	
Mortgage, Rent, Other Debts	£750	
Savings (Education, Retirement, Other)	£650	
Life Insurance Premiums	£20	
Food and Clothing	£550	
Auto and Property Maint./Ins./Taxes	£549	
Utilities	£265	
Entertainment	£500	
Estimated Monthly Expenses		**£4,586**
Estimated Discretionary Income		**£622**

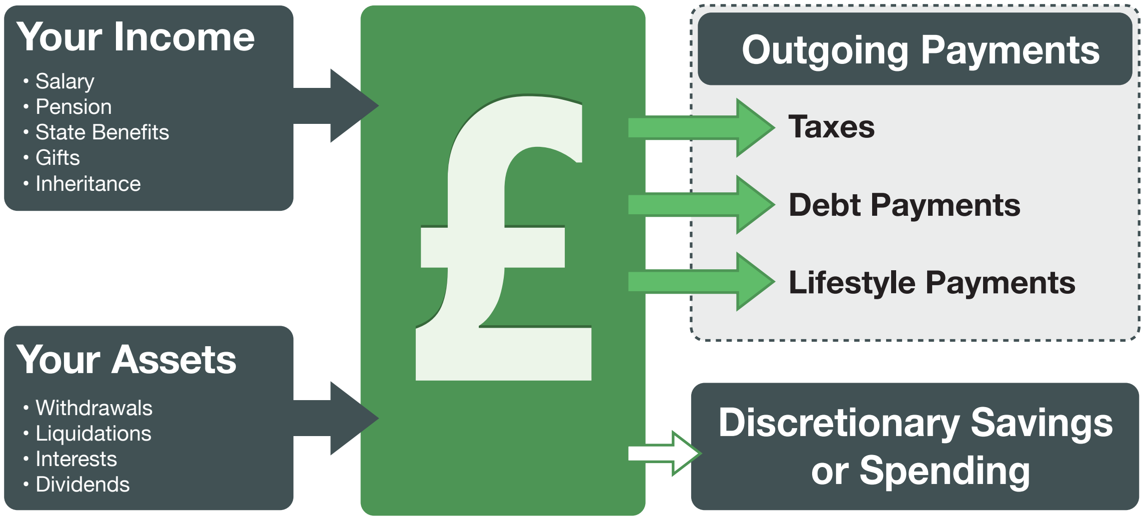
What Your Cash Flow Objectives Should Be:

- Pay all lifestyle expenses and outgoing payments
- After applying education funds, pay any remaining education costs
- Make payments on all loans

[1] These values represent average monthly values for the current year only. Your Monthly Cash Flow in future years may vary greatly from these values.

Increasing Cash Flow

The first step in developing your financial strategy is to evaluate your cash flow—the money that comes in and goes out every month. Money comes to you from both income sources (such as salary) and asset sources (such as cash dividends or withdrawals). This money is used for outgoing payments (such as taxes, debt payments or lifestyle expenses).



After all outgoing payments have been met each month, the portion of the money left over is known as **discretionary** income. Each month, you choose to spend this money on unspecified expenses, or you choose to save it. If outgoing payments exceed incoming cash flows, the difference between them is known as a **shortfall**.

Ways to Increase Cash Flow

Increasing your income and managing expenses are the keys to increasing your cash flow. Here are some ideas on ways to increase your cash flow.

Manage Expenses

- Strive to spend less than you earn
- Create a budget—weigh your monthly expenses as wants vs. needs
- Shop around for the best deals when your car and household insurance renews.
- Consider alternative mortgage products and providers
- Cut the cost of your fuel bills by switching suppliers
- Consider installing a water meter

Increase Your Available Income

- Take on a second career or part-time opportunity for additional income
- Consider renting out a spare room, garage or parking space
- Invest in tax-free ISA savings accounts

Survivor Needs Goal

Assumes David Dies Today

How Will Your Life Insurance Work for You?

Debts—Pay off present debts	£0
Income—Include survivor funding	£282,121
Mortgage—Pay off mortgage	£145,000
Education—Include higher education funding[1]	£31,416
Establish emergency fund	£15,625
Pay final expenses	£5,000

Income replacement at 70% of current household income while the children are at home, 60% for 20 years.

Total Cost of Your Life Insurance Tasks **£479,162**

Name	Insured/Owner	Face Amount	Annual Premium
Mortgage Cover	David	£150,000	£240

Total Existing Life Insurance For David **£150,000**

Have - £150,000 **vs.** **Need - £479,162**

The amount of Needed Insurance reflected in the analysis is based on information that you provided, and may have been included in determining your final expenses, present debts, emergency fund, education fund and survivor fund. However, the amount of insurance that you may be able to obtain at this time will be subject to your current financial situations, including annual income, the type of insurance product being purchased, underwriting guidelines by the insurance provider(s), and suitability guidelines that may be set by your financial adviser.

Proper Protection

Remaining Life Insurance Need for David: **£329,162**

Progress

31%

[1] Considers Current Education Savings of £10,000 today

Survivor Needs Goal

Assumes Ellen Dies Today

How Will Your Life Insurance Work for You?

Debts—Pay off present debts	£0
Income—Include survivor funding	£72,583
Mortgage—Pay off mortgage	£145,000
Education—Include higher education funding[1]	£31,416
Establish emergency fund	£15,625
Pay final expenses	£5,000

Income replacement at 70% of current household income while the children are at home, 60% for 20 years.

