
Financial Analysis
For William H. & Judy P. Sample
May 10, 2010

Your
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Here

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Plan Assumptions

General

Bill Sample

Date of birth 6/1/1967
 Retirement age (date) 65 (6/2032)
 Life expectancy 82

Judy Sample

Date of birth 12/31/1969
 Retirement age (date) 65 (12/2034)
 Life expectancy 85

Dependents

Name Jack Sample
 Date of birth 1/1/2000

Name Jill Sample
 Date of birth 1/1/2002

Inflation & Taxes

Inflation 3.0%

Tax rates From: 1/2010 (Plan begins)
 Federal Income Tax: Automatically calculated using
 'Married Filing Jointly' filing status
 State Tax: 5.0%
 Local Tax: 0.0%
 Capital Gains Tax: 15.0%
 From: 1/2011
 Capital Gains Tax: 20.0%

Investment Accounts

Investment Account

Owner Joint
 Current value \$622,900

Cost basis \$156,800
 Type Investment
 Contributions Inheritance:
 \$500,000 per year, increasing at 0.0% per year
 between now and start date of 1/2020, continuing
 through 12/2020 increasing at 3.0% per year
 Investment Account Contribution:
 \$6,000 per year, increasing at 3.0% per year,
 continuing through 6/2032 (Bill retires)
 Rate of return 6.7%

Judy's Retirement Plan

Owner Judy
 Current value \$266,800
 After-tax basis \$0
 Type 403(b)
 Contributions Judy's 403(b) Contribution:
 \$7,500 per year, increasing at 3.0% per year,
 continuing through 12/2034 (Judy retires)
 Rate of return 7.5%

Bill's Retirement Plan

Owner Bill
 Current value \$200,750
 After-tax basis \$0
 Type 401(k)
 Contributions Bill's 401(k) Contribution:
 \$15,000 per year, increasing at 3.0% per year,
 continuing through 6/2032 (Bill retires)
 Rate of return 6.1%

Plan Assumptions

Bill's IRA

Owner	Bill
Current value	\$231,500
After-tax basis	\$45,000
Type	Traditional IRA
Contributions	Bill's IRA Contribution: \$5,000 per year, increasing at 3.0% per year, continuing through 6/2032 (Bill retires)
Rate of return	8.0%

529 Plan - Jack

Owner	Jack
Current value	\$45,000
After-tax basis	\$0
Type	529 Plan
Contributions	Gift from Grandparents: \$5,000 per year, increasing at 3.0% per year, continuing through 1/2018 (Jack is 18)
Rate of return	7.4%

529 Plan - Jill

Owner	Jill
Current value	\$40,000
After-tax basis	\$0
Type	529 Plan
Contributions	Gift from Grandparents: \$5,000 per year, increasing at 3.0% per year, continuing through 1/2020 (Jill is 18)
Rate of return	7.4%

Other Assets

125 Elm Street

Owner	Joint
Current value	\$900,000

Purchase price	\$600,000
Appreciation rate	3.0%

Paintings / Collectibles

Owner	Joint
Current value	\$50,000
Purchase price	\$0
Appreciation rate	3.0%

Liabilities

Mortgage on 125 Elm Street

Owner	Joint
Original amount	\$500,000
Origination date	1/2004 (125 Elm Street is acquired)
Term	30 years
Monthly payment	\$2,934
Interest rate	5.800%

Income

Bill's Salary

Recipient	Bill
Description	\$100,000 per year, increasing at 3.0% per year, continuing through 6/2032 (Bill retires)

Judy's Salary

Recipient	Judy
Description	\$100,000 per year, increasing at 3.0% per year, continuing through 12/2034 (Judy retires)

Plan Assumptions

Bill's Social Security

Recipient	Bill
Description	\$10,000 per year, increasing at 3.0% per year between now and start date of 6/2032 (Bill is 65), continuing through 6/2049 increasing at 3.0% per year

Judy's Social Security

Recipient	Judy
Description	\$10,000 per year, increasing at 3.0% per year between now and start date of 12/2034 (Judy is 65), continuing through 12/2054 increasing at 3.0% per year

Expenses

Living Expenses

Description	\$138,000 per year, increasing at 3.0% per year, continuing through 12/2054 (Plan ends)
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Travel during retirement

