For

Ron Moore

and

Rose Moore

Presented by:
Joseph Davis, CLU, ChFC
For Evaluation Purposes Only
215 Broad Street
Charlotte, North Carolina 26292
Phone: 704-927-5555
Mobile Phone: 704-549-5555
Fax: 704-549-6666
Email: joseph.davis@aol.com

Financial Services Corp.
Branch Office
10250 Red Road
Charlotte, North Carolina 26292

Table of Contents

Important Information about this Report

This analysis provides only broad, general guidelines, which may be helpful in shaping your thinking about your retirement needs. It can serve as a guide for discussions with your professional advisors. This presentation uses time horizons to determine the highest level of suggested risk. Your risk should never exceed your personal risk tolerance, regardless of time horizons.

Each scenario shown illustrates your current situation or an alternative strategy and its possible effects on the financial situation you provided. Inclusion of one or more of these strategies does not constitute a recommendation of that strategy over any other strategy.

Calculations contained in this analysis are estimates only based on the information you provided, such as the value of your assets today, and the rate at which the assets appreciate. The actual values, rates of growth, and tax rates may be significantly different from those illustrated. These assumptions are only a "best guess." No guarantee can be made regarding values, as all rates are the hypothetical rates you provided. These computations are not a guarantee of future performance of any asset, including insurance or other financial products.

No legal or accounting advice is being rendered either by this report or through any other oral or written communications. Nothing contained in this report is intended to be used on any tax form or to support any tax deduction. Unless indicated, the tax aspect of the federal Generation-Skipping Transfer Tax (GSTT) is not reflected. The GSTT is similar to an additional level of estate tax on certain transfers to grandchildren, or individuals two or more generations removed from the transferor. State laws vary regarding the distribution of property, and individual circumstances are unique and subject to change. You should discuss all strategies, transfers, and assumptions with your legal and tax advisors.

To implement a strategy, it may be necessary to restructure the ownership of property, or change designated beneficiaries before specific will or trust provisions, prepared by the client's counsel, become effective. The transfer of a life insurance policy may not result in its removal from the estate of the prior owner for three years.

Strategies may be proposed to support the purchase of various products such as insurance and other financial products. When this occurs, additional information about the specific product (including a prospectus, if required, or an insurer provided policy illustration) will be provided for your review.

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.

IRS CIRCULAR 230 NOTICE: To ensure compliance with requirements imposed by the IRS, this notice is to inform you that any U. S. federal tax advice contained in this presentation is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this presentation.

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.

Directions needed.

Shifting Retirement Concerns

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

	Investing **for** Retirement	Investing **during** Retirement
Investment Objectives:	Accumulation	Preserve Principal
Appreciation and Earnings:	Seek Growth	Seek Income
Risk:	Risk Based on Time Horizons	Seek Lower Risk
Taxes:	Defer Taxes	Save or Reduce Taxes

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 consider 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 consider. 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%[1] 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 costs 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.

[1] Social Security Website, Retirement Planner, http://www.ssa.gov/retire2/index.htm

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 Social Security 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

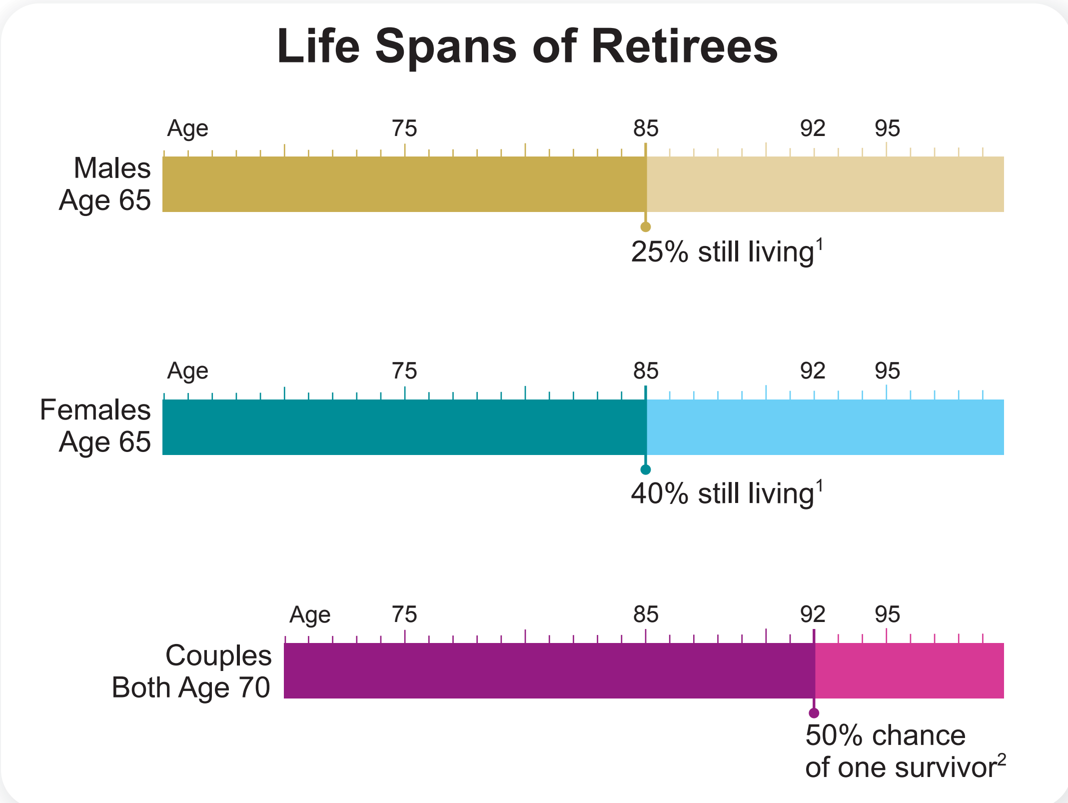
- Very conservative assets supply income
- Minimize fluctuation of assets for the next phase
- Seek high yields for future phases
- Reallocate assets at the start of each phase

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?

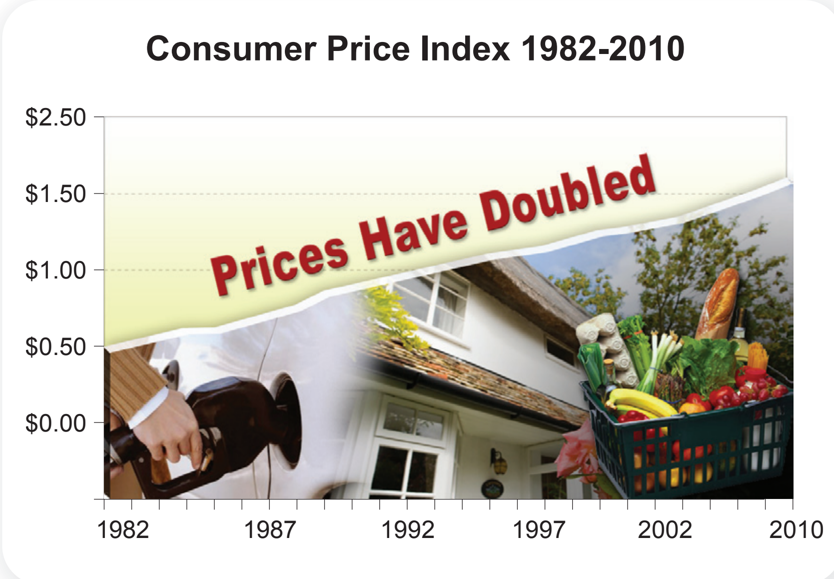
Everyone wants a long, worry-free retirement. One of the greatest fears of retirement is running out of money! Living longer than anticipated could result in outliving your assets! A common mistake in preparing for retirement is not considering enough years.