Total Cost of Your Life Insurance Tasks **£269,624**

Total Existing Life Insurance For Ellen **£0**

Have - £0 **vs.** **Need - £269,624**

The amount of Needed Insurance reflected in the analysis is based on information that you provided, and may have been included in determining your final expenses, present debts, emergency fund, education fund and survivor fund. However, the amount of insurance that you may be able to obtain at this time will be subject to your current financial situations, including annual income, the type of insurance product being purchased, underwriting guidelines by the insurance provider(s), and suitability guidelines that may be set by your financial adviser.

Proper Protection

Remaining Life Insurance Need for Ellen: **£269,624**

Progress

0%

[1] Considers Current Education Savings of £10,000 today

Disability Needs Goal

Assumes David Becomes Disabled Today

Objective

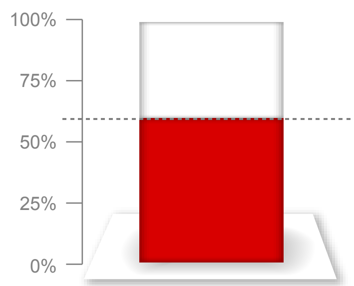
- Provide for 60% of your current salary (£37,500) if you become disabled today.

Your Disability Statistics

David, before your age 65, a long-term disability is **2.81 times more likely** to occur than death![1]

Assuming your salary increases at…	Cost of Disability (in Terms of Lost Salary)				
	2 Year	**3 Year**	**5 Year**	**15 Year**	**To Age 65**
0%	£75,000	£112,500	£187,500	£562,500	£1,012,500
2%	£75,750	£114,750	£195,150	£648,488	£1,325,400
4%	£76,500	£117,075	£203,100	£750,900	£1,765,650

If You Become Disabled Today



☐	Current Annual Salary	£37,500
	Percent of Salary Needed During Disability	60%
	Annual Income Needed	**£22,500**
less ☐	Annual Disability Income Benefit	£0
■	**Additional Annual Income Needed**	**£22,500**

Not Everyone Qualifies for State Disability Benefits

If you become disabled or are unable to work due to sickness, there is no guarantee the State will help financially. You may be entitled to claim Disability Living Allowance but the amount available depends upon the level of care you require along with how the disability has affected your mobility. **You should carefully consider the likelihood of not qualifying for State disability benefits when determining your disability needs.**

Additional Annual Income Needed **£22,500**
(Assuming potential annual State Disability Benefits of £0)

Disability
Insurance Need for David: **£22,500**

Progress
0%

[1] Office of National Statistics

Disability Needs Goal Details

Assumes David Becomes Disabled Today

Your First Year of Disability

Beginning of Month	Monthly Income Need	Monthly Disability Policy Benefit	Potential State Benefits	Additional Income Needed
1	£1,875	£0	£0	£1,875
2	1,875	0	0	1,875
3	1,875	0	0	1,875
4	1,875	0	0	1,875
5	1,875	0	0	1,875
6	1,875	0	0	1,875
7	1,875	0	0	1,875
8	1,875	0	0	1,875
9	1,875	0	0	1,875
10	1,875	0	0	1,875
11	1,875	0	0	1,875
12	1,875	0	0	1,875

Additional Income Needs in Year 1 (With State Benefits)	**£22,500**
Additional Income Needs in Year 1 (With NO State Benefits)	**£22,500**

Disability Needs Goal Details

Assumes David Becomes Disabled Today

		Income			Shortfall	
Year	David's Age	Annual Income Needed	Estimated State Benefits	Disability Policy Benefit	Annual Shortfall	Shortfall (% of Salary)
1	38	£22,500	£0	£0	£22,500	60
2	39	23,175	0	0	23,175	60
3	40	23,870	0	0	23,870	60
4	41	24,586	0	0	24,586	60
5	42	25,324	0	0	25,324	60
6	43	26,084	0	0	26,084	60
7	44	26,866	0	0	26,866	60
8	45	27,672	0	0	27,672	60
9	46	28,502	0	0	28,502	60
10	47	29,357	0	0	29,357	60
11	48	30,238	0	0	30,238	60
12	49	31,145	0	0	31,145	60
13	50	32,080	0	0	32,080	60
14	51	33,042	0	0	33,042	60
15	52	34,033	0	0	34,033	60
16	53	35,054	0	0	35,054	60
17	54	36,106	0	0	36,106	60
18	55	37,189	0	0	37,189	60
19	56	38,305	0	0	38,305	60
20	57	39,454	0	0	39,454	60
21	58	40,638	0	0	40,638	60
22	59	41,857	0	0	41,857	60
23	60	43,112	0	0	43,112	60
24	61	44,406	0	0	44,406	60
25	62	45,738	0	0	45,738	60
26	63	47,110	0	0	47,110	60
27	64	48,523	0	0	48,523	60

Disability Needs Goal

Assumes Ellen Becomes Disabled Today

Objective

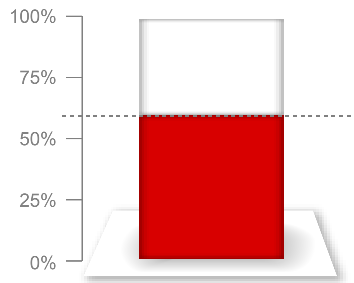
- Provide for 60% of your current salary (£25,000) if you become disabled today.