Description	\$40,000 per year, increasing at 3.0% per year between now and start date of 6/2032 (Bill retires), continuing through 12/2041 increasing at 3.0% per year
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College - Jack

Whose education	Jack
Amount	\$51,300 per year, increasing at 7.0% per year
Begin at age	18
Education duration	4 years
Percent covered	100.0%

College - Jill

Whose education	Jill
Amount	\$51,180 per year, increasing at 7.0% per year

Begin at age	18
Education duration	4 years
Percent covered	100.0%

Management Fees

Fee Structure	1.00% for the first \$1,000,000 0.75% for the next \$1,000,000 0.50% thereafter Applied to accounts: Investment Account
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Insurance

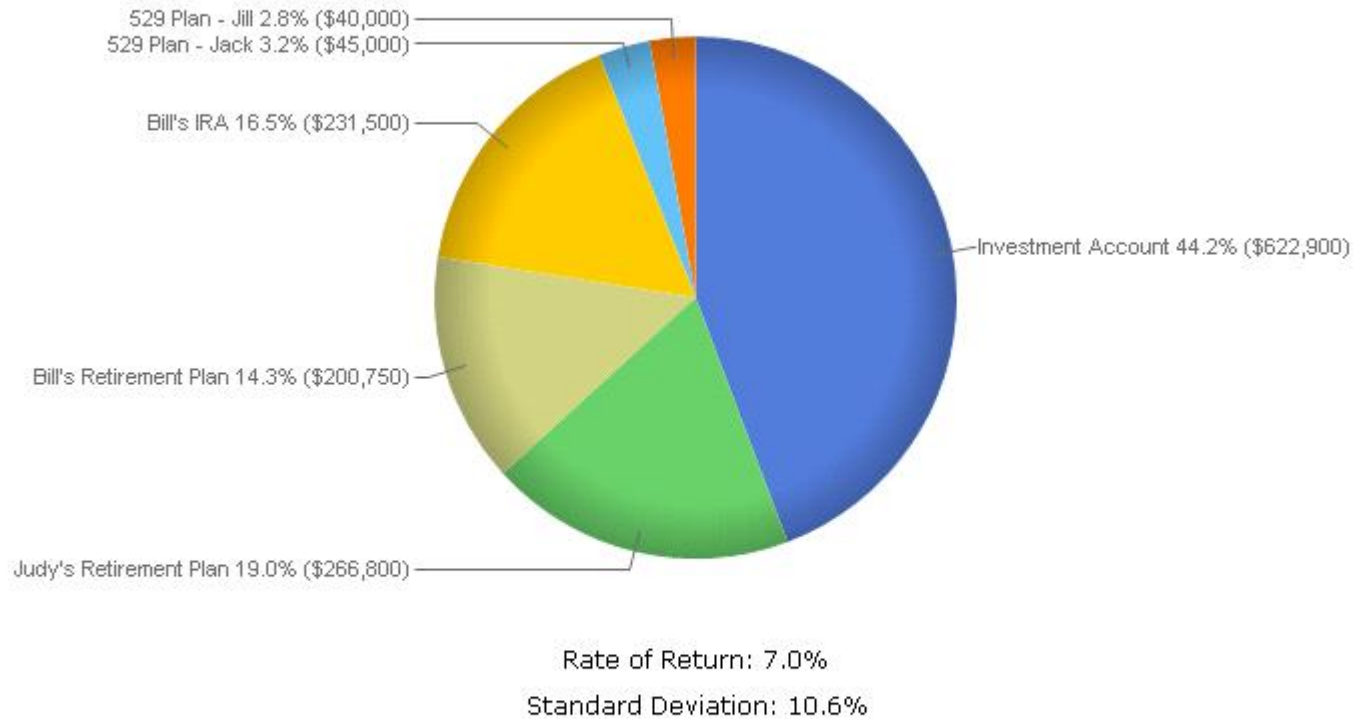
Life Insurance - Judy

Insured life	Judy
Beneficiaries	Spouse
Benefit	\$750,000, increasing at 0.0% per year