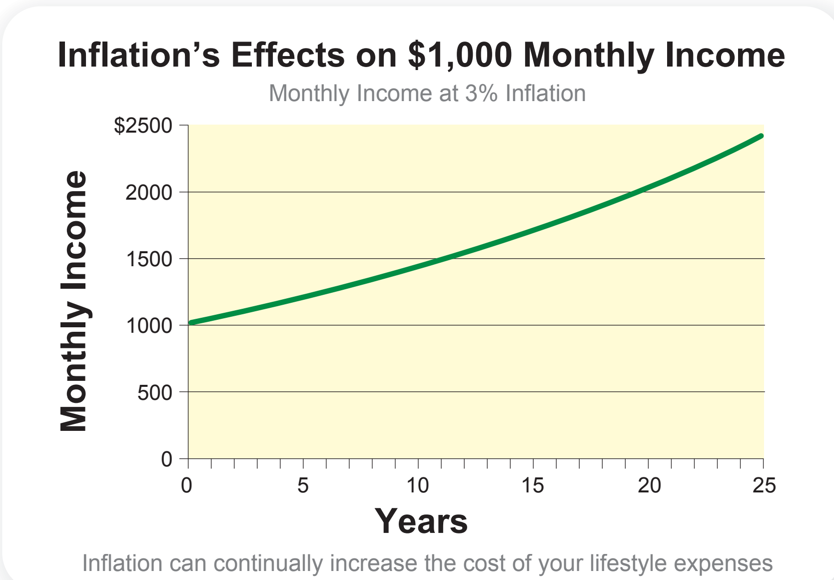
Will you run out of money?

[1] Calculations based on Commissioners 1980 Standard Ordinary Mortality Table
[2] Internal Revenue Reg. §1.40(a)(9)-9,A-2

You 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 as you prepare for retirement.

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"

“Nest Egg” Needed at Retirement

for $1,000 per Month (Adjusted for Inflation)

Years of Retirement		Amount Needed at Retirement
5	$$$$$$	$55,007
10	$$$$$$$$$$$	104,971
15	$$$$$$$$$$$$$$$$	150,355
20	$$$$$$$$$$$$$$$$$$$$	191,577
25	$$$$$$$$$$$$$$$$$$$$$$$$	229,021
30	$$$$$$$$$$$$$$$$$$$$$$$$$$$	263,032

Assumes inflation at 3% annually, “nest egg” is assumed to grow at 5% annually

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. For determining retirement needs, 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

- Social Security
- Pensions
- Qualified retirement plans
- Annuities or other income

STEP 4

Calculate remaining requirements

	Desired income requirements
less	Known sources of income
equals	Remaining requirements

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

STEP 5

Start your journey

- Consider the shortfalls
- Invest by phases

Your Retirement Destination

Monthly Needs in Today's Dollars[1]

		Begins at Ron's Age	Basic Needs	Additional Wants	Total Desired Income
INITIAL RETIREMENT	More travel, hobbies, activities, etc.	**65**	**$5,600**	**$1,600**	**$7,200**
SEASONED RETIREMENT	Less travel, fewer hobbies, and other activities	**75**	**5,600**	**800**	**6,400**
MATURED RETIREMENT	Fewer activities, often due to health and other physical limitations	**85**	**5,600**	**0**	**5,600**
SURVIVORSHIP YEARS	Ron dies at age 92. Monthly needs continue until Rose's death at age 100		**4,800**	**0**	**4,800**

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

$400,000	Ron's qualified retirement plan assets with as needed distributions throughout retirement. These assets are expected to grow at 5.000% annually.
$150,000	Rose's qualified retirement plan assets with as needed distributions throughout retirement. These assets are expected to grow at 5.000% annually.
$200,000	Value of other assets you intend to use for retirement. These assets are expected to grow at 3.000% annually.

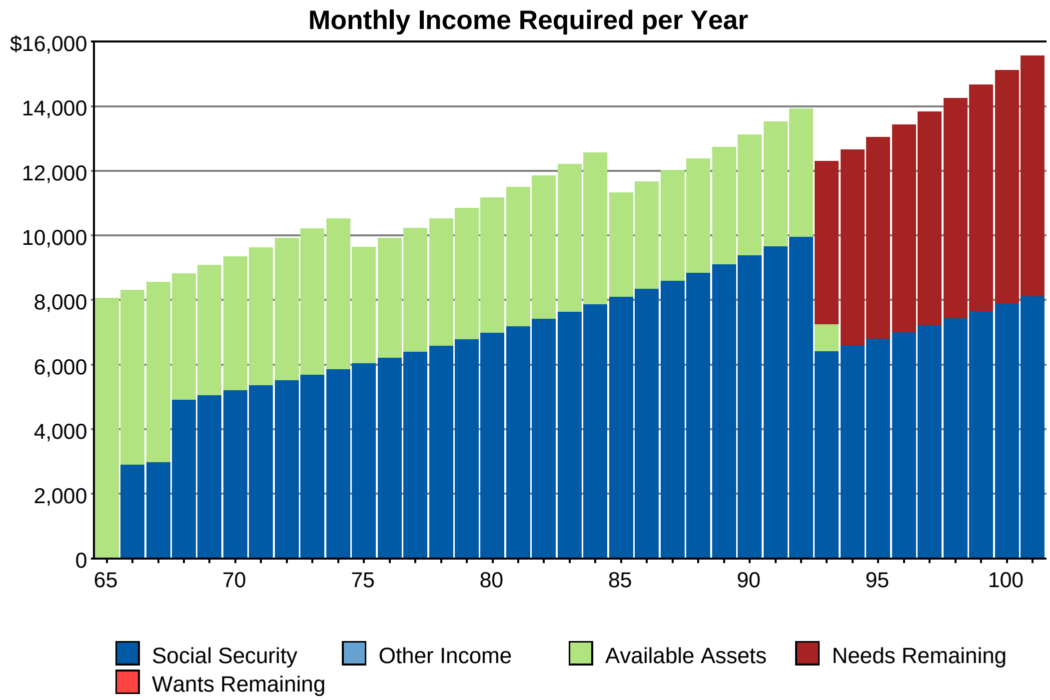
- Ron will be receiving Social Security benefits based on estimates from the benefit statement provided beginning at age 66. The benefit at Full Retirement Age is $2,500.
- Rose will be receiving Social Security benefits based on estimates from the benefit statement provided beginning at age 66. The benefit at Full Retirement Age is $1,500.

(Information & assumptions provided by client)

Goal: Provide total monthly income for all phases.

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

Current Retirement Journey



Monthly income objectives are offset by your known retirement income: estimated Social Security, pensions and other income, and withdrawals from your available assets. This illustration shows how your available assets for retirement could be used to provide the remaining income required. These assets should be invested based on the amount needed for each retirement phase—the longer the time until needed, the greater the risk taken; the sooner it is needed, the lower the risk. $750,000 of your available assets grow to $1,035,865 at the start of retirement and could provide a portion of the remaining income needed.

Amounts Needed by Phase

Retirement Phase	Phase Begins	Years until Phase Begins	Amount Required at Start of Period	Amount Required Today[1]
Initial Retirement	Ron's Age 65	4	$547,074	$486,068
Seasoned Retirement	Ron's Age 75	14	$455,415	$301,083
Matured Retirement	Ron's Age 85	24	$323,231	$131,190
Survivorship Years	Rose's Age 91	32	$665,238	$132,679
				$1,051,020

Total amount required today to provide desired retirement income is $130,667[2].

95% of the desired retirement income[3] is satisfied.

[1] Monthly desired income will be adjusted for inflation at 3%.
[2] Total amount required at retirement ($1,182,932) less value of available assets at retirement ($1,035,865) equals $147,067, discounted to today at 3.000%.
[3] The total value today of all desired retirement income used to determine the portion satisfied is $2,442,087.