Your Disability Statistics

Ellen, before your age 65, a long-term disability is **5.39 times more likely** to occur than death![1]

Assuming your salary increases at…	Cost of Disability (in Terms of Lost Salary)				
	2 Year	**3 Year**	**5 Year**	**15 Year**	**To Age 65**
0%	£50,000	£75,000	£125,000	£375,000	£725,000
2%	£50,500	£76,500	£130,100	£432,325	£969,800
4%	£51,000	£78,050	£135,400	£500,600	£1,324,150

If You Become Disabled Today



	Current Annual Salary	£25,000
	Percent of Salary Needed During Disability	60%
	Annual Income Needed	**£15,000**
less	Annual Disability Income Benefit	£0
	Additional Annual Income Needed	**£15,000**

Not Everyone Qualifies for State Disability Benefits

If you become disabled or are unable to work due to sickness, there is no guarantee the State will help financially. You may be entitled to claim Disability Living Allowance but the amount available depends upon the level of care you require along with how the disability has affected your mobility. **You should carefully consider the likelihood of not qualifying for State disability benefits when determining your disability needs.**

Additional Annual Income Needed **£15,000**
(Assuming potential annual State Disability Benefits of £0)

Disability
Insurance Need for Ellen: **£15,000**

Progress
0%

[1] Office of National Statistics

Disability Needs Goal Details

Assumes Ellen Becomes Disabled Today

Your First Year of Disability

Beginning of Month	Monthly Income Need	Monthly Disability Policy Benefit	Potential State Benefits	Additional Income Needed
1	£1,250	£0	£0	£1,250
2	1,250	0	0	1,250
3	1,250	0	0	1,250
4	1,250	0	0	1,250
5	1,250	0	0	1,250
6	1,250	0	0	1,250
7	1,250	0	0	1,250
8	1,250	0	0	1,250
9	1,250	0	0	1,250
10	1,250	0	0	1,250
11	1,250	0	0	1,250
12	1,250	0	0	1,250

Additional Income Needs in Year 1 (With State Benefits)	**£15,000**
Additional Income Needs in Year 1 (With NO State Benefits)	**£15,000**

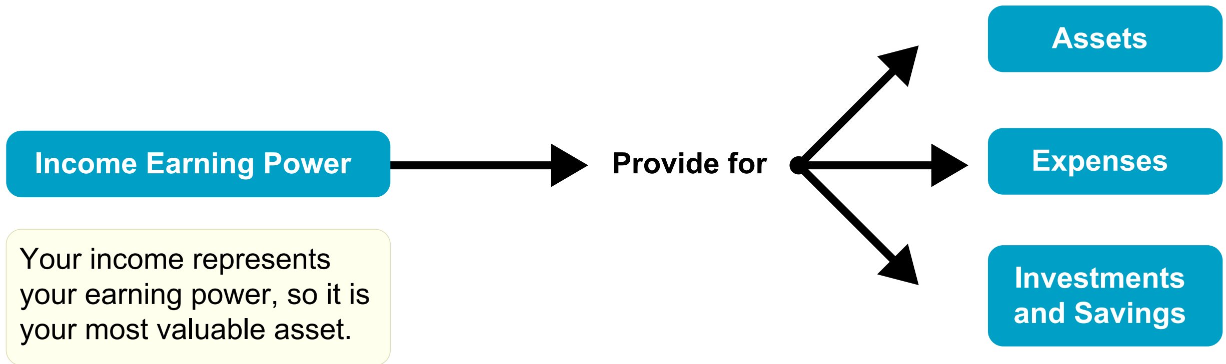
Disability Needs Goal Details

Assumes Ellen Becomes Disabled Today

		Income			Shortfall	
Year	Ellen's Age	Annual Income Needed	Estimated State Benefits	Disability Policy Benefit	Annual Shortfall	Shortfall (% of Salary)
1	36	£15,000	£0	£0	£15,000	60
2	37	15,450	0	0	15,450	60
3	38	15,914	0	0	15,914	60
4	39	16,391	0	0	16,391	60
5	40	16,883	0	0	16,883	60
6	41	17,389	0	0	17,389	60
7	42	17,911	0	0	17,911	60
8	43	18,448	0	0	18,448	60
9	44	19,002	0	0	19,002	60
10	45	19,572	0	0	19,572	60
11	46	20,159	0	0	20,159	60
12	47	20,764	0	0	20,764	60
13	48	21,386	0	0	21,386	60
14	49	22,028	0	0	22,028	60
15	50	22,689	0	0	22,689	60
16	51	23,370	0	0	23,370	60
17	52	24,071	0	0	24,071	60
18	53	24,793	0	0	24,793	60
19	54	25,536	0	0	25,536	60
20	55	26,303	0	0	26,303	60
21	56	27,092	0	0	27,092	60
22	57	27,904	0	0	27,904	60
23	58	28,742	0	0	28,742	60
24	59	29,604	0	0	29,604	60
25	60	30,492	0	0	30,492	60
26	61	31,407	0	0	31,407	60
27	62	32,349	0	0	32,349	60
28	63	33,319	0	0	33,319	60
29	64	34,319	0	0	34,319	60

Have You Insured Your Most Valuable Asset?