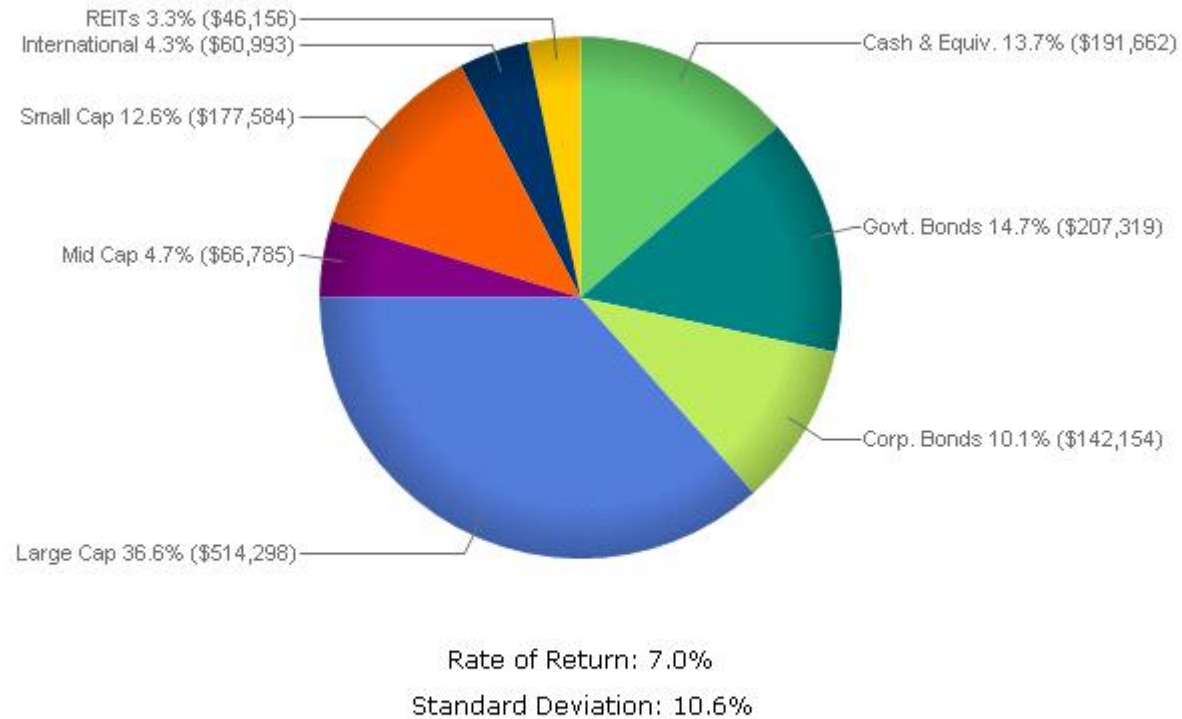
Life Insurance - Bill

Insured life	Bill
Beneficiaries	Spouse
Benefit	\$500,000, increasing at 0.0% per year

Investment Assets by Account Name



Investment Assets by Asset Class



Investment Assets by Asset Class

Asset Class	Amount	Percentage
Cash & Equivalents	191,662	13.7%
Fixed Income - Government	207,319	14.7%
Fixed Income - Corporate	142,154	10.1%
Large Cap Equities	514,298	36.6%
Mid Cap Equities	66,785	4.7%
Small Cap Equities	177,584	12.6%
International Equities	60,993	4.3%
Real Estate Investment Trusts	46,156	3.3%
Total	1,406,950	100.0%

