For

James Elison

and

Helen Elison

Presented by:
Ross Mackereth
ABC Financial Services
Old Grammar School House
School Gardens
Shrewsbury, Shropshire SY1 2AJ
Phone: 01743 248515
Mobile Phone: 07769 455650
Email: ross@bmcprofiles.com

Head Office
145 Salford Way
Manchester M34 8TF

Table of Contents

Important Notes

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

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

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

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

For retirement peace of mind you need a

Retirement Road Map

When retirement concerns shift from

How should I accumulate funds for retirement?

to

Will my retirement funds last throughout my retirement?

You need clear directions!

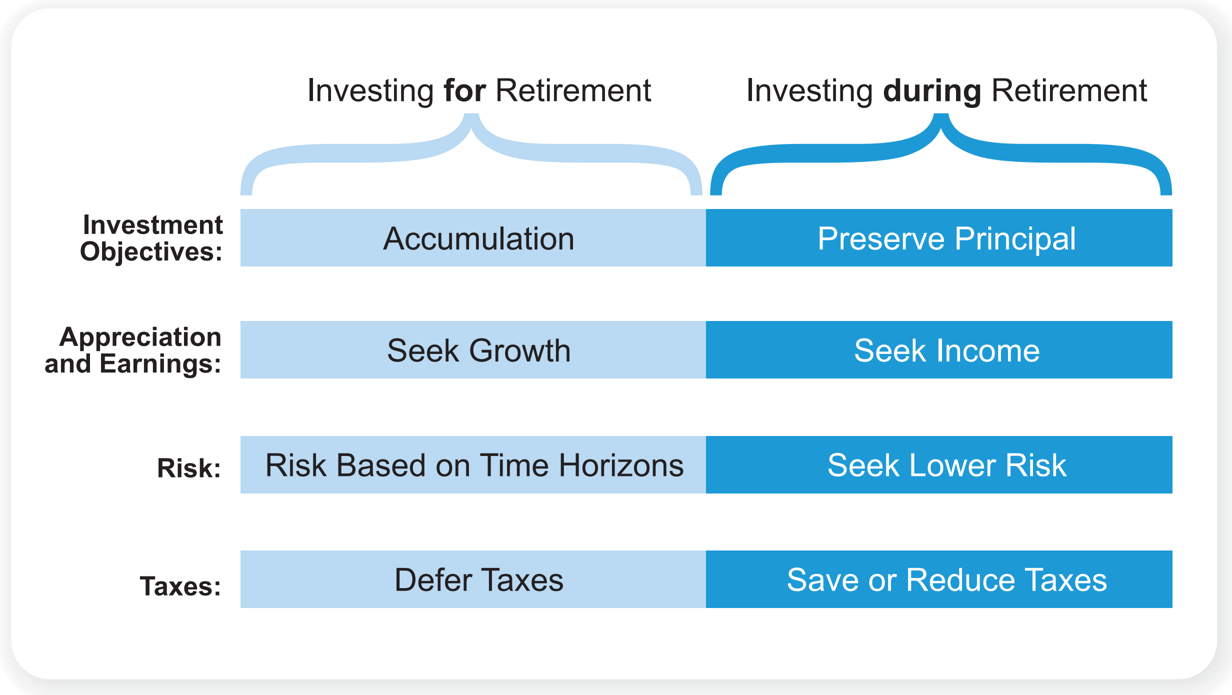
Warning!

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

Planning directions needed.

Shifting Retirement Concerns

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



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

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

Retirement Lifestyle Phases

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

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

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

How Lifestyle Phases Affect Retirement Funding

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

Pre-Retirement—the "Decision Phase"

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

Initial Retirement Years—When You Start Receiving Income

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

Seasoned, Matured, and Survivorship Years—Future Income

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

Funding Strategy

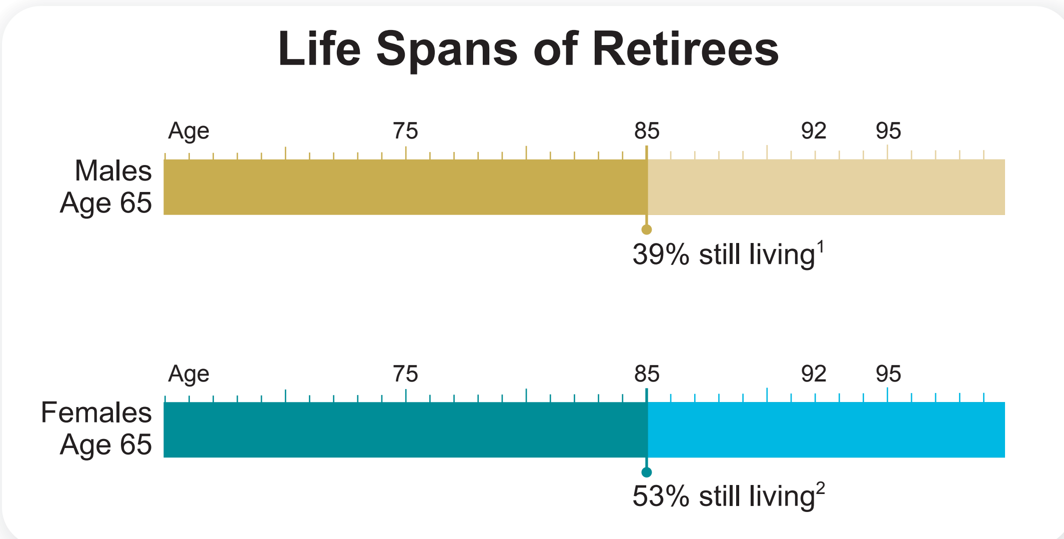
- Very conservative assets supply income
- Minimise fluctuation of assets for the next phase
- Seek high yields for future phases
- Re-allocate assets at the start of each phase

The Family Tree

How long will your retirement last?

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

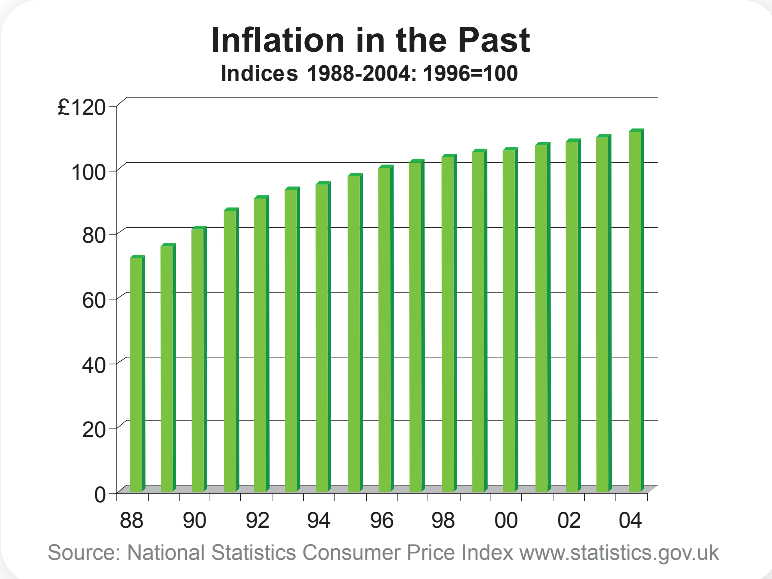
Everyone wants a long, worry-free retirement. One of the greatest fears of retirement is running out of money! Living longer than planned could result in outliving your assets! A common mistake in retirement planning is not planning for enough years.