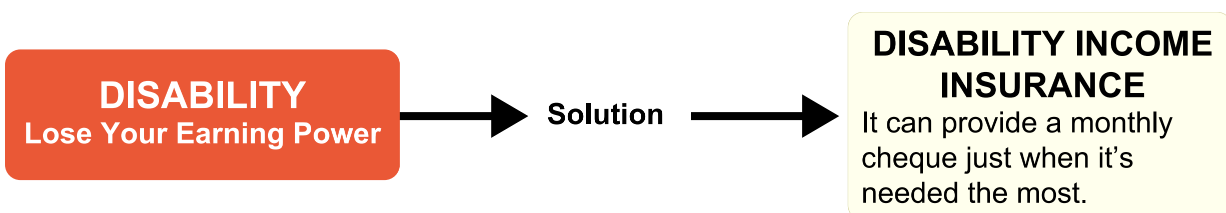
Most people insure their homes, their cars, and even their lives. However, they have a tendency to leave potentially their greatest asset uncovered—their income.



If you think about it, most of your valuable possessions are purchased with the income that you generate from work. So it makes sense to be protected against the risk of losing your earning power.

If you multiply your annual income adjusted by the number of years until you retire, you will earn a fortune!

If anything happens to your assets, you may be able to replace them, even if they are not insured, as long as you have your income. However, if you lose your ability to generate income due to disability, the only optimal solution would be to have some form of disability income insurance protection.



Think of your income as an asset. One that is valuable and one that should be considered as important as the other items you normally insure, such as your car or your house.

Take the appropriate steps to protect your income as well!

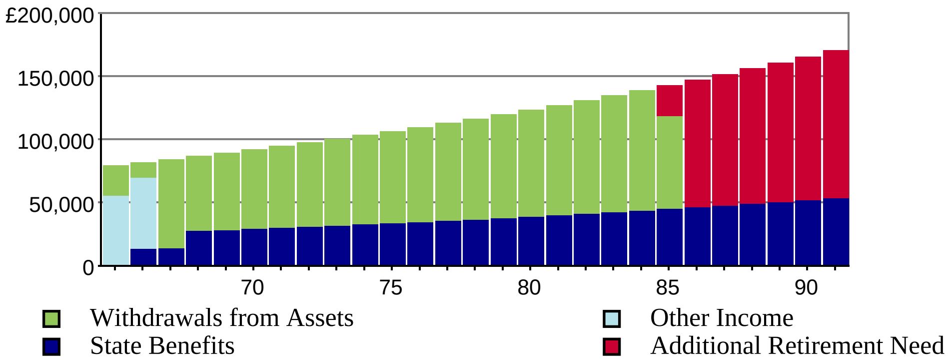
Asset Accumulation

Retirement Needs

Let’s take a look at your long-term savings objectives and goals.

Objective

- David retires at age 65, Ellen retires at age 65
- Retirement lasts for 27 years
- Provide £3,000 a month to fund your retirement lifestyle.



The Cost of Your Retirement Lifestyle

Lump Sum Needed When You Retire		**£1,700,418**
Provides £3,000 per month for 27 Years of Retirement (Adjusted for Inflation)		
Lump Sum Value of Future Income Sources When You Retire		
Lump Sum Value of All Future State Benefits	£478,892	
Lump Sum Value of All Future Salary	£110,007	
Assets Values When You Retire		
Value of David's Retirement Plans When You Retire	£402,861	
Value of Ellen's Retirement Plans When You Retire	£221,965	
Value of Other Assets When You Retire	£266,690	
Lump Sum of Your Retirement Assets When You Retire		**£1,480,415**
Lump Sum Shortfall When You Retire		**£220,003**

assuming your average rate of return of 4.7%	**£351 per month**
…assuming 6%	£288 per month
…assuming 8%	£210 per month
…assuming 10%	£151 per month

* The Growth Rate(s) reflected in Life Goals for the Current Retirement Assets held by the Client(s) have been provided by the Client(s) and is not representative of any analysis or verification by the adviser nor is a guaranteed representation of the likelihood of future returns on the assets currently held by the Client(s).

Retirement
Monthly Savings Need: **£351**

Progress
87%

Procrastination

The major mistake people make in preparing for retirement is procrastination—not putting their strategy into effect. Getting started often is the hardest step of any strategy.

Time can help you reach your retirement objectives. The younger you start funding your retirement, the smaller the amount of money you have to set aside each month to reach your financial retirement goals. Your sacrifices today may be worth a fortune in the future.

At any age it’s easy to find an excuse not to save for retirement…

Age 25
"We're just getting started. We'll save more when we're making more income."

Age 40
"We’ve got house payments, car payments, and the kids—we just don’t have anything left to save."

Age 50
"As soon as the kids are out of school, we’ll be able to save for retirement."

Age 60
"Our expenses are so high and the amount we need to save is just more than we can afford."

The best age to start your retirement savings is NOW!

Power of Compounding

Time is a fundamental factor in any investment. The earlier you start to invest and the longer you hold onto your investment, the more your investment can grow in value. This is possible due to compounding. Compounding makes time work in your favour!