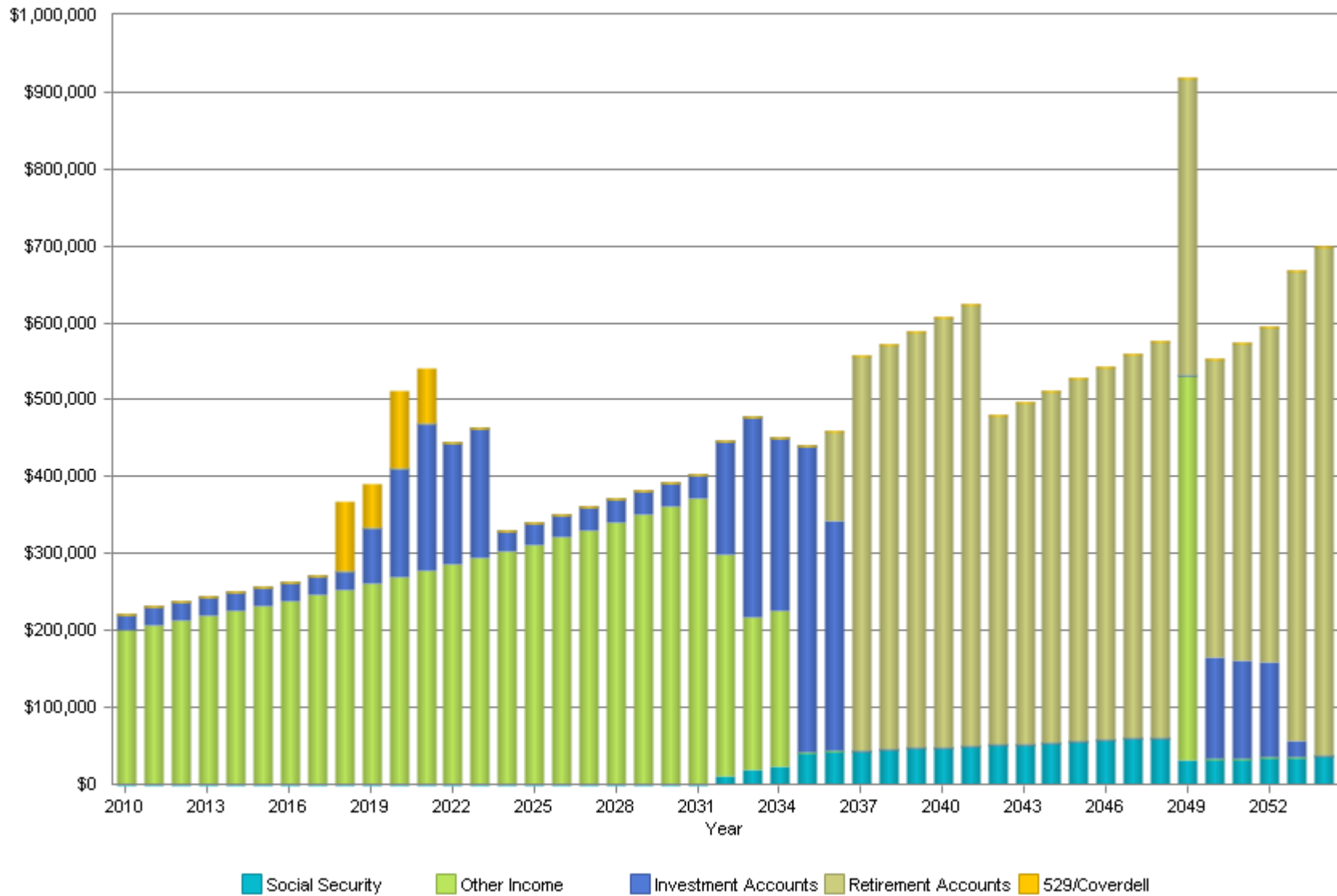
Investment Assets by Holdings

Holdings	Ticker	Units	Price	Amount	Percentage
Procter & Gamble Company	PG	2,300.000	63.00	144,900	10.3%
Boeing Company	BA	3,200.000	40.00	128,000	9.1%
3M Company	MMM	2,100.000	60.00	126,000	9.0%
Dominion Resources, Inc.	D	2,500.000	50.00	125,000	8.9%
iShares S&P 500 Index	IVV	2,000.000	50.00	100,000	7.1%
J.P. Morgan Chase & Co.	JPM	3,000.000	33.00	99,000	7.0%
American Century Government Bond Inv	CPTNX	7,500.000	11.50	86,250	6.1%
Undefined				85,000	6.0%
T. Rowe Price Corporate Income	PRPIX	10,000.000	7.70	77,000	5.5%
American Century Equity Income R	AEURX	12,000.000	6.00	72,000	5.1%
T. Rowe Price Equity Index 500	PREIX	3,000.000	23.50	70,500	5.0%
T. Rowe Price International Stock	PRITX	9,000.000	7.70	69,300	4.9%
iShares S&P MidCap 400 Value Index	IJJ	1,450.000	47.50	68,875	4.9%
iShares S&P SmallCap 600 Growth	IJT	1,500.000	41.75	62,625	4.5%
T. Rowe Price Real Estate	TRREX	5,000.000	10.00	50,000	3.6%
American Century High-Yield A	AHYVX	10,000.000	4.25	42,500	3.0%
Total				1,406,950	100.0%