Current Retirement Journey

	Ages of Ron & Rose	Monthly Income Objectives: Basic Needs	Additional Wants	Total Desired	Known Retirement Income: Social Security	From Assets	Remaining Income Required[1]
65	63	$6,303	$1,801	$8,104	$0	$8,104	$0
66	64	6,492	1,855	8,347	2,898	5,449	0
67	65	6,687	1,911	8,598	2,985	5,613	0
68	66	6,888	1,968	8,856	4,919	3,937	0
69	67	7,095	2,027	9,122	5,067	4,055	0
70	68	7,308	2,088	9,396	5,219	4,177	0
71	69	7,527	2,151	9,678	5,376	4,302	0
72	70	7,753	2,216	9,969	5,537	4,432	0
73	71	7,986	2,282	10,268	5,703	4,565	0
74	72	8,226	2,350	10,576	5,874	4,702	0
75	73	8,471	1,210	9,681	6,050	3,631	0
76	74	8,725	1,246	9,971	6,232	3,739	0
77	75	8,987	1,283	10,270	6,419	3,851	0
78	76	9,257	1,321	10,578	6,611	3,967	0
79	77	9,535	1,361	10,896	6,810	4,086	0
80	78	9,821	1,402	11,223	7,014	4,209	0
81	79	10,116	1,444	11,560	7,224	4,336	0
82	80	10,419	1,487	11,906	7,441	4,465	0
83	81	10,732	1,532	12,264	7,664	4,600	0
84	82	11,054	1,578	12,632	7,894	4,738	0
85	83	11,384	0	11,384	8,131	3,253	0
86	84	11,726	0	11,726	8,375	3,351	0
87	85	12,078	0	12,078	8,626	3,452	0
88	86	12,440	0	12,440	8,885	3,555	0
89	87	12,813	0	12,813	9,152	3,661	0
90	88	13,197	0	13,197	9,426	3,771	0
91	89	13,593	0	13,593	9,709	3,884	0
92	90	14,001	0	14,001	10,000	4,001	0
N/A	91	12,360	0	12,360	6,438	840	5,082
N/A	92	12,731	0	12,731	6,631	0	6,100
N/A	93	13,113	0	13,113	6,830	0	6,283
N/A	94	13,506	0	13,506	7,035	0	6,471
N/A	95	13,911	0	13,911	7,246	0	6,665
N/A	96	14,328	0	14,328	7,463	0	6,865
N/A	97	14,758	0	14,758	7,687	0	7,071
N/A	98	15,201	0	15,201	7,918	0	7,283
N/A	99	15,657	0	15,657	8,155	0	7,502

[1] Total desired income reduced by known retirement income. All income is shown monthly.

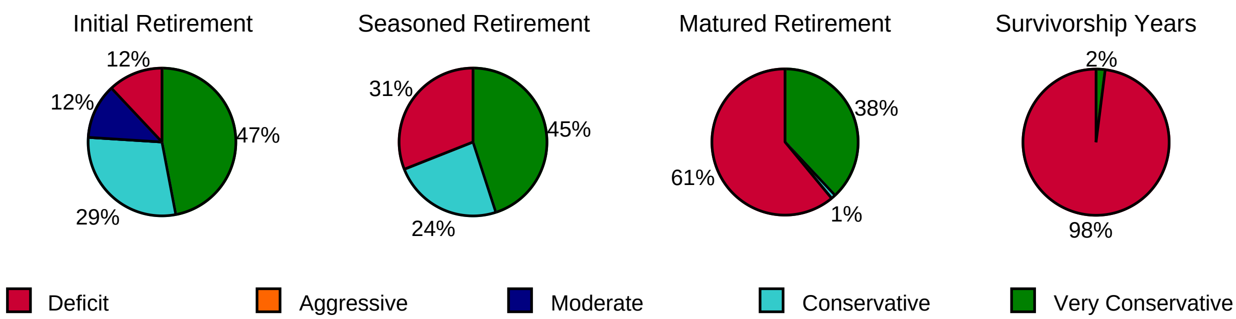
Investing by Phases

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.
- **Minimize 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.
- **Reallocate 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.

Time Horizons Determine Investments

Time horizons—when you need to use an investment—are among the most important considerations for your retirement investments. Predictable income is necessary for each phase of retirement. Investments intended for later phases of retirement can be invested in riskier assets in order to pursue greater returns. The later that phase starts, the greater the risk and potential returns.

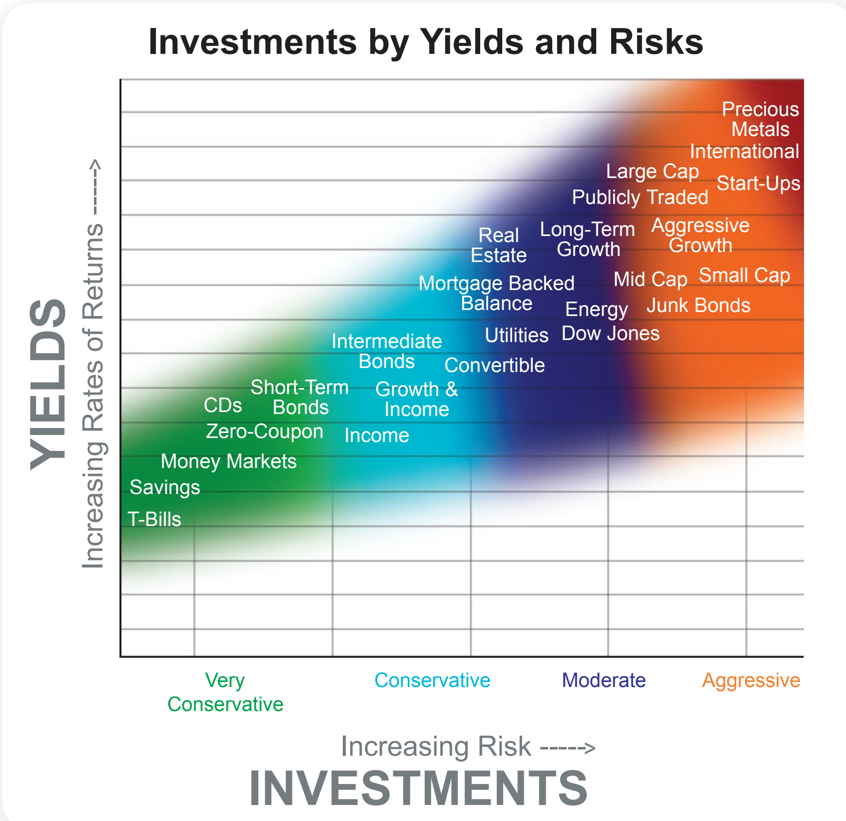
Aggressive Growth Assets	Characteristics:	Growth more important than market fluctuations, long-term growth potential
	Risk Assessment:	Greatest amount of risk
	Uses:	Needs at least 10 years away, growth prior to income needs, market fluctuations don't affect current income needs
Moderate Income and Growth Assets	Characteristics:	Fluctuation with market conditions, growth or income for the long-term
	Risk Assessment:	Fair amount of risk
	Uses:	Needs are 6 to 12 years away, careful consideration when converting to an income stream
Conservative Income Assets	Characteristics:	Secure, minimum fluctuation
	Risk Assessment:	Modest amount of risk
	Uses:	Needs are 3 to 5 years away, easily converted to income streams
Very Conservative Capital Preservation Assets	Characteristics:	Secure, predictable, lower rates of returns, predictable growth
	Risk Assessment:	Least amount of risk
	Uses:	Providing income for current needs

Time horizons can assist in determining what may be proper risk and potential returns of assets.

Time horizons can assist in determining what may be proper risk and potential returns of assets.

Yields and Risks

Volatility classes are groups of investments that have similar risk and return relationships and respond to market situations similarly.



Investment Yields and Risk

Assets are classified based on anticipated yields and risk—or volatility. Volatility[1] is the relationship between the mean and the deviation from that mean. Historical records are used to determine the relationship of yields and risk. Similar assets usually respond similarly to various economic conditions.

Low Yields / Low Risk

A *Very Conservative* investment usually has low yields, but small variations from year to year.

High Yields / High Risk

An *Aggressive* investment usually has high yields, but also may vary greatly from year to year with some years having losses.

Similar investments usually have similar yields and risks.

[1] The coefficient of variation is used to reflect the volatility of a class. It is the historical standard deviation divided by the mean of similar investments.

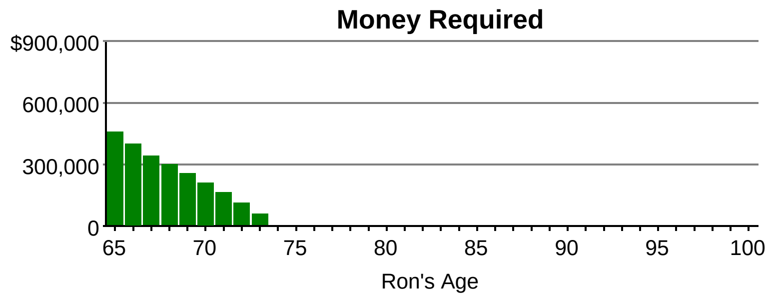
Investing for Each Phase

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 conservative assets.