Starting your savings and investments as soon as possible is very important. Even the month you start to make savings contributions can make a big difference. For example, by starting your contributions in January instead of December of the same year, you can increase your financial gains substantially. This is possible, given the compounding interest generated by starting earlier.

Compounding takes place when you reinvest your earnings such as interest or dividends. This means that your investment base gets larger because your investment earnings are added to your principal; therefore, the forming larger base has the potential to grow at a faster pace.

Importance of time and lessons of compounding

- The sooner you begin to invest, the less you need to contribute each month to reach your financial goals.
- The earlier you start, the greater the financial risk you can afford.
- The longer you hold your investments, the better chance you have of riding out any downturns in the market.

Opportunities to accumulate

There are many instruments in the market that can help you take advantage of compounding.

- Contribute to an employer-sponsored, tax-efficient retirement plan.
- Open a Personal Pension or Stakeholder Pension plan.
- Set up an investment plan such as an ISA, Bond or Unit Trust.
- Set up a whole of life insurance policy that guarantees a cash payout on your death.

Power of Compounding (Continued)

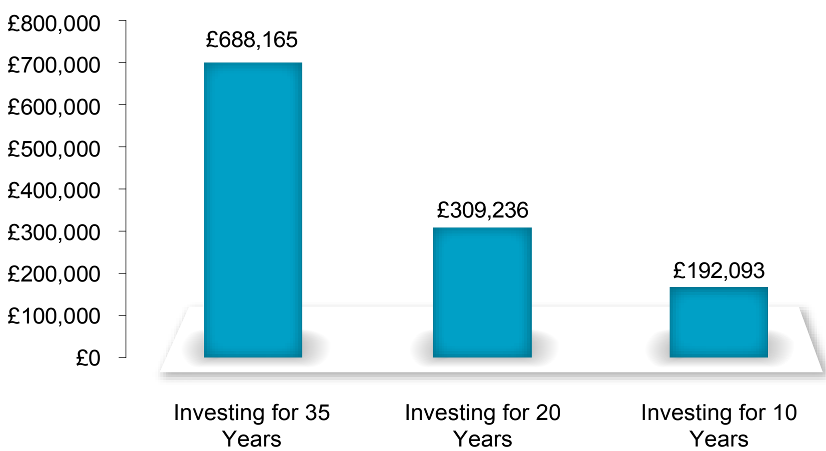
Option A: You start investing £300 a month at age 30 in a tax deferred retirement plan that earns 8%. After 35 years, you will have accumulated £688,165.

Option B: You start investing £525 a month at age 45 in a tax deferred retirement plan that earns 8%. After 20 years you will have accumulated £309,236.

Option C: You start investing £1,050 a month at age 55 in a tax deferred retirement plan that earn 8%. After 10 years you will have accumulated £192,093.

Power of Compounding

	Option A	Option B	Option C
Total investment	£126,000	£126,000	£126,000
Interest rate	8%	8%	8%
Number of years	35	20	10
Contribution per month	£300	£525	£1,050
Your retirement account	£688,165	£309,236	£192,093



In either case at age 65, you will have invested a total of £126,000, but your investment would have grown to £688,165 by starting at age 30. If you would have started at age 45 or 55 your investments would have only grown to £309,236 and £192,093 respectively.

- By starting 15 years earlier and taking advantage of compounding, you can accumulate £378,929 more, while still investing the same amount.
- By starting 25 years earlier and taking advantage of compounding, you can accumulate £496,071 more, while still investing the same amount.

The different final outputs on investment that have the same interest rate and the same amount invested are explained by the extra years of compounding.

Retirement Needs Details

Retirement Period Based on David's Age	Household Income Today	% of Household Income Needed During Retirement	Annual Need Starting at Retirement	Lump Sum Needed at Retirement
65 - 92	£62,500	80%	£79,966	£1,700,418

Amount Needed to Fund Retirement Lifestyle at Retirement **£1,700,418**

Retirement Income Sources

Income Source During Retirement	Income Recipient	Annual Increase	Age When Income Received	Annual Amount When Income Source Begins	Lump Sum Value at Retirement of Income Source
State Benefits[1]	David	3%	65	£0	£478,892
	Ellen	3%	65		
Salary	Ellen	3%	36	£25,000	£110,007

Less the Value of Retirement Income Sources at Retirement **£588,899**

Total Value of Assets Needed at Retirement **£1,111,519**

Retirement Plan	Current Value	Monthly Contributions	Rate of Return	Value at Retirement
David	£35,000	£150	5.00%	£402,861
Ellen	£23,000	£150	5.00%	£221,965

Total Value of Retirement Plans at Retirement **£624,826**

	Current Value	Monthly Savings	Rate of Return	Value at Retirement
Other Assets	£35,000	£200	4.21%	£266,690

Total Value of Other Assets at Retirement **£266,690**

Less the Value of Existing Retirement Assets at Retirement **£891,516**

Retirement Asset Shortfall at Retirement **£220,003**

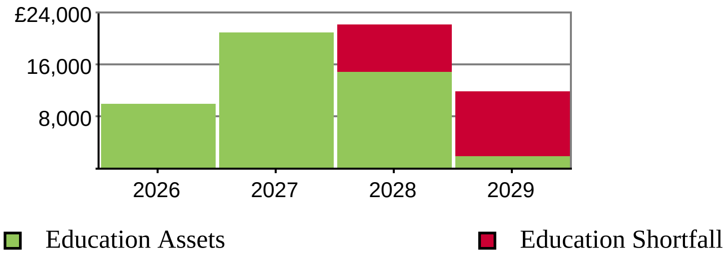
[1] See Assumptions & Notes section for details.