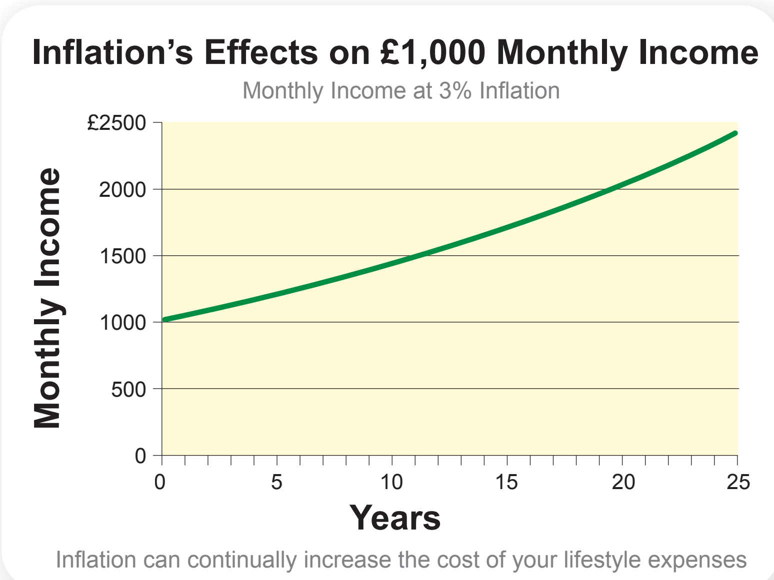
Will you run out of money?

[1]Projections based on males in the United Kingdom ages 65 to 69 in 2005 being alive 20 years or later.
[2]Projections based on females in the United Kingdom ages 65 to 69 in 2005 being alive 20 years later.
Source: Interim Life Tables, The Government Actuary's Department, www.gad.gov.uk

Planning Must Consider Inflation



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

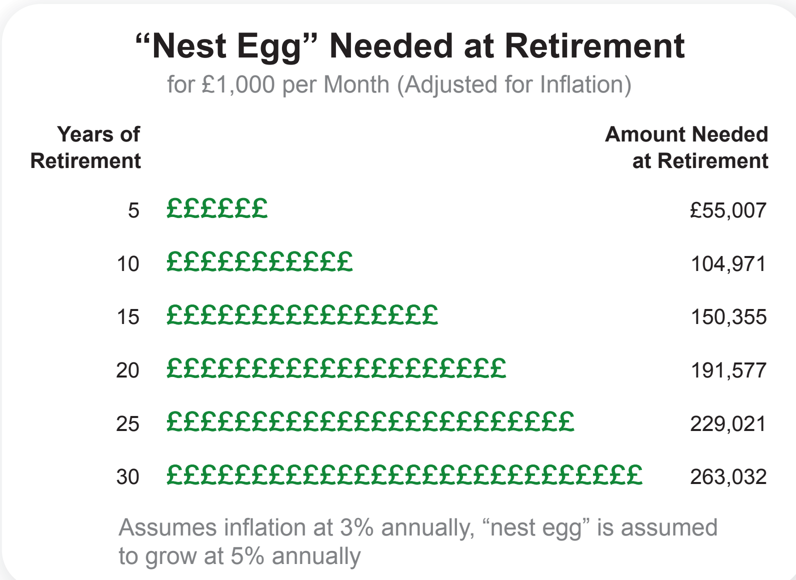


Inflation must be considered in retirement planning.

How Much Will You Need?

A sufficient retirement "nest egg" is based on

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



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

The longer you live, the more you will need!

Steps for Your Retirement Journey

STEP 1

Determine the likely duration of your retirement phases

STEP 2

Examine lifestyle requirements for each phase

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

STEP 3

Determine sources of retirement income

- State Benefits
- Approved retirement plans
- Other income

STEP 4

Calculate remaining requirements

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

- Plan for shortfalls
- Invest by phases

Your Retirement Destination

Monthly Needs in Today's Money[1]

		Begins at James' Age	Basic Needs	Additional Wants	Total Desired Income
INITIAL RETIREMENT	More travel, hobbies, activities, etc.	**65**	**£2,000**	**£500**	**£2,500**
SEASONED RETIREMENT	Less travel, hobbies, and other activities	**75**	**1,750**	**250**	**2,000**
MATURED RETIREMENT	Much less activities, often due to health and other physical limitations	**85**	**1,500**	**100**	**1,600**
SURVIVORSHIP YEARS	James dies at age 90. Monthly needs continue until Helen's death at age 95		**1,250**	**0**	**1,250**

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

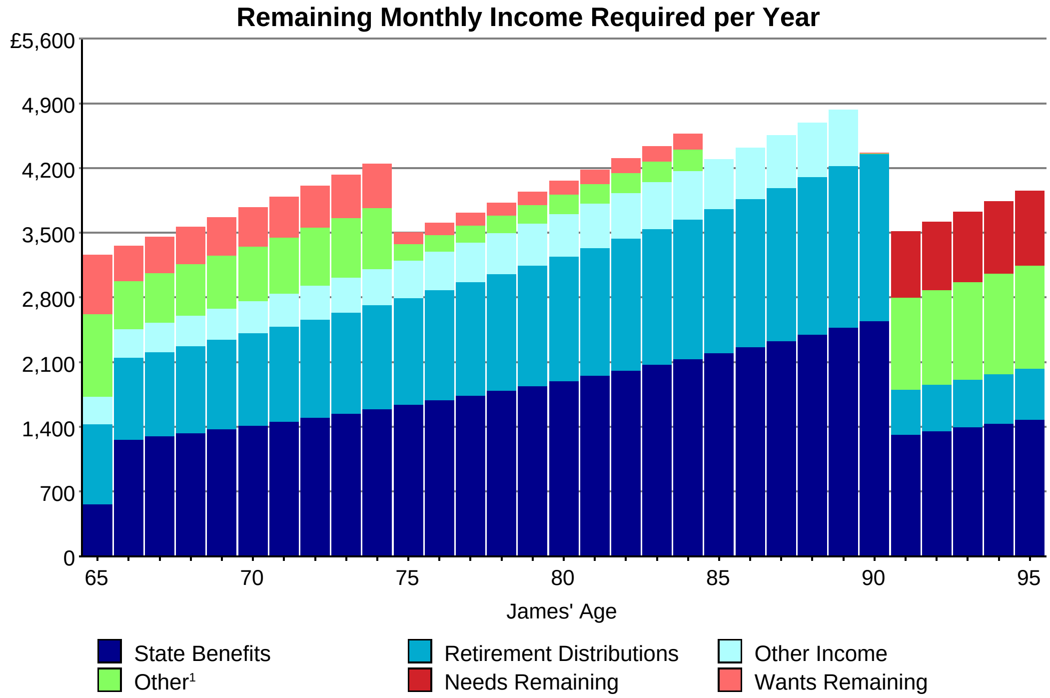
£135,000	James' approved retirement plan assets, and annual contributions of £2,400, with tax-free cash plus annuity distributions throughout retirement. These assets are expected to grow at 4.000% annually.
£56,000	Helen's approved retirement plan assets with tax-free cash plus annuity distributions throughout retirement. These assets are expected to grow at 4.000% annually.
£15,000	Value of other assets you intend to use for retirement.