Initial Retirement

(Starts at Ron's age 65)

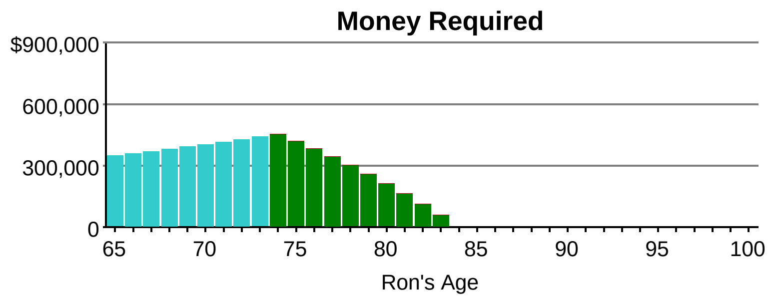
$486,068 required today in very conservative assets. These assets should grow to $547,074 at start of Initial Retirement to provide income for this phase.



Seasoned Retirement

(Starts at Ron's age 75)

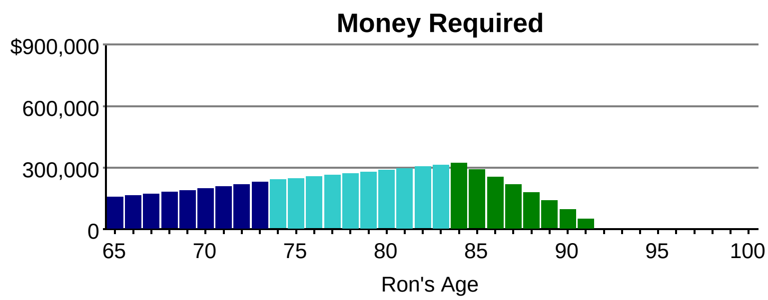
$301,083 required today in conservative assets. Reallocate at retirement. With growth, this should provide $455,415 at the start of Seasoned Retirement to provide income for this phase.



Matured Retirement

(Starts at Ron's age 85)

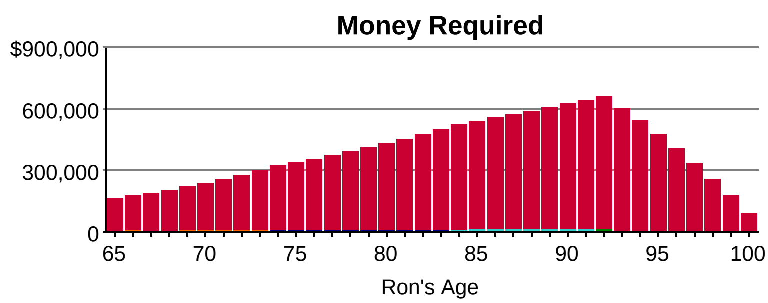
$131,190 required today in moderate assets. Reallocate at retirement and at Seasoned Retirement. With growth, this should provide $323,231 at the start of Matured Retirement to provide income for this phase.



Survivorship Years

(Starts at Rose's Age 91)

$132,679 required today in aggressive assets. Reallocate at the start of each phase. With growth, this should provide $665,238 at start of Survivorship Years to provide income for Rose.



The start of each phase is your retirement checkpoint and a reallocation point.

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

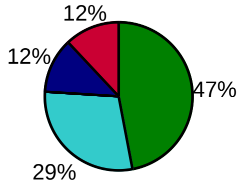
Deficit   Aggressive   Moderate   Conservative   Very Conservative

Asset Mix

Recommended mix of assets needed to provide monthly income

Start of Initial Retirement

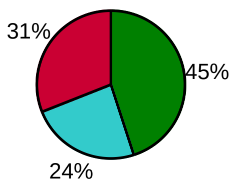
(After reallocating at start of retirement)



$547,074	very conservative assets for income during Initial Retirement
$338,872	conservative assets for Seasoned Retirement
$147,655	moderate assets for Matured Retirement
$2,264	aggressive assets for Survivorship Years
$147,067	deficit
$1,182,932	total assets needed at start of Initial Retirement

Start of Seasoned Retirement

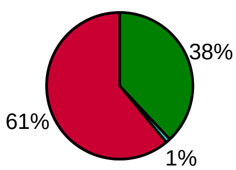
(After reallocating at start of phase)



$455,414	very conservative assets for income during Seasoned Retirement
$240,515	conservative assets for Matured Retirement
$4,886	moderate assets for Survivorship Years
$317,508	deficit
$1,018,323	total assets needed at start of Seasoned Retirement

Start of Matured Retirement

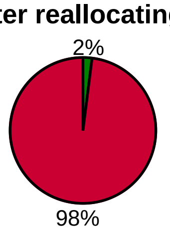
(After reallocating at start of phase)



$323,233	very conservative assets for income during Matured Retirement
$7,958	conservative assets for Survivorship Years
$517,187	deficit
$848,378	total assets needed at start of Matured Retirement

Start of Survivorship Years

(After reallocating at start of phase)



$10,082	very conservative assets for income during Survivorship Years
$655,156	deficit
$665,238	total assets needed at start of Survivor Years

Deficit Aggressive Moderate Conservative Very Conservative

Money Required for All Phases

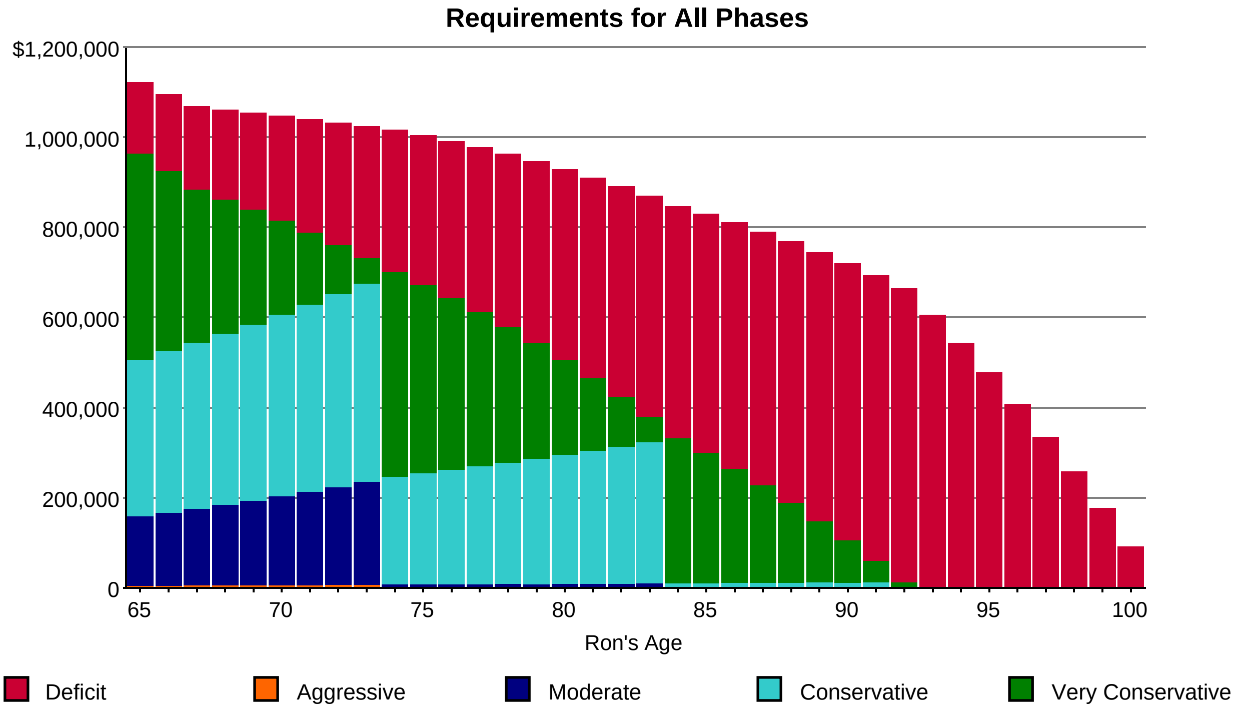
Assets required for monthly income by phases