Education Needs

Let’s take a look at your education savings objectives and goals.

Objective

- **Jamie:** Provide 100% of the total cost of **University** for 3 years.
- **Susie:** Provide 100% of the total cost of **University** for 3 years.



The Cost of Your Education Needs

Name	Current Age	Start at Age	Number of Years	Annual Cost Today	First Year Funding Need	% of Annual Cost to Fund	Lump Sum Needed Today
Jamie	6	18	3	£5,000	£10,061	100%	£20,461
Susie	5	18	3	£5,000	£10,665	100%	£20,955

Lump Sum Cost Today of Your Education Needs (in Today's Money) **£41,416**

Current Value of Your Education Assets (in Today's Money) **£30,731**

Lump Sum Shortfall Today **£10,685**

Monthly Savings Needed **£77**

(Amount you need to save between now and the start of the last year of your education funding to fund the education shortfall, assuming 3.50% rate of return.)

Education

Monthly Savings Need: **£77**

Progress

74%

Education Funding Options[1]

The cost of children's education is fast becoming many people's biggest financial commitment - surpassing both mortgages and pensions. The ongoing spread of university tuition fees is likely to exacerbate this situation and university costs overall continue to rise at roughly twice the rate of inflation. The importance of early planning is obvious and there are a number of planning options open.

Individual Savings Accounts (ISAs)

Savers can earn top rates of tax-free interest and have relatively easy access to their money with a cash ISA - or Individual Savings Account. These are simply tax-free savings accounts run by banks, building societies and National Savings. And they tend to keep their top rates for savers in these popular accounts.

Unit Trusts and OEICs

Unit trusts and OEICs are known as "open-ended", because their size is not limited.

Investment Trusts

The easiest way to understand closed-ended funds, or investment trusts, is to think of them as a company and just like any other company, they issue shares to raise money from shareholders and then invest that money. The difference between investment trusts and normal "trading" companies, is that they invest their money in the shares of other companies rather than in physical assets such as factories or stores. Since they are like a company, they are also able to borrow money to invest (which is not allowed for unit trusts).

Student Loans

Low-interest student loans are available to those entering higher education to help them meet their living costs while studying and are issued by the Government through the Student Loans Company. Repayments of loans start in the April after the student leaves higher education, and only once they start earning in excess of £15,000. Repayments depend on the amount the student earns, not the amount borrowed. For instance, if your income was £20,000 the student would repay £37.50 per month.

Student Grants

From September 2006, new full-time students from lower income households have been able to apply for a non-repayable maintenance grant of up to £2,700 a year. The size of the grant depends on the student’s income and that of the household. If that income is around £15,000 or less the student is likely to be eligible for a full grant worth £2,700 a year. Partial grants are available for those with a household income of between around £15,000 and around £33,000.

Bursaries

Universities and colleges wishing to charge the maximum fee of a year for a course will have to provide at least a year in non-repayable financial support, such as bursaries, to students on these courses who are receiving the full maintenance grant. This means that students who receive the full maintenance grant and who are in courses charging will get a package of non-repayable support of at least a year. Some students will get more than this, as many universities and colleges are expected to offer financial help worth more than £300.

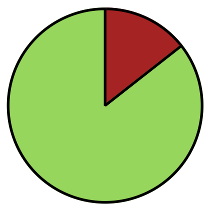
[1] Source: Independent Schools Information Service, 2004

Debt Management

Analysing Your Debt

The effective use of debt can enhance your financial plans. Debt management starts with examining your existing debt. You should examine each individual debt as well as your total, overall debt. Total debt is often analysed by comparing earned income to debt payments.

Finding the Right Ratio of Debt and Income



Debt as a Percent of Earned Income

Total Monthly Debt Payments	£750
Total Monthly Earned Income	£5,208
Your Debt-to-Earned Income Ratio	**14.40%**

A debt-to-earned income ratio of 20% is considered average.
The lower your debt-to-earned income ratio, the better your financial flexibility will be. Depending on your particular circumstances a ratio of 20% or higher may be a sign that your credit is out of control, could lead to difficulty obtaining future loans and/or a lower credit rating. You may also be unable to qualify for the best rates and terms.

Your Existing Debt

Debt	Balance	Monthly Payment	Interest Rate	Years Until Debt is Paid Off[1]
Mortgage	£145,000	£750	3.500%	23 Years 9 Months

Total Current Debt	**£145,000**
Total Current Credit Card Debt	**£0**
Average Interest Rate on Credit Cards	**0.000%**

Debt Management
Debt-Earned Income Ratio **14.40%**

Progress
86%

[1] Assumes no additions to the balance, you continue the current monthly payment, and the current interest rate stays the same.