- James will receive State Benefits estimated within current guidelines.
- Helen will receive State Benefits estimated within current guidelines.
- James has other retirement income, final salary, estimated at £300 per month starting at age 65 and continuing after death at 50%.

Goal: Provide total monthly income for all phases.

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

Your Retirement Journey



Monthly income objectives are offset by your known retirement income: estimated State Benefits, pensions, other income, and distributions from your approved retirement plans. Approved retirement plan distributions[2] are illustrated assuming a 25% tax-free distribution at retirement and the balance as an annuity over the retirement years. Other retirement distribution options are available.

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

Amounts Needed by Phase without Considering Available Assets

Retirement Phase	Phase Begins	Years until Phase Begins	Amount Required at Start of Period	Amount Required Today[3]
Initial Retirement	James' Age 65	9	£116,157	£89,025
Seasoned Retirement	James' Age 75	19	37,880	18,169
Matured Retirement	James' Age 85	29	163	37
Survivorship Years	Helen's Age 91	35	103,117	12,285
				£119,516

Total amount required today to provide desired retirement income[4] is £119,516. Using available assets and tax-free cash reduces your need to £50,115.

92% of the desired retirement income[4] is satisfied.

[1] In the graph, "Other" represents the sum of available assets plus estimated tax-free cash
[2] Approved retirement plan distributions use a single life escalating annuity rate of £4,500 annually for each £100,000 of pension funds for James, and £4,500 annually for each £100,000 of pension funds for Helen.
[3] Amounts required today reflect the hypothetical rates of return for each phase of retirement.
[4] Desired retirement income: £601,768.

Your Retirement Journey

Ages of James	& Helen	Monthly Income Objectives: Basic Needs	Additional Wants	Total Desired	Known Retirement Income: State Benefits	Approved Plans[1]	Other Income	Available Assets[2]	Remaining Income Required[3]
65	65	£2,610	£652	£3,262	£557	£865	£300	£894	-
66	66	2,688	672	3,360	1,252	891	309	527	381
67	67	2,768	692	3,461	1,289	918	318	543	392
68	68	2,852	713	3,564	1,328	946	328	559	404
69	69	2,937	734	3,671	1,368	974	338	576	416
70	70	3,025	756	3,781	1,409	1,003	348	593	429
71	71	3,116	779	3,895	1,451	1,033	358	611	441
72	72	3,209	802	4,012	1,494	1,064	369	630	455
73	73	3,306	826	4,132	1,539	1,096	380	648	468
74	74	3,405	851	4,256	1,585	1,129	391	668	482
75	75	3,069	438	3,507	1,633	1,163	403	179	129
76	76	3,161	452	3,612	1,682	1,198	415	184	133
77	77	3,256	465	3,721	1,732	1,234	428	190	137
78	78	3,353	479	3,832	1,784	1,271	441	195	141
79	79	3,454	493	3,947	1,838	1,309	454	201	145
80	80	3,557	508	4,066	1,893	1,348	467	207	150
81	81	3,664	523	4,188	1,950	1,389	481	214	154
82	82	3,774	539	4,313	2,008	1,430	496	220	159
83	83	3,887	555	4,443	2,069	1,473	511	227	164
84	84	4,004	572	4,576	2,131	1,517	526	233	169
85	85	3,535	236	3,771	2,195	1,563	542	0	-
86	86	3,641	243	3,884	2,260	1,610	558	0	-
87	87	3,750	250	4,000	2,328	1,658	575	0	-
88	88	3,863	258	4,120	2,398	1,708	592	0	-
89	89	3,979	265	4,244	2,470	1,759	610	0	-
90	90	4,098	273	4,371	2,544	1,812	0	9	6
N/A	91	3,517	0	3,517	1,310	488	0	998	721
N/A	92	3,623	0	3,623	1,349	503	0	1,028	742
N/A	93	3,732	0	3,732	1,390	518	0	1,059	765
N/A	94	3,843	0	3,843	1,432	533	0	1,091	788
N/A	95	3,959	0	3,959	1,475	549	0	1,123	811

[1] Any pension payments from approved retirement plans.
[2] Estimated 25% tax-free cash from approved retirement plan has been included.
[3] Total desired income reduced by known retirement income. All income is shown monthly. Years in which known retirement income is sufficient to fulfill income objectives are represented by a "—".

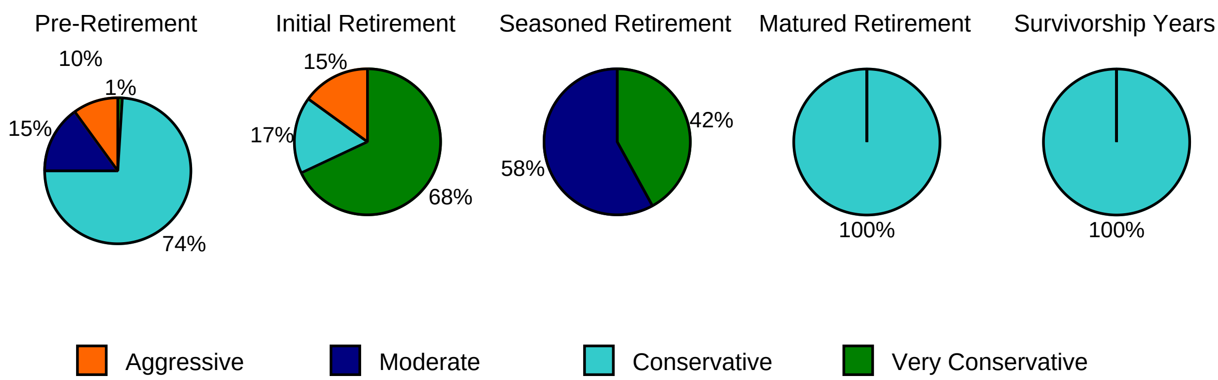
Investing by Phases

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

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

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

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



When assets are needed determines how the assets are invested.