	Ages of Ron & Rose	Initial Retirement	Seasoned Retirement	Matured Retirement	Survivorship Years	Deficit	Total
65	63	$547,074	$338,872	$147,655	$2,264	$147,067	$1,182,932
66	64	458,823	349,038	155,038	2,445	158,832	1,124,176
67	65	401,304	359,509	162,789	2,641	171,538	1,097,781
68	66	340,627	370,294	170,929	2,852	185,262	1,069,964
69	67	299,250	381,403	179,475	3,080	200,083	1,063,291
70	68	255,602	392,845	188,449	3,326	216,090	1,056,312
71	69	209,588	404,630	197,872	3,592	233,377	1,049,059
72	70	161,123	416,769	207,765	3,879	252,047	1,041,583
73	71	110,098	429,272	218,153	4,189	272,211	1,033,923
74	72	56,424	442,150	229,061	4,524	293,988	1,026,147
75	73	-	455,414	240,514	4,886	317,508	1,018,322
76	74	-	420,079	247,730	5,130	333,384	1,006,323
77	75	-	382,715	255,162	5,386	350,055	993,318
78	76	-	343,233	262,816	5,655	367,558	979,262
79	77	-	301,542	270,701	5,938	385,934	964,115
80	78	-	257,560	278,822	6,235	405,232	947,849
81	79	-	211,193	287,187	6,547	425,493	930,420
82	80	-	162,344	295,802	6,874	446,768	911,788
83	81	-	110,939	304,676	7,218	469,106	891,939
84	82	-	56,854	313,817	7,579	492,561	870,811
85	83	-	-	323,231	7,958	517,187	848,376
86	84	-	-	289,879	8,197	532,702	830,778
87	85	-	-	254,660	8,443	548,683	811,786
88	86	-	-	217,501	8,696	565,144	791,341
89	87	-	-	178,338	8,957	582,098	769,393
90	88	-	-	137,094	9,226	599,561	745,881
91	89	-	-	93,679	9,503	617,548	720,730
92	90	-	-	48,012	9,788	636,074	693,874
N/A	91	-	-	-	10,082	655,156	665,238
N/A	92	-	-	-	-	606,057	606,057
N/A	93	-	-	-	-	543,514	543,514
N/A	94	-	-	-	-	477,481	477,481
N/A	95	-	-	-	-	407,825	407,825
N/A	96	-	-	-	-	334,402	334,402
N/A	97	-	-	-	-	257,063	257,063
N/A	98	-	-	-	-	175,655	175,655
N/A	99	-	-	-	-	90,024	90,024

Deficit | Aggressive | Moderate | Conservative | Very Conservative

Allocation by Year

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



Various investments for each phase of retirement are combined to show the total value and types of investments 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 allocation of your assets available for retirement. Any remaining funding needs are represented by red in the graph.

Amounts Needed by Phase

Retirement Phase	Phase Begins	Years until Phase Begins	Amount Required at Start of Period	Amount Required Today
Initial Retirement	Ron's Age 65	4	$547,074	$486,068
Seasoned Retirement	Ron's Age 75	14	$455,415	$301,083
Matured Retirement	Ron's Age 85	24	$323,231	$131,190
Survivorship Years	Rose's Age 91	32	$665,238	$132,679
				$1,051,020

Total amount required today for all phases is $1,051,020

OTHER CONSIDERATIONS AND RECOMMENDATIONS

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

What is an Annuity?

Annuity contracts provide a series of payments, usually guaranteed for a lifetime. Only life insurance companies can offer contracts based on life expectancies. Strict rules and regulations of the insurance industry provide you with the assurance that the issuer of the annuity will fulfill the obligations in the contract. All guarantees are based on the financial strength and the claims-paying ability of the issuing insurance company.

Different from life insurance

With life insurance, you make monthly payments (premiums) to the insurance company until death: at your death, the company pays your beneficiary the death benefit.

With an annuity, you make a payment to the insurance company (which can be in a single payment or a series of payments) and the insurance company makes monthly payments to you for as long as you live.

Characteristics of annuities

Annuities have two main characteristics: when payments begin, and how the values are determined.

When payments begin

Single Premium Immediate Annuities start paying benefits as soon as the contract is issued, or within a short time thereafter, usually within a year.

Deferred annuities delay the payments of benefits until some time in the future. Any interest or earnings continue to grow on a tax deferred basis during this period and provisions in the contract may allow for withdrawals prior to the time annuity payments begin.

How values are determined

Fixed annuities have minimum guarantees and predictable incomes.

Variable annuities can be invested in various funding options based on client suitability and their values go up and down with the market conditions. Variable annuities have additional market risk and require a prospectus prior to being purchased.

Ways annuities pay lifetime incomes

Lifetime income

The basic form of annuity income is the life only. Payments are guaranteed for as long as the annuitant lives—regardless of whether that is one month or to age 115! Lifetime income usually results in the highest monthly payment, but, because payments cease upon your death, you risk receiving only a portion of your total payments back.

Guaranteed payment periods

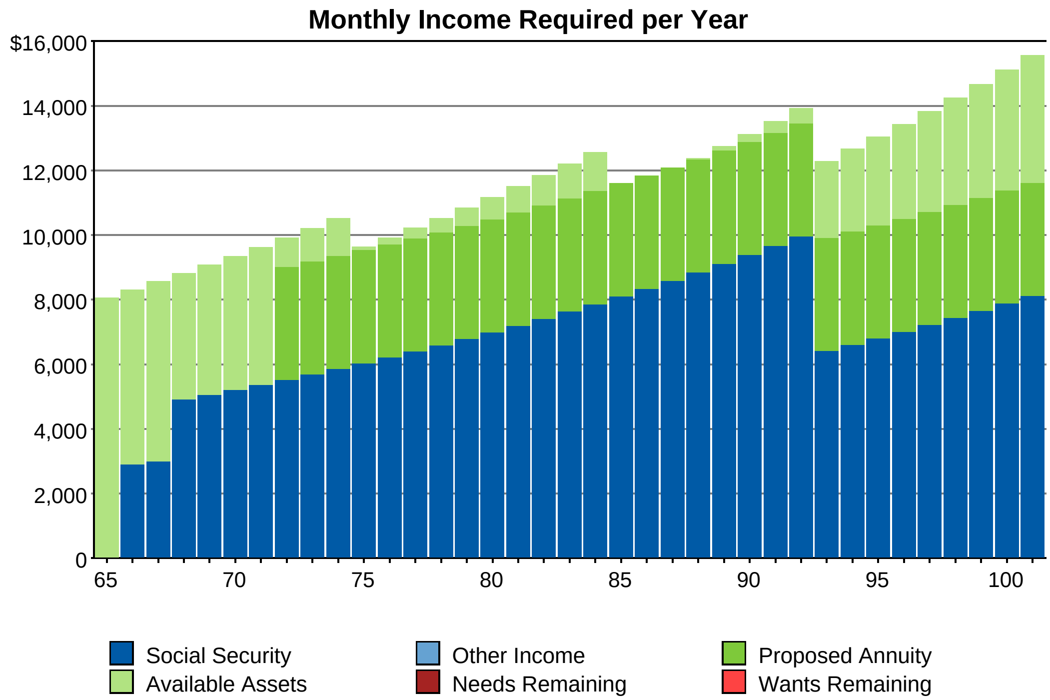
Payments may have various guaranteed payment periods; for example, payments guaranteed for the longer of 10 years or life. This option provides smaller monthly payments in exchange for the guaranteed payment period.

Based on two lives

Joint payment options pay as long as either of two people is alive. Often these options will pay 25% to 30% less than a single life only option, but assures the survivor of a lifetime income.

Effects of Hypothetical Annuity

Consider the effects of putting $400,000 into a hypothetical annuity. As illustrated, it could provide monthly withdrawals of $0 until Rose is age 70, at which time it would be converted to a lifetime income[1] of $3,523 monthly.



$400,000 of your available assets for retirement would be used for the annuity. $350,000 could provide the remaining income needed.