Statement of Net Worth

	<u>Bill</u>	<u>Judy</u>	<u>Joint</u>	<u>Total</u>
Assets				
Investment Accounts				
Investment Account			622,900	622,900
Total Investment Accounts			622,900	622,900
Retirement Accounts				
Judy's Retirement Plan		266,800		266,800
Bill's Retirement Plan	200,750			200,750
Bill's IRA	231,500			231,500
Total Retirement Accounts	432,250	266,800		699,050
Education Accounts				
529 Plan - Jack			45,000	45,000
529 Plan - Jill			40,000	40,000
Total Education Accounts			85,000	85,000
Other Assets				
125 Elm Street			900,000	900,000
Paintings / Collectibles			50,000	50,000
Life Insurance - Judy	10,000			10,000
Total Other Assets	10,000		950,000	960,000
Total Assets	442,250	266,800	1,657,900	2,366,950
Liabilities				
Mortgage on 125 Elm Street			455,596	455,596
Total Liabilities			455,596	455,596
Net Worth	442,250	266,800	1,202,304	1,911,354

Cash Flow Analysis



Prepared by John P. Harrington, Senior Wealth Advisor, ABC Wealth Management, Inc. This analysis is based on information that you provided. The assumptions and projections in this plan are estimates and are meant to serve solely as a guideline. If any of the assumptions used in this plan are not realized, then the projections will be inaccurate. This plan does not offer legal or tax advice and should be reviewed by your legal and tax advisors before any action is taken. Past investment performance is not indicative of future investment results.