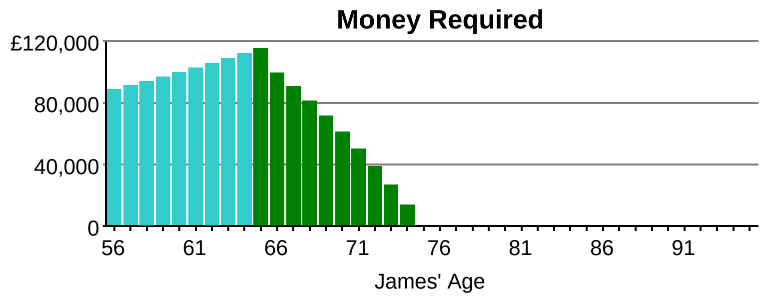
Investing for Each Phase

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

Initial Retirement

(Starts at James' age 65)

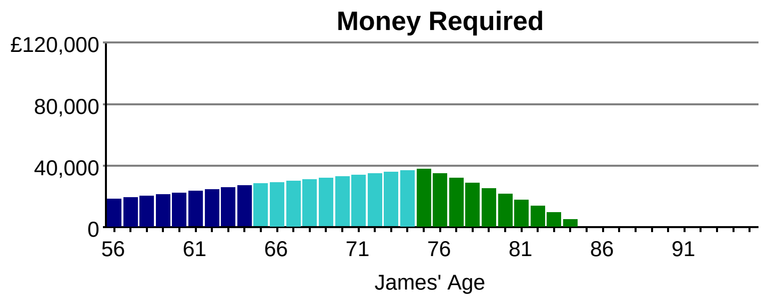
£89,025 required today in conservative assets. These assets should grow to £116,157 at start of retirement to provide income for Initial Retirement.



Seasoned Retirement

(Starts at James' age 75)

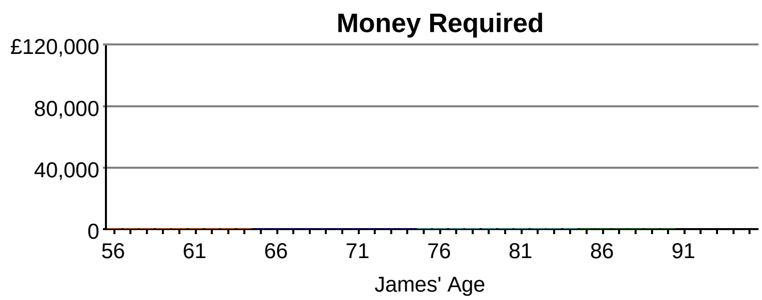
£18,169 required today in moderate assets. Re-allocate at retirement. With growth, this should provide £37,880 at the start of Seasoned Retirement to provide income for this phase.



Matured Retirement

(Starts at James' age 85)

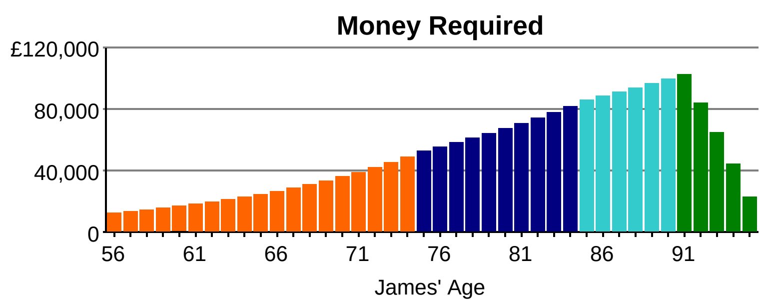
£37 required today in aggressive assets. Re-allocate at retirement and at Seasoned Retirement. With growth, this should provide £163 at the start of Matured Retirement to provide income for this phase.



Survivorship Years

(Starts at Helen's Age 91)

£12,285 required today in aggressive assets. Re-allocate at the start of each phase. With growth, this should provide £103,117 at start of Survivorship Years to provide income for Helen.



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

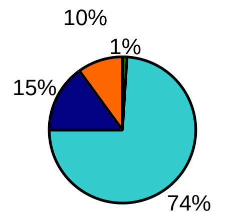
Investments change as the time to use them approaches, but very conservative assets supply your income.

Aggressive   Moderate   Conservative   Very Conservative

Asset Mix

Recommended mix of assets needed to provide remaining monthly income

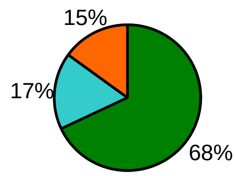
Today



£89,025	conservative assets for Initial Retirement
18,169	moderate assets for Seasoned Retirement
37	aggressive assets for Matured Retirement
12,285	aggressive assets for Survivorship Years
£119,516	total assets needed today for all remaining income required

Start of Initial Retirement

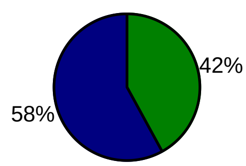
(After reallocating at start of retirement)



£116,157	very conservative assets for income during Initial Retirement
28,187	conservative assets for Seasoned Retirement
74	moderate assets for Matured Retirement
24,557	aggressive assets for Survivorship Years
£168,975	total assets needed at start of Initial Retirement

Start of Seasoned Retirement

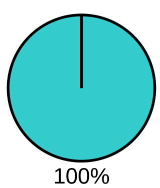
(After reallocating at start of phase)



£37,880	very conservative assets for income during Seasoned Retirement
121	conservative assets for Matured Retirement
53,017	moderate assets for Survivorship Years
£91,019	total assets needed at start of Seasoned Retirement

Start of Matured Retirement

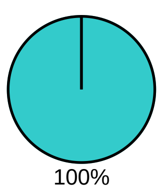
(After reallocating at start of phase)



£163	very conservative assets for income during Matured Retirement
86,359	conservative assets for Survivorship Years
£86,522	total assets needed at start of Matured Retirement

Start of Survivorship Years

(After reallocating at start of phase)



£103,117	very conservative assets for income during Survivorship Years

Aggressive   Moderate   Conservative   Very Conservative

Money Required for All Phases

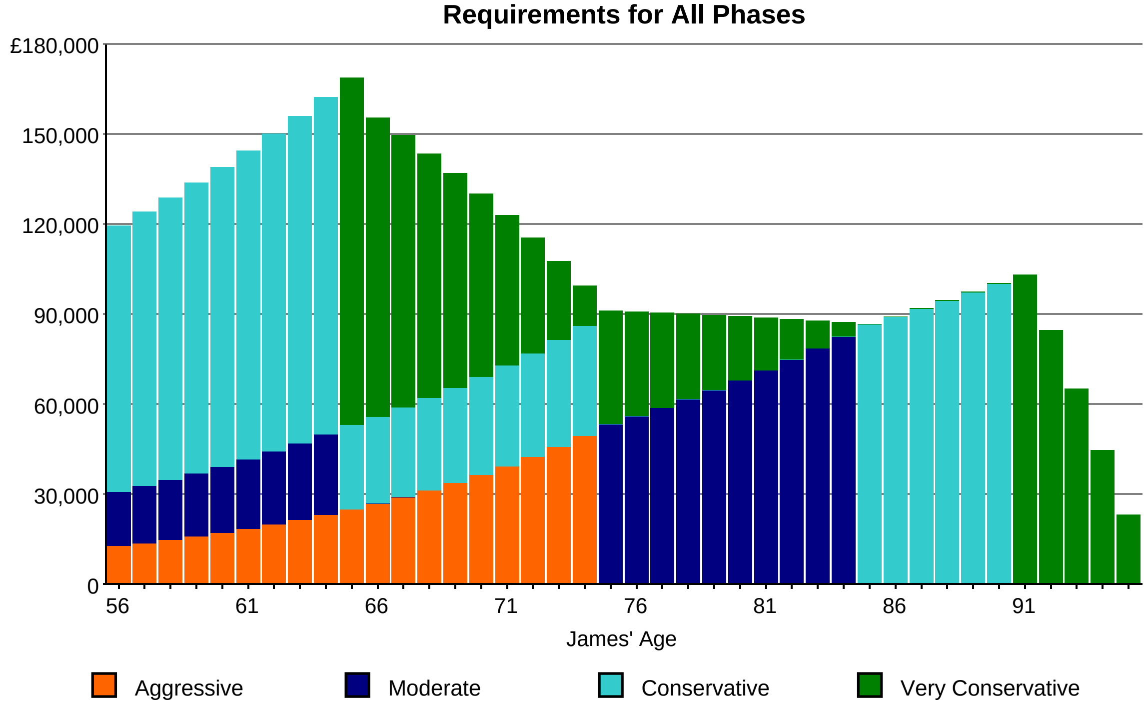
Assets required for remaining monthly income by phases