Amounts Needed by Phase

Retirement Phase	Phase Begins	Years until Phase Begins	Amount Required at Start of Period	Amount Required Today[2]
Initial Retirement	Ron's Age 65	4	$438,814	$389,881
Seasoned Retirement	Ron's Age 75	14	$68,073	$45,005
Matured Retirement	Ron's Age 85	24	$13,427	$5,450
Survivorship Years	Rose's Age 91	32	$313,270	$62,480
				$502,816

Hypothetical annuity reduces the total amounts required to $502,816. Your available assets will fully satisfy your remaining needs. $1,739 of available assets remain and may be used for other purposes.

All of the desired retirement income[3] is satisfied.

Important—The projections or other information generated by Retirement Road Map regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, taxes, product fees or expenses and are not guarantees of future results.

[1] The estimated lifetime income is based on an annuity balance of $684,136 at that time. (See “About Calculations” for more information.)
[2] Amounts required today reflect the hypothetical rates of returns for each phase of retirement.
[3] The total value today of all desired retirement income used to determine the portion satisfied is $2,442,087.

Effects of Hypothetical Annuity

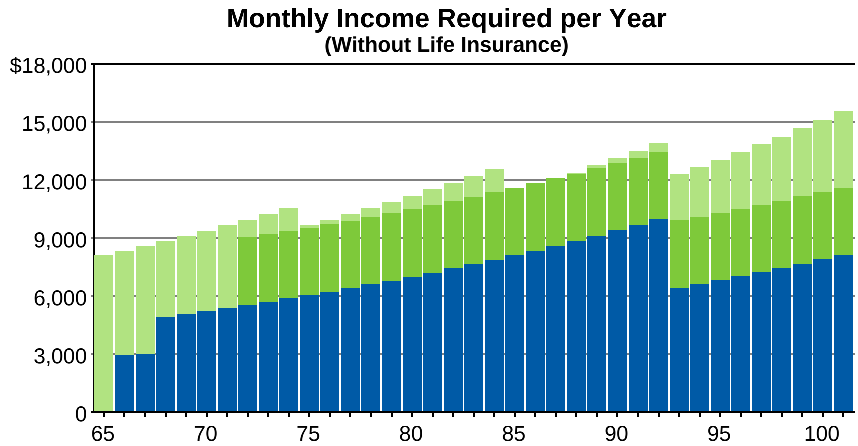
Income from a hypothetical annuity would reduce the remaining income requirements.

	Ages of Ron & Rose	Monthly Income Objectives: Basic Needs	Additional Wants	Total Desired Monthly Income	Known Retirement Income: Social Security	From Assets	Annuity Income[1]
65	63	$6,303	$1,801	$8,104	$0	$8,104	$0
66	64	6,492	1,855	8,347	2,898	5,449	0
67	65	6,687	1,911	8,598	2,985	5,613	0
68	66	6,888	1,968	8,856	4,919	3,937	0
69	67	7,095	2,027	9,122	5,067	4,055	0
70	68	7,308	2,088	9,396	5,219	4,177	0
71	69	7,527	2,151	9,678	5,376	4,302	0
72	70	7,753	2,216	9,969	5,537	909	3,523
73	71	7,986	2,282	10,268	5,703	1,042	3,523
74	72	8,226	2,350	10,576	5,874	1,179	3,523
75	73	8,471	1,210	9,681	6,050	108	3,523
76	74	8,725	1,246	9,971	6,232	216	3,523
77	75	8,987	1,283	10,270	6,419	328	3,523
78	76	9,257	1,321	10,578	6,611	444	3,523
79	77	9,535	1,361	10,896	6,810	563	3,523
80	78	9,821	1,402	11,223	7,014	686	3,523
81	79	10,116	1,444	11,560	7,224	813	3,523
82	80	10,419	1,487	11,906	7,441	942	3,523
83	81	10,732	1,532	12,264	7,664	1,077	3,523
84	82	11,054	1,578	12,632	7,894	1,215	3,523
85	83	11,384	0	11,384	8,131	0	3,523
86	84	11,726	0	11,726	8,375	0	3,523
87	85	12,078	0	12,078	8,626	0	3,523
88	86	12,440	0	12,440	8,885	32	3,523
89	87	12,813	0	12,813	9,152	138	3,523
90	88	13,197	0	13,197	9,426	248	3,523
91	89	13,593	0	13,593	9,709	361	3,523
92	90	14,001	0	14,001	10,000	478	3,523
N/A	91	12,360	0	12,360	6,438	2,399	3,523
N/A	92	12,731	0	12,731	6,631	2,577	3,523
N/A	93	13,113	0	13,113	6,830	2,760	3,523
N/A	94	13,506	0	13,506	7,035	2,948	3,523
N/A	95	13,911	0	13,911	7,246	3,142	3,523
N/A	96	14,328	0	14,328	7,463	3,342	3,523
N/A	97	14,758	0	14,758	7,687	3,548	3,523
N/A	98	15,201	0	15,201	7,918	3,760	3,523
N/A	99	15,657	0	15,657	8,155	3,979	3,523

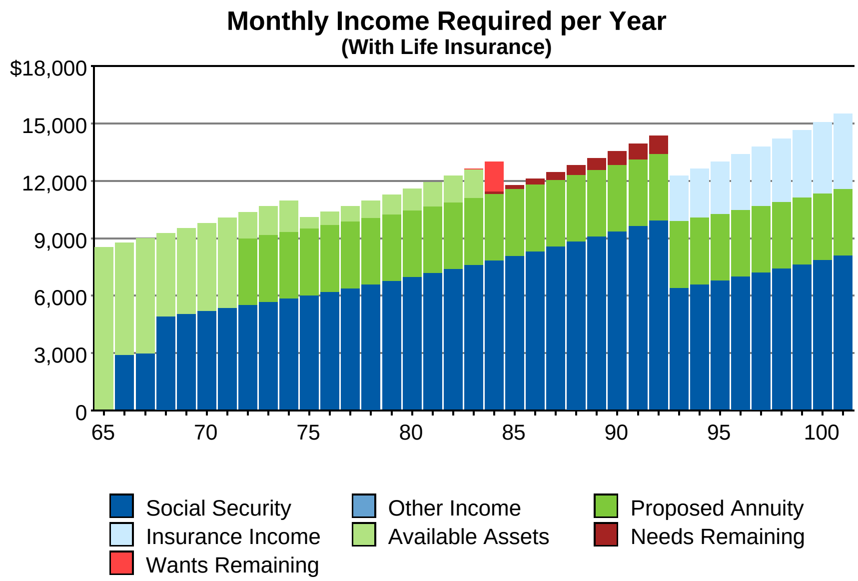
[1] Monthly annuity income amounts shown are based on various assumptions, including age, gender, interest rates, and settlement options. Calculations and actual results may vary with different assumptions. This report is not valid without an attached illustration for each annuity contract shown. At age 70, $684,136 of annuity assets were converted to a lifetime monthly income for the annuitant. (See “About Calculations” for more information.)

Effects of Hypothetical Life Insurance

The funding requirements for the survivorship years can be one of the most important considerations for your retirement. In this example, Ron dies at age 92 and Rose lives for another 10 years. At the start of the survivorship years, $313,270 is needed which would require $62,480 today.



By purchasing permanent life insurance for $650,000 on Ron's life, the death proceeds could be invested at Ron's death reducing the amount required today for the Survivorship Years to $0. The initial monthly premium payments of $475 would increase the required income needs.



Life Insurance changes the total amount required today to $536,080. Using the $350,000 balance of remaining assets reduces your need to $31,720.

99% of the desired retirement income[1] is satisfied.

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by an illustration of proposed policy values.

[1] The total value today of all desired retirement income used to determine the portion satisfied is $2,540,299.