Debt Management

Nothing can derail your Life Goals faster than excessive, revolving, high-interest credit card debt. There are many steps you can take to manage your debt, but the most important step is to start today. It likely won't be easy, but with a consistent strategy, you can find your way out of debt. Here are some ways to manage your debt:

- Pay yourself first—simultaneously work on savings and debt elimination
- Cut spending and stop borrowing
- Pay off the right debt first
- Pay more than the minimum payment
- Consider restructuring your debt
- Consolidate multiple credit cards to one card with a lower rate
- Consolidate bad debt into better debt at lower rate
- Call the credit card company and ask for a lower rate
- Cut up credit cards you don't need
- Stop credit card solicitations by registering with the Telephone Preference Service

Good Uses of Debt

There are situations where debt is not only a necessity, but potentially smart. Debt can actually provide flexibility and convenience that can help you manage your money and provide for your lifestyle needs. Good uses of debt may include purchasing assets or financing an education. Other favourable uses of debt may include:

- Purchasing a home
- Purchasing an appreciating asset or investment
- Investment in education

Bad Uses of Debt

Bad uses of debt can be the biggest obstacle for achieving your desired lifestyle. Debt that spirals upward because of high interest charges and poor purchase decisions can strain monthly cash flow. Large interest payments perpetuate the debt and can consume the cash flow necessary to maintain your lifestyle and to accomplish your goals. Bad uses of debt include:

- Using credit cards to pay for lifestyle needs
- Using credit cards to pay credit cards
- Using credit cards to purchase depreciating assets

All debt, good and bad, must be analysed together for proper debt management. Better debt management means better cash flow and better financial planning.

Emergency Fund

Whether natural or man-made, disasters and emergencies can happen at any time. Even a small "catastrophe", requiring cash, can occur with little or no warning. The key is to be prepared for whatever life throws your way.

Don’t Think You Need an Emergency Fund?

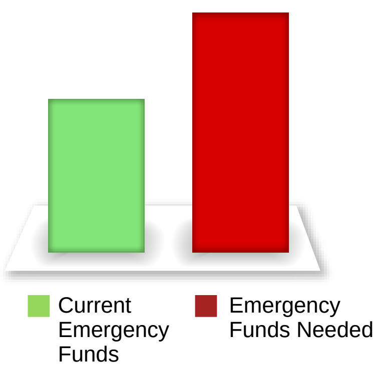
Consider how you would pay for any of the following unexpected events. A source of available funds will provide the peace of mind of knowing you can recover quickly—with the least disruption to your life.

- Major car repairs
- Major home repairs
- Major appliance replacement
- Job interruption
- Serious illness or hospitalisation
- Rainy day fund

Your Emergency Fund: Do You Have Enough?

A good rule of thumb is that your emergency fund should equal to 3-6 months’ salary.

Emergency funds should be kept in cash or any other form of liquid assets that can quickly provide the resources needed after a short-term financial crisis.



Emergency Fund Needed **£15,625**
(Monthly household salary of £5,208 x 3 mo.)

Current Emergency Funds Available **£10,000**

Savings £10,000

Have - £10,000 **vs.** **Need - £15,625**

Emergency Fund
Your Remaining Need: **£5,625**

Progress
64%

Assumptions

Your Monthly Cash Flow

- Your Monthly Cash Flow represents an estimate of your current household income and expenses. This may not represent all of your current income and expenses, and your income and expenses may change in the future.

Calculation Assumptions

- Estimated Monthly Taxes equals Estimated Gross Monthly Income multiplied by the Estimated Average (Effective) Income Tax Rate of 25%.

Debt Management

Calculation Assumptions

- Debt-to-Earned Income Ratio equals your Total Household Current Monthly Debt Payments divided by Your Total Household Current Gross Monthly Salaries.
- Years Until Debt is Paid Off equals the number of years it will take to pay off the Current Balance, assuming you continue to pay the current Monthly Payment, at the current Interest Rate, with no additions to the current Balance.
- Average Interest Rate on Credit Cards represents a weighted average based on each credit card current Balance.

Emergency Fund

Calculation Assumptions

- Emergency Fund Needed based on total household current gross monthly salaries multiplied by 3 months.

Survivor Needs—Assumes David Dies

Assumed Years of Death

- This presentation assumes David dies immediately.

Income Needs Assumption

- Ellen will require 70% of current household income while the children are at home.

  When the youngest child turns 18, Ellen will require 60% of current household income for remaining years.

  Needs are provided for 20 years.

Assumptions (Continued)

Survivor Needs—Assumes David Dies (Continued)

Interest Rate Assumptions

- Education costs are assumed to increase at a 6% annual inflation rate.
- All other living expenses are assumed to increase at a 3% annual inflation rate.
- All lump sum values in today's money are assumed to grow at 5% annually.

State Benefits Assumptions

- Ellen is eligible for certain State Benefits. Ellen's certain State Benefits are based on levels in today's terms increased by inflation. Ellen plans to take State Benefits starting at age 65.

Survivor Needs—Assumes Ellen Dies

Assumed Years of Death

- This presentation assumes Ellen dies immediately.

Income Needs Assumption

- David will require 70% of current household income while the children are at home.

  When the youngest child turns 18, David will require 60% of current household income for remaining years.

  Needs are provided for 20 years.

Interest Rate Assumptions

- Education costs are assumed to increase at a 6% annual inflation rate.
- All other living expenses are assumed to increase at a 3% annual inflation rate.
- All lump sum values in today's money are assumed to grow at 5% annually.

State Benefits Assumptions

- David is eligible for certain State Benefits. David's certain State Benefits are based on levels in today's terms increased by inflation. David plans to take State Benefits starting at age 65.