Ages of James	& Helen	Initial Retirement	Seasoned Retirement	Matured Retirement	Survivorship Years	Total
56	56	£89,025	£18,169	£37	£12,285	£119,516
57	57	91,696	19,078	40	13,267	124,081
58	58	94,446	20,032	43	14,329	128,850
59	59	97,280	21,033	47	15,475	133,835
60	60	100,198	22,085	51	16,713	139,047
61	61	103,204	23,189	55	18,050	144,498
62	62	106,300	24,349	59	19,494	150,202
63	63	109,489	25,566	64	21,054	156,173
64	64	112,774	26,844	69	22,738	162,425
65	65	116,157	28,187	74	24,557	168,975
66	66	100,003	29,032	78	26,522	155,635
67	67	91,107	29,903	82	28,643	149,736
68	68	81,706	30,800	86	30,935	143,527
69	69	71,780	31,724	90	33,410	137,004
70	70	61,308	32,676	95	36,082	130,162
71	71	50,271	33,656	100	38,969	122,996
72	72	38,644	34,666	105	42,087	115,501
73	73	26,406	35,706	110	45,454	107,675
74	74	13,533	36,777	115	49,090	99,515
75	75	-	37,880	121	53,017	91,019
76	76	-	34,942	125	55,668	90,734
77	77	-	31,833	129	58,451	90,413
78	78	-	28,548	132	61,374	90,055
79	79	-	25,080	136	64,443	89,659
80	80	-	21,422	140	67,665	89,227
81	81	-	17,565	145	71,048	88,757
82	82	-	13,502	149	74,600	88,252
83	83	-	9,226	153	78,330	87,710
84	84	-	4,728	158	82,247	87,133
85	85	-	-	163	86,359	86,522
86	86	-	-	166	88,950	89,116
87	87	-	-	169	91,618	91,788
88	88	-	-	173	94,367	94,540
89	89	-	-	176	97,198	97,374
90	90	-	-	180	100,114	100,294
N/A	91	-	-	-	103,117	103,117
N/A	92	-	-	-	84,552	84,552
N/A	93	-	-	-	64,997	64,997
N/A	94	-	-	-	44,413	44,413
N/A	95	-	-	-	22,761	22,761

Aggressive | Moderate | Conservative | Very Conservative

Allocation by Year

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



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

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

Amounts Needed by Phase without Considering Available Assets

Retirement Phase	Phase Begins	Years until Phase Begins	Amount Required at Start of Period	Amount Required Today[1]
Initial Retirement	James' Age 65	9	£116,157	£89,025
Seasoned Retirement	James' Age 75	19	37,880	18,169
Matured Retirement	James' Age 85	29	163	37
Survivorship Years	Helen's Age 91	35	103,117	12,285
				£119,516

Total amount required today for all phases is £119,516

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

Applying Available Assets

The total required amount for all phases without applying available assets or tax-free cash from approved retirement plan: £119,516

This amount represents the amount[1] needed today to fund any remaining monthly income shortages—including the basic needs and the additional wants.

The total required amount for basic needs only without applying available assets or tax-free cash from approved retirement plan: £39,822

This amount represents the amount[2] needed today to fund just the remaining monthly income shortages for the basic needs to maintain your lifestyle.

You indicated existing available assets for retirement: £15,000

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

It is assumed that a tax-free cash distribution of 25% of your approved retirement plan will be available at retirement of approximately £76,914.

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

92% of the desired retirement income is satisfied.

[1] The total amount required today of £119,516 could be reduced by available assets and tax-free cash to £50,115. Annual deposits of £7,368 assuming 6.00% interest each year, could provide a remaining difference

[2] The basic needs amount required today of £39,822 could be reduced by available assets and tax-free cash to £0. Annual deposits of -£4,349 assuming 6.00% interest each year, could provide a remaining difference for just the basic needs.

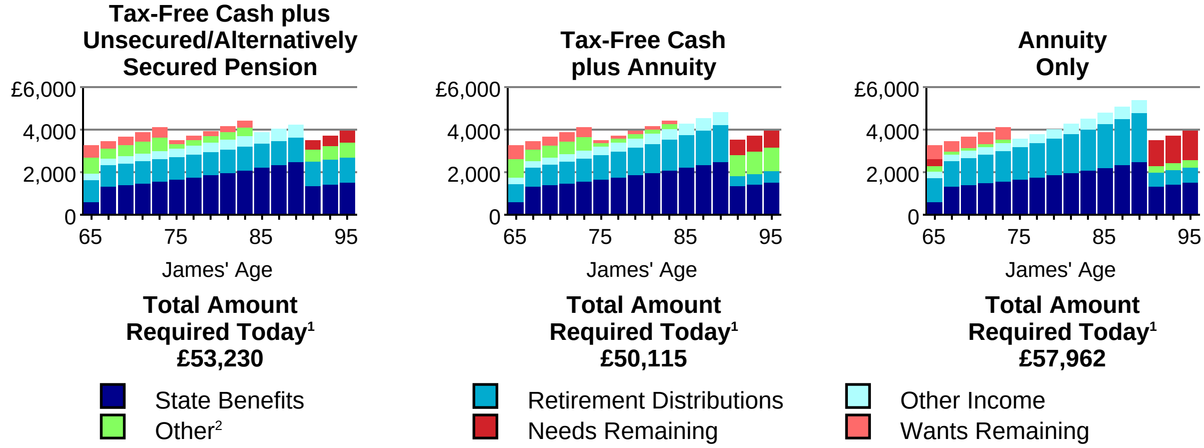
OTHER CONSIDERATIONS AND RECOMMENDATIONS

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

How Should You Take Your Retirement?

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

Distribution Choice Effects on Monthly Income Needs



Tax-Free Cash plus Unsecured/Alternatively Secured Pension

Tax-free cash plus unsecured/alternatively secured pension method allows a great deal of flexibility. It provides 25% of your pension as a one-off cash payment and distributions of 100% of the annuity rate for the remainder of your retirement.