Effects of Hypothetical Life Insurance

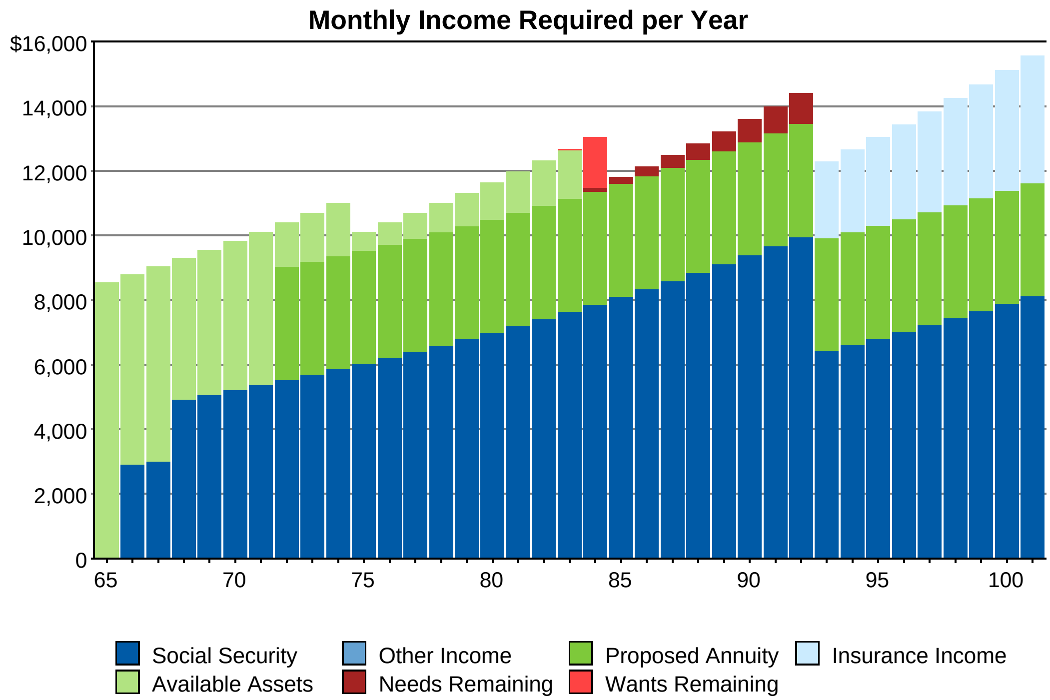
Life insurance provides income for the survivorship years.

Ages of Ron	& Rose	Monthly Income Objectives: Basic Needs	Additional Wants	Life Insurance Premiums	Total Desired	Known Retirement Income: Known Monthly Income	From Assets	Life Insurance Death Proceeds[1]	Remaining Income Required[2]
65	63	$6,303	$1,801	$475	$8,579	$0	$8,579	$0	$0
66	64	6,492	1,855	475	8,822	2,898	5,924	0	0
67	65	6,687	1,911	475	9,073	2,985	6,088	0	0
68	66	6,888	1,968	475	9,331	4,919	4,412	0	0
69	67	7,095	2,027	475	9,597	5,067	4,530	0	0
70	68	7,308	2,088	475	9,871	5,219	4,652	0	0
71	69	7,527	2,151	475	10,153	5,376	4,777	0	0
72	70	7,753	2,216	475	10,444	9,060	1,384	0	0
73	71	7,986	2,282	475	10,743	9,226	1,517	0	0
74	72	8,226	2,350	475	11,051	9,397	1,654	0	0
75	73	8,471	1,210	475	10,156	9,573	583	0	0
76	74	8,725	1,246	475	10,446	9,755	691	0	0
77	75	8,987	1,283	475	10,745	9,942	803	0	0
78	76	9,257	1,321	475	11,053	10,134	919	0	0
79	77	9,535	1,361	475	11,371	10,333	1,038	0	0
80	78	9,821	1,402	475	11,698	10,537	1,161	0	0
81	79	10,116	1,444	475	12,035	10,747	1,288	0	0
82	80	10,419	1,487	475	12,381	10,964	1,417	0	0
83	81	10,732	1,532	475	12,739	11,187	1,518	0	34
84	82	11,054	1,578	475	13,107	11,417	0	0	1,690
85	83	11,384	0	475	11,859	11,654	0	0	205
86	84	11,726	0	475	12,201	11,898	0	0	303
87	85	12,078	0	475	12,553	12,149	0	0	404
88	86	12,440	0	475	12,915	12,408	0	0	507
89	87	12,813	0	475	13,288	12,675	0	0	613
90	88	13,197	0	475	13,672	12,949	0	0	723
91	89	13,593	0	475	14,068	13,232	0	0	836
92	90	14,001	0	475	14,476	13,523	0	0	953
N/A	91	12,360	0	0	12,360	9,961	0	2,399	0
N/A	92	12,731	0	0	12,731	10,154	0	2,577	0
N/A	93	13,113	0	0	13,113	10,353	0	2,760	0
N/A	94	13,506	0	0	13,506	10,558	0	2,948	0
N/A	95	13,911	0	0	13,911	10,769	0	3,142	0
N/A	96	14,328	0	0	14,328	10,986	0	3,342	0
N/A	97	14,758	0	0	14,758	11,210	0	3,548	0
N/A	98	15,201	0	0	15,201	11,441	0	3,760	0
N/A	99	15,657	0	0	15,657	11,678	0	3,979	0

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by an illustration of proposed policy values.

[1] Life insurance death proceeds are received in year of death. These funds are used to provide income to survivor.
[2] Total desired income reduced by known retirement income. All income is shown monthly.

Effects of Recommendations



- By purchasing permanent life insurance for $650,000 on Ron's life, the death proceeds could be invested at Ron's death reducing the amount required today for the Survivorship Years to $0. The initial monthly premium payments of $475 would increase the required income needs.

99% of the desired retirement income[1] is satisfied.

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by an illustration of proposed policy values.

[1] The total value today of all desired retirement income used to determine the portion satisfied is $2,540,299.

Important—The projections or other information generated by Retirement Road Map regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, taxes, product fees or expenses and are not guarantees of future results.

Effects of Recommendations

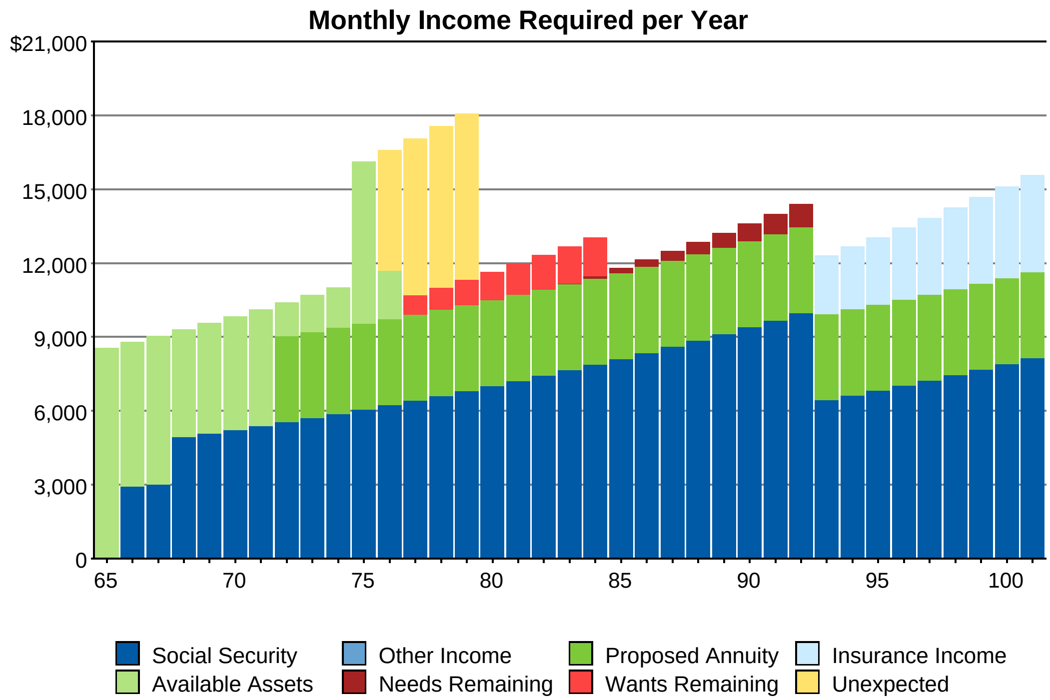
Ages of Ron	& Rose	Total Desired Monthly Income	Known Retirement Income: Social Security	From Assets	Life Insurance Death Proceeds[1]	Remaining Income Required[2]
65	63	$8,579	$0	$8,579	$0	$0
66	64	8,822	2,898	5,924	0	0
67	65	9,073	2,985	6,088	0	0
68	66	9,331	4,919	4,412	0	0
69	67	9,597	5,067	4,530	0	0
70	68	9,871	5,219	4,652	0	0
71	69	10,153	5,376	4,777	0	0
72	70	10,444	5,537	1,384	0	0
73	71	10,743	5,703	1,517	0	0
74	72	11,051	5,874	1,654	0	0
75	73	10,156	6,050	583	0	0
76	74	10,446	6,232	691	0	0
77	75	10,745	6,419	803	0	0
78	76	11,053	6,611	919	0	0
79	77	11,371	6,810	1,038	0	0
80	78	11,698	7,014	1,161	0	0
81	79	12,035	7,224	1,288	0	0
82	80	12,381	7,441	1,417	0	0
83	81	12,739	7,664	1,518	0	34
84	82	13,107	7,894	0	0	1,690
85	83	11,859	8,131	0	0	205
86	84	12,201	8,375	0	0	303
87	85	12,553	8,626	0	0	404
88	86	12,915	8,885	0	0	507
89	87	13,288	9,152	0	0	613
90	88	13,672	9,426	0	0	723
91	89	14,068	9,709	0	0	836
92	90	14,476	10,000	0	0	953
N/A	91	12,360	6,438	0	2,399	0
N/A	92	12,731	6,631	0	2,577	0
N/A	93	13,113	6,830	0	2,760	0
N/A	94	13,506	7,035	0	2,948	0
N/A	95	13,911	7,246	0	3,142	0
N/A	96	14,328	7,463	0	3,342	0
N/A	97	14,758	7,687	0	3,548	0
N/A	98	15,201	7,918	0	3,760	0
N/A	99	15,657	8,155	0	3,979	0