Disability Needs—Assumes David Becomes Disabled Today

Assumed Disability

- This presentation assumes David becomes disabled immediately.

Income Needs Assumption

- David will require 60% of current household income during disability.

Assumptions (Continued)

Disability Needs—Assumes David Becomes Disabled Today (Continued)

State Benefits Assumptions

- David is eligible for State Benefits.

Disability Needs—Assumes Ellen Becomes Disabled Today

Assumed Disability

- This presentation assumes Ellen becomes disabled immediately.

Income Needs Assumption

- Ellen will require 60% of current household income during disability.

State Benefits Assumptions

- Ellen is eligible for State Benefits.

Long-Term Care Needs—Assumes David Has a LTC Need at Age 85

Long-Term Care Need Assumptions

- Monthly long-term care need (in today's money) of £2,500 with a 3% inflation rate. Long-term care need will begin at age 85 and continue for 5 years.

Annual Savings Assumptions

- The annual savings assumed rate of return (4.70%) is the average rate of return of all existing assets.

Long-Term Care Needs—Assumes Ellen Has a LTC Need at Age 85

Long-Term Care Need Assumptions

- Monthly long-term care need (in today's money) of £2,500 with a 3% inflation rate. Long-term care need will begin at age 85 and continue for 5 years.

Annual Savings Assumptions

- The annual savings assumed rate of return (4.70%) is the average rate of return of all existing assets.

Assumptions (Continued)

Retirement Needs

Years Illustrated

- This presentation continues until Ellen reaches age 90.

Income Needs Assumption

- David retires at 65, Ellen retires at 65.
- David and Ellen require £3,000 per month during retirement.

Interest Rate Assumptions

- All income needs are assumed to increase at a 3% annual general inflation rate.
- Income sources and asset balances increase annually based on the rate listed on the Your Personal Information page.
- All lump sum values at retirement are assumed to grow at 5% annually.
- All interest rates compounded annually with all monthly contributions for the year added at the end of the year.
- Monthly Savings Needed amount assumes your additional savings will be invested similarly to your current assets, and therefore assumes the average rate of return of all your existing assets.

State Benefits Assumptions

- David is eligible for certain State Benefits. David's certain State Benefits are based on levels in today's terms increased by inflation. David plans to take State Benefits starting at 65. Ellen is eligible for certain State Benefits. Ellen's certain State Benefits are based on levels in today's terms increased by inflation. Ellen plans to take State Benefits starting at 65.

Education Needs

- For Jamie, requires 100% of the total cost of University for 3 years.
  For Susie, requires 100% of the total cost of University for 3 years.
- Education costs inflation rate: 6%
- Education savings rate of return: 3.50%
- Current and additional savings begin today and continue until the start of the last dependant's final year of education.
- All interest rates compounded annually with all monthly contributions for the year added at the end of the year.

Your Strategies

Many people today, whether through poor planning or lack of a financial education, have downsized or discarded their dreams. You have determined that your family deserves better—they deserve to achieve their dreams.

We believe that there is no room for compromise when it comes to someone's dreams. So let us work with you to help you move from dreaming to doing today.

Recommendations:

Debt Management Debt-Earned Income Ratio: **14.40%**

86%

Total Monthly Debt:	£750
Total Monthly Income:	£5,208

Priority List for Managing Debt

1. ______________________
2. ______________________
3. ______________________

Emergency Fund Your Remaining Need: **£5,625**

64%

Total Need:	£15,625
Total Have:	£10,000

Committment to Building Emergency Fund

Monthly Amount: £

Proper Protection Remaining Life Insurance Need for David: **£329,162**

31%

Total Current Need:	£479,162
Current Have:	£150,000

Death Benefit: £

Monthly Premium: £

Policy Type:

Proper Protection Remaining Life Insurance Need for Ellen: **£269,624**

0%

Total Current Need:	£269,624
Current Have:	£0

Death Benefit: £

Monthly Premium: £

Policy Type:

Disability Insurance Need for David: **£22,500**

0%

Total Current Monthly Need:	£22,500
Total Current Disability Income Have:	£0

Insurance Policy Details

Monthly Benefit: £

Monthly Premium: £

Your Strategies (Continued)

Disability Insurance Need for Ellen: **£15,000**

0%

Total Current Monthly Need:	£15,000
Total Current Disability Income Have:	£0

Insurance Policy Details

Monthly Benefit: £

Monthly Premium: £

Long-Term Care Remaining Need for David: **£10,030**

0%

Total Monthly Need:	£10,030
Total Current Policy Benefits Have:	£0

Insurance Policy Details

Monthly Benefit: £

Monthly Premium: £

Long-Term Care Remaining Need for Ellen: **£10,641**

0%

Total Monthly Need:	£10,641
Total Current Policy Benefits Have:	£0

Insurance Policy Details

Monthly Benefit: £

Monthly Premium: £

Retirement Monthly Savings Need: **£351**

87%

Total Projected Need:	£1,700,418
Total Projected Have:	£1,480,415

Commitment to Building Your Retirement Fund

Monthly Amount: £

Education Monthly Savings Need: **£77**

74%

Total Need:	£41,416
Total Have:	£30,731

Committment to Building Your Education Fund

Monthly Amount: £