Tax-Free Cash plus Annuity

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

Annuity Only

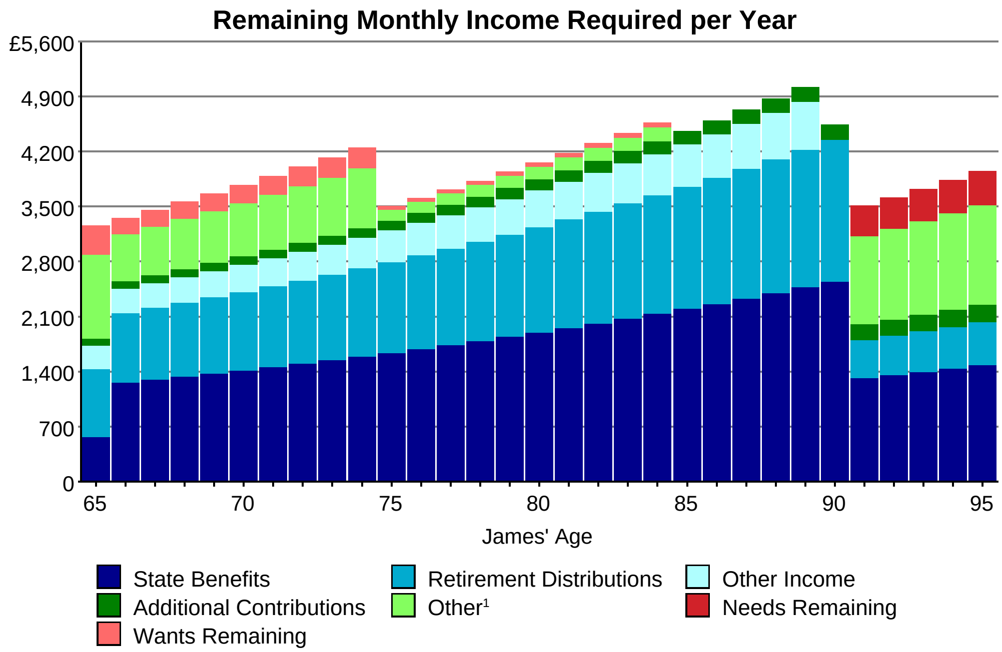
The annuity only method will often provide the largest monthly annuity payments spread over your life expectancy.

This analysis uses the tax-free cash plus annuity method.[3]

[1] Total Amount Required Today is any remaining amount after considering available assets of £15,000.
[2] In the graph, "Other" represents the sum of available assets plus estimated tax-free cash
[3] Approved retirement plan distributions use a single life escalating annuity rate of £4,500 annually for each £100,000 of pension funds for James, and £4,500 annually for each £100,000 of pension funds for Helen.

Effects of Additional Pension Contributions

Consider additional pension contributions for James annual pension contributions of £1,200. Also, consider additional pension contributions for Helen annual pension contributions of £1,200.



Amounts Needed by Phase without Considering Available Assets

Retirement Phase	Phase Begins	Years until Phase Begins	Amount Required at Start of Period	Amount Required Today[2]
Initial Retirement	James' Age 65	9	£104,694	£80,239
Seasoned Retirement	James' Age 75	19	22,475	10,780
Matured Retirement	James' Age 85	29	0	0
Survivorship Years	Helen's Age 91	35	91,058	10,848
				£101,868

Additional pension contributions change the total amount required today to £101,868. After applying available assets and tax-free cash this reduces to £26,219.

96% of desired retirement income[3] is satisfied[4].

[1] In the graph, "Other" represents the sum of available assets plus estimated tax-free cash
[2] Amounts required today reflect the hypothetical rates of return for each phase of retirement.
[3] Desired retirement income: £601,768.
[4] Other assets of £15,000 will be required to complete the additional pension purchase.

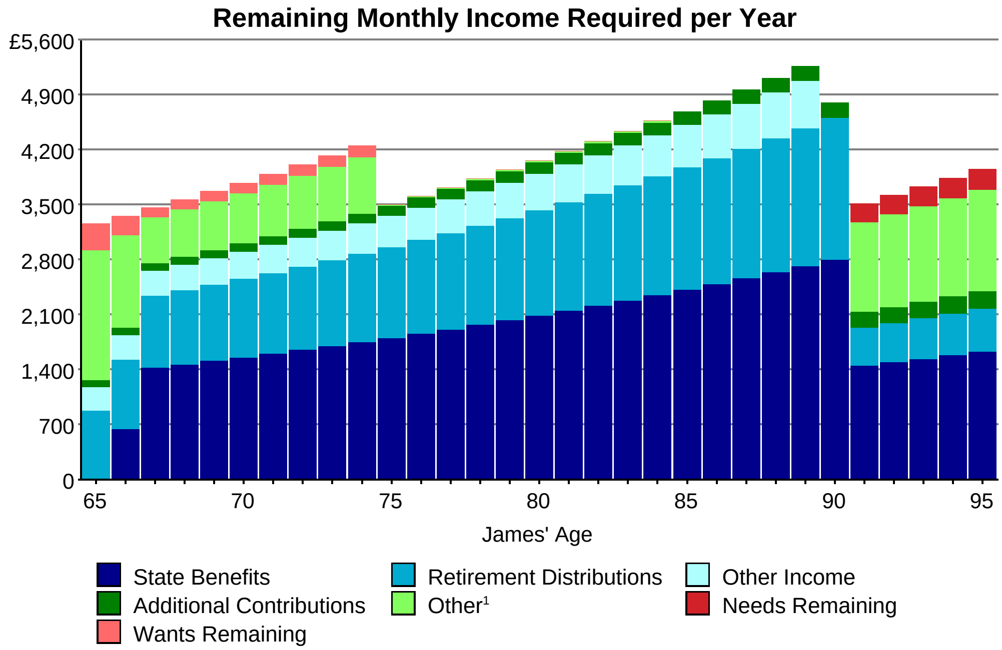
Effects of Additional Pension Contributions

Ages of James	& Helen	Total Desired Monthly Income	Known Retirement Income: State Benefits	Approved Plans[1]	Other Income	Available Assets[2]	Additional Pension Contribution	Remaining Income Required[3]
65	65	£3,262	£557	£865	£300	£1,074	£93	-
66	66	3,360	1,252	891	309	603	96	209
67	67	3,461	1,289	918	318	621	99	215
68	68	3,564	1,328	946	328	640	102	222
69	69	3,671	1,368	974	338	659	105	228
70	70	3,781	1,409	1,003	348	679	108	235
71	71	3,895	1,451	1,033	358	699	111	242
72	72	4,012	1,494	1,064	369	720	115	250
73	73	4,132	1,539	1,096	380	742	118	257
74	74	4,256	1,585	1,129	391	764	122	265
75	75	3,507	1,633	1,163	403	136	125	47
76	76	3,612	1,682	1,198	415	140	129	48
77	77	3,721	1,732	1,234	428	144	133	50
78	78	3,832	1,784	1,271	441	148	137	51
79	79	3,947	1,838	1,309	454	153	141	53
80	80	4,066	1,893	1,348	467	157	145	55
81	81	4,188	1,950	1,389	481	162	150	56
82	82	4,313	2,008	1,430	496	167	154	58
83	83	4,443	2,069	1,473	511	172	159	60
84	84	4,576	2,131	1,517	526	177	163	61
85	85	3,771	2,195	1,563	542	0	168	-
86	86	3,884	2,260	1,610	558	0	173	-
87	87	4,000	2,328	1,658	575	0	179	-
88	88	4,120	2,398	1,708	592	0	184	-
89	89	4,244	2,470	1,759	610	0	189	-
90	90	4,371	2,544	1,812	0	0	195	-
N/A	91	3,517	1,310	488	0	1,127	201	391
N/A	92	3,623	1,349	503	0	1,161	207	402
N/A	93	3,732	1,390	518	0	1,196	213	414
N/A	94	3,843	1,432	533	0	1,232	220	427
N/A	95	3,959	1,475	549	0	1,269	226	440

[1] Any pension payments from approved retirement plans
[2] Estimated 25% tax-free cash from approved retirement plan has been included.
[3] Total desired income reduced by known retirement income. All income is shown monthly. Years in which known retirement income is sufficient to fulfill income objectives are represented by a "—".