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by an illustration of proposed policy values.

[1] Life insurance death proceeds are received in year of death. These funds are used to provide income to survivor.
[2] Total desired income reduced by known retirement income. All income is shown monthly.Life insurance death proceeds are received in year of death. These funds are used to provide income to survivor.

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 have a significant impact on your retirement! For example, consider the effects of an unexpected need of $4,000 per month (in today's dollars) starting at Ron's age 75 and continuing for 5 years.



In this example, the additional cost[1] due to the unexpected needs is $244,759.

After applying the $350,000 balance of available assets, unexpected costs increase the amount needed today to $276,478.

Will an unexpected expense have a significant impact on your retirement?

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

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by an illustration of proposed policy values.

[1] Additional cost is equal to $2,785,058 (desired retirement income after unexpected need) minus $2,540,299 (desired retirement income prior to unexpected need).

The Unexpected—"What if...?"

Consider the effects of an unexpected need of $4,000 per month (in today's dollars) starting at Ron's age 75 and continuing for 5 years.

	Ages of Ron & Rose	Unexpected Needs	Total Desired Monthly Income	Known Retirement Income: Social Security	From Assets	Life Insurance Death Proceeds[1]	Remaining Income Required[2]
65	63	$0	$8,579	$0	$8,579	$0	$0
66	64	0	8,822	2,898	5,924	0	0
67	65	0	9,073	2,985	6,088	0	0
68	66	0	9,331	4,919	4,412	0	0
69	67	0	9,597	5,067	4,530	0	0
70	68	0	9,871	5,219	4,652	0	0
71	69	0	10,153	5,376	4,777	0	0
72	70	0	10,444	5,537	1,384	0	0
73	71	0	10,743	5,703	1,517	0	0
74	72	0	11,051	5,874	1,654	0	0
75	73	6,050	16,206	6,050	6,633	0	0
76	74	6,232	16,678	6,232	1,987	0	4,936
77	75	6,419	17,164	6,419	0	0	7,222
78	76	6,612	17,665	6,611	0	0	7,531
79	77	6,810	18,181	6,810	0	0	7,848
80	78	0	11,698	7,014	0	0	1,161
81	79	0	12,035	7,224	0	0	1,288
82	80	0	12,381	7,441	0	0	1,417
83	81	0	12,739	7,664	0	0	1,552
84	82	0	13,107	7,894	0	0	1,690
85	83	0	11,859	8,131	0	0	205
86	84	0	12,201	8,375	0	0	303
87	85	0	12,553	8,626	0	0	404
88	86	0	12,915	8,885	0	0	507
89	87	0	13,288	9,152	0	0	613
90	88	0	13,672	9,426	0	0	723
91	89	0	14,068	9,709	0	0	836
92	90	0	14,476	10,000	0	0	953
N/A	91	0	12,360	6,438	0	2,399	0
N/A	92	0	12,731	6,631	0	2,577	0
N/A	93	0	13,113	6,830	0	2,760	0
N/A	94	0	13,506	7,035	0	2,948	0
N/A	95	0	13,911	7,246	0	3,142	0
N/A	96	0	14,328	7,463	0	3,342	0
N/A	97	0	14,758	7,687	0	3,548	0

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

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by an illustration of proposed policy values.

1 Life insurance death proceeds are received in year of death. These funds are used to provide income to survivor.
2 Total desired income reduced by known retirement income. All income is shown monthly.Life insurance death proceeds are received in year of death. These funds are used to provide income to survivor.

The Unexpected—"What if...?" (Continued)

	Ages of Ron & Rose	Unexpected Needs	Total Desired Monthly Income	Known Retirement Income: Social Security	From Assets	Life Insurance Death Proceeds[1]	Remaining Income Required[2]
N/A	98	0	15,201	7,918	0	3,760	0
N/A	99	0	15,657	8,155	0	3,979	0

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

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by an illustration of proposed policy values.

[1] Life insurance death proceeds are received in year of death. These funds are used to provide income to survivor.
[2] Total desired income reduced by known retirement income. All income is shown monthly.Life insurance death proceeds are received in year of death. These funds are used to provide income to survivor.

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

Use life insurance to fund the survivorship years.

Purchase a life insurance policy on Ron's life for $650,000. This will free-up some of the funds to provide for the survivorship years, but will require additional premium payments of $475 per month.

Protect yourself from large, unexpected health care related needs.

Purchase a long-term care policy.

Consider a fixed annuity as a conservative investment.

Purchase an annuity to be used as one of the investments for the conservative and very conservative portions of your investment funds. Distributions are usually taken in the form of withdrawals or loans. Based on the recommended asset mix today, that would require 76% of your retirement investments.

Focus on retirement accumulation.

You have a number of years between now and retirement. You should consider additional analysis to assist with your savings plan in order to accumulate more for retirement.

Consider estate planning.

Estate planning is the process of determining the best ways to pass the assets that you worked a lifetime to accumulate to your heirs, while minimizing the transfer costs and taxes. You should consider estate planning for your remaining assets.

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.

Further analysis of your qualified retirement plans.

The taxation of qualified retirement plans can be very "tricky" while at the same time it can serve as a great source of cash for retirement or life insurance funding. Your qualified retirement plans should be analyzed to assure the optimal strategy for those funds.

Rearrange your investments of available assets for retirement.

Using the allocation of assets suggested for the remaining income needs, reposition some of your investments accordingly.

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 recommendations into action.

The two major mistakes people make in preparing for retirement are procrastination 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.

Recommendations (Continued)

Review your "road map" annually.

The one thing you can be sure of is change—objectives change, investments change, and many things beyond your direct control such as Social Security 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 objectives are the course corrections necessary to reach your retirement destination.

About the Calculations

Ron Moore	Male	Date of Birth: October 28, 1952
Rose Moore	Female	Date of Birth: September 21, 1954

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 and income are assumed to increase based on an annual inflation rate of 3%. The Social Security benefits Cost of Living rate is assumed to be 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.

Social Security

- Ron will be receiving Social Security benefits based on estimates from the benefit statement provided beginning at age 66. The benefit at Full Retirement Age is $2,500.

- Rose will be receiving Social Security benefits based on estimates from the benefit statement provided beginning at age 66. The benefit at Full Retirement Age is $1,500.

Qualified Retirement Plans

Although not illustrated, it is assumed that distributions from retirement plans will never be less than the required minimum distribution for any year after age 70½. These assumptions for qualified plans are intended to illustrate possible scenarios and are only estimates. You should always seek the advice of your legal or tax advisor before taking any action with your qualified 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 qualified 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.

Investments

All amounts shown are for purposes of illustration and are NOT to be construed 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 or annuity 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%

About the Calculations (Continued)

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 survivor 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.