Effects of Delaying State Benefits

Consider delaying the start of State Benefits for 2 years.



Amounts Needed by Phase without Considering Available Assets

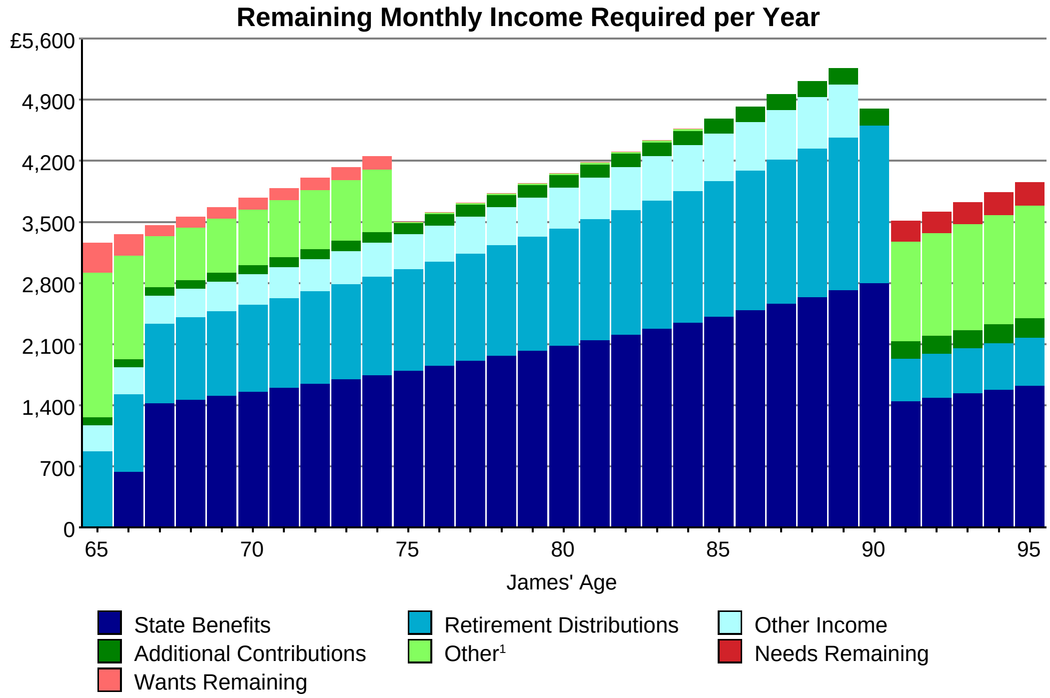
Retirement Phase	Phase Begins	Years until Phase Begins	Amount Required at Start of Period	Amount Required Today[2]
Initial Retirement	James' Age 65	9	£106,334	£81,496
Seasoned Retirement	James' Age 75	19	2,394	1,148
Matured Retirement	James' Age 85	29	0	0
Survivorship Years	Helen's Age 91	35	83,199	9,912
				£92,556

Delaying State Benefits changes the total amount required today to £92,556. After applying available assets and tax-free cash this reduces to £15,915.

97% of the desired retirement income[3] is satisfied.

[1] In the graph, "Other" represents the sum of available assets plus estimated tax-free cash
[2] Amounts required today reflect the hypothetical rates of return for each phase of retirement.
[3] Desired retirement income: £601,768.

Effects of Recommendations



- Consider additional pension contributions for James annual pension contributions of £1,200. Also, consider additional pension contributions for Helen annual pension contributions of £1,200.
- Consider delaying the start of State Benefits for 2 years.

97% of the desired retirement income[2] is satisfied.

[1] In the graph, "Other" represents the sum of available assets plus estimated tax-free cash
[2] Desired retirement income: £601,768.

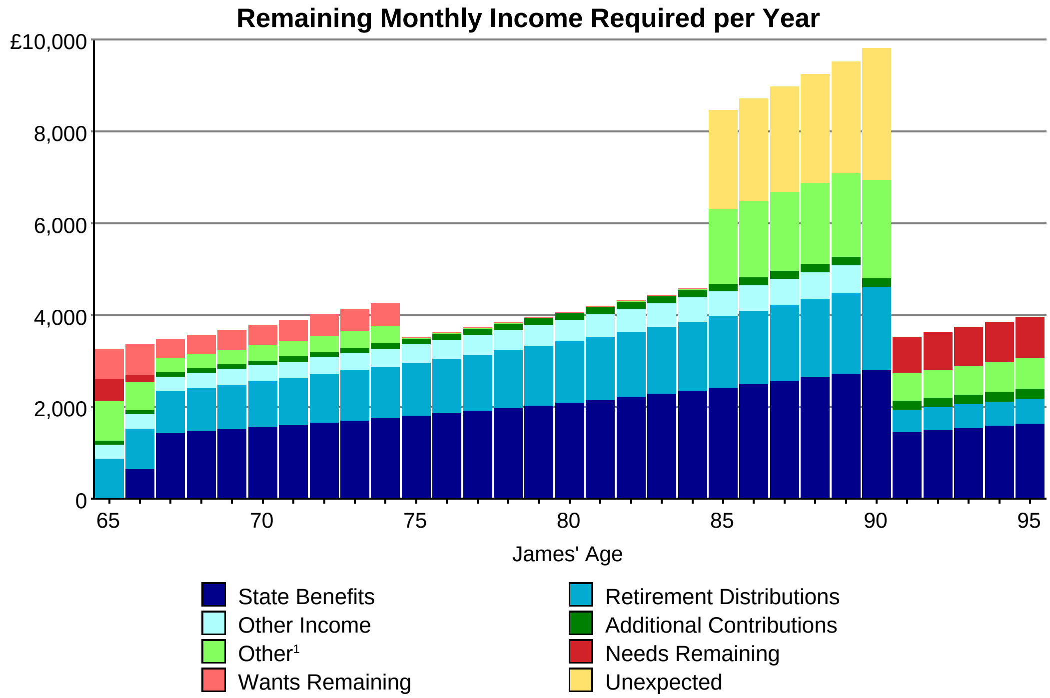
Effects of Recommendations

Ages of James & Helen		Total Desired Monthly Income	Known Retirement Income: State Benefits	Approved Plans[1]	Other Income	Additional Pension Contribution	From Assets[2]	Remaining Income Required[3]
65	65	£3,262	£0	£865	£300	£93	£1,659	-
66	66	3,360	631	891	309	96	1,186	246
67	67	3,461	1,418	918	318	99	586	122
68	68	3,564	1,460	946	328	102	603	125
69	69	3,671	1,504	974	338	105	622	129
70	70	3,781	1,549	1,003	348	108	640	133
71	71	3,895	1,596	1,033	358	111	659	137
72	72	4,012	1,644	1,064	369	115	679	141
73	73	4,132	1,693	1,096	380	118	700	145
74	74	4,256	1,744	1,129	391	122	721	150
75	75	3,507	1,796	1,163	403	125	16	3
76	76	3,612	1,850	1,198	415	129	17	3
77	77	3,721	1,906	1,234	428	133	17	4
78	78	3,832	1,963	1,271	441	137	18	4
79	79	3,947	2,022	1,309	454	141	18	4
80	80	4,066	2,082	1,348	467	145	19	4
81	81	4,188	2,145	1,389	481	150	19	4
82	82	4,313	2,209	1,430	496	154	20	4
83	83	4,443	2,275	1,473	511	159	20	4
84	84	4,576	2,344	1,517	526	163	21	4
85	85	3,771	2,414	1,563	542	168	0	-
86	86	3,884	2,486	1,610	558	173	0	-
87	87	4,000	2,561	1,658	575	179	0	-
88	88	4,120	2,638	1,708	592	184	0	-
89	89	4,244	2,717	1,759	610	189	0	-
90	90	4,371	2,798	1,812	0	195	0	-
N/A	91	3,517	1,441	488	0	201	1,148	238
N/A	92	3,623	1,484	503	0	207	1,183	246
N/A	93	3,732	1,529	518	0	213	1,218	253
N/A	94	3,843	1,575	533	0	220	1,255	261
N/A	95	3,959	1,622	549	0	226	1,293	268

[1] Any pension payments from approved retirement plans
[2] Estimated 25% tax-free cash from approved retirement plan has been included.
[3] Total desired income reduced by known retirement income. All income is shown monthly. Years in which known retirement income is sufficient to fulfill income objectives are represented by a "—".

The Unexpected—"What if...?"

An unexpected need such as a critical illness, cancer, an accident, long-term care confinement at home or in a nursing home, or any expensive emergency, can wreck your retirement! For example, consider the effects of an unexpected need of £2,000 per month (in today's money) starting at James' age 85 and continuing for 6 years.



In this example, the additional cost[2] due to the unexpected needs is £77,914.

After applying the balance of available assets plus tax-free cash, unexpected costs increase the amount needed today to £87,449.

Insurance is often used to protect against unexpected expenses.

Will an unexpected expense wreck your retirement plans?

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

[1] In the graph, "Other" represents the sum of available assets plus estimated tax-free cash
[2] Additional cost is equal to £679,682 (desired retirement income after unexpected need) minus £601,768 (desired retirement income prior to unexpected need).

The Unexpected—"What if...?"

Consider the effects of an unexpected need of £2,000 per month (in today's money) starting at James' age 85 and continuing for 6 years.

				Known Retirement Income					
Ages of James	& Helen	Unexpected Needs	Total Desired Monthly Income	State Benefits	Approved Plans[1]	Other Income	Additional Pension Contribution	From Assets[2]	Remaining Income Required[3]
65	65	£0	£3,262	£0	£865	£300	£93	£857	-
66	66	0	3,360	631	891	309	96	613	820
67	67	0	3,461	1,418	918	318	99	303	405
68	68	0	3,564	1,460	946	328	102	312	417
69	69	0	3,671	1,504	974	338	105	321	429
70	70	0	3,781	1,549	1,003	348	108	331	442
71	71	0	3,895	1,596	1,033	358	111	341	456
72	72	0	4,012	1,644	1,064	369	115	351	469
73	73	0	4,132	1,693	1,096	380	118	361	483
74	74	0	4,256	1,744	1,129	391	122	372	498
75	75	0	3,507	1,796	1,163	403	125	8	11
76	76	0	3,612	1,850	1,198	415	129	9	11
77	77	0	3,721	1,906	1,234	428	133	9	12
78	78	0	3,832	1,963	1,271	441	137	9	12
79	79	0	3,947	2,022	1,309	454	141	9	13
80	80	0	4,066	2,082	1,348	467	145	10	13
81	81	0	4,188	2,145	1,389	481	150	10	13
82	82	0	4,313	2,209	1,430	496	154	10	14
83	83	0	4,443	2,275	1,473	511	159	11	14
84	84	0	4,576	2,344	1,517	526	163	11	15
85	85	4,713	8,484	2,414	1,563	542	168	1,624	2,172
86	86	4,855	8,738	2,486	1,610	558	173	1,673	2,237
87	87	5,000	9,000	2,561	1,658	575	179	1,723	2,305
88	88	5,150	9,270	2,638	1,708	592	184	1,775	2,374
89	89	5,305	9,548	2,717	1,759	610	189	1,828	2,445
90	90	5,464	9,835	2,798	1,812	0	195	2,152	2,878
N/A	91	0	3,517	1,441	488	0	201	593	794
N/A	92	0	3,623	1,484	503	0	207	611	817
N/A	93	0	3,732	1,529	518	0	213	630	842
N/A	94	0	3,843	1,575	533	0	220	648	867
N/A	95	0	3,959	1,622	549	0	226	668	893

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

[1] Any pension payments plus any qualified retirement plan distributions
[2] Estimated 25% tax-free cash from approved retirement plan has been included.
[3] Total desired income reduced by known retirement income. All income is shown monthly. Years in which known retirement income is sufficient to fulfill income objectives are represented by a "—".

Ways to Provide Predictable Incomes

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

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

"Income Ladders"

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

Secured Income Stream Desired

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

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

High Quality Bonds

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

Annuities

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

Recommendations

Purchase an additional pension.

Consider additional pension contributions for James annual pension contributions of £1,200. Also, consider additional pension contributions for Helen annual pension contributions of £1,200.

Delay your State Benefits.

Consider delaying the start of State Benefits for 2 years.

Protect yourself from large, unexpected needs.

Purchase a long-term care policy.

Review your total asset allocations.

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

Review your desired goals and available assets for retirement.

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

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

Put plans into action.

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

Review your plan annually.

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

About the Calculations

James Elison	Male	Date of Birth: 23 August, 1957
Helen Elison	Female	Date of Birth: 10 March, 1958

Calculation Basis

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

State Benefits

- James will receive State Benefits estimated within current guidelines.
- Helen will receive State Benefits estimated within current guidelines.

Approved Retirement Plan

- All distributions from approved retirement plans are assumed monthly.
- This illustration uses single life escalating annuity rate of £4,500 annually for each £100,000 of pension funds for James, and £4,500 annually for each £100,000 of pension funds for Helen.
- These assumptions for the approved plans are intended to illustrate possible scenarios and are only estimates. You should always seek the advice of your legal or tax adviser before taking any action with your approved plans, as there are many rules and the possibility of severe penalties for not adhering to them.

Expenses Not Illustrated Directly

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

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 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 surviving spouse in the will.

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