Cash Flow Analysis

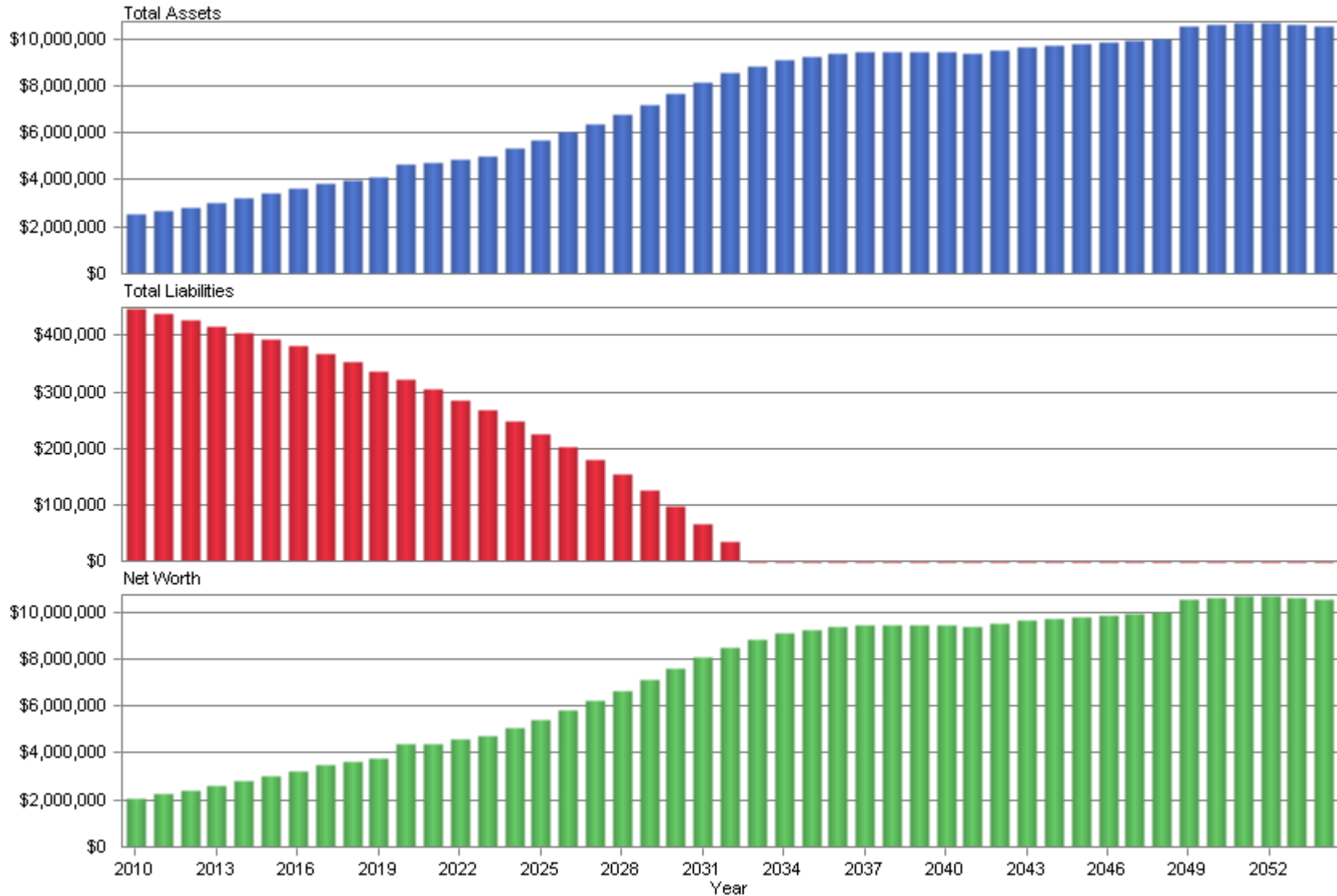
<u>Year</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2020</u>	<u>2025</u>
Social Security	0	0	0	0	0	0	0	0
Other Income								
Bill's Salary	100,000	103,000	106,090	109,273	112,551	115,927	134,392	155,797
Judy's Salary	100,000	103,000	106,090	109,273	112,551	115,927	134,392	155,797
Life Insurance - Bill - Proceeds	0	0	0	0	0	0	0	0
Investment Accounts								
Interest	13,189	13,567	13,937	14,333	14,755	15,207	25,182	19,505
Dividend	2,781	2,861	2,939	3,022	3,111	3,206	5,309	4,113
Principal	1,510	2,238	2,082	1,936	1,787	1,636	59,518	2,577
Appreciation	4,322	6,506	6,141	5,791	5,418	5,025	52,810	3,082
Retirement Accounts	0	0	0	0	0	0	0	0
529/Coverdell	0	0	0	0	0	0	100,679	0
Total Income	221,802	231,172	237,279	243,628	250,173	256,928	512,282	340,871
Taxes								
Federal Ordinary	36,516	41,079	42,681	44,383	46,146	47,974	61,858	73,135
Federal Cap Gain	1,065	1,301	1,228	1,158	1,084	1,005	10,562	616
State and Local	11,014	11,446	11,760	12,085	12,419	12,764	17,605	16,915
Total Income After Taxes	173,207	177,346	181,610	186,002	190,524	195,185	422,257	250,205
Expenses								
Living Expenses	138,000	142,140	146,404	150,796	155,320	159,980	185,460	215,000
Travel during retirement	0	0	0	0	0	0	0	0
College - Jack	0	0	0	0	0	0	100,915	0
College - Jill	0	0	0	0	0	0	100,679	0
Mortgage on 125 Elm Street	35,205	35,205	35,205	35,205	35,205	35,205	35,205	35,205
Total Expenses	173,205	177,345	181,609	186,001	190,525	195,185	422,259	250,205
Value of Investments	1,522,803	1,644,790	1,776,833	1,919,621	2,073,948	2,240,665	3,333,112	4,081,036

Cash Flow Analysis

<u>Year</u>	<u>2030</u>	<u>2035</u>	<u>2040</u>	<u>2045</u>	<u>2050</u>	<u>2054</u>
Social Security	0	41,876	48,546	56,278	32,620	36,715
Other Income						
Bill's Salary	180,611	0	0	0	0	0
Judy's Salary	180,611	0	0	0	0	0
Life Insurance - Bill - Proceeds	0	0	0	0	0	0
Investment Accounts						
Interest	23,343	6,230	0	0	5,470	0
Dividend	4,922	1,314	0	0	1,153	0
Principal	1,133	131,418	0	0	125,296	0
Appreciation	1,699	260,266	0	0	0	0
Retirement Accounts	0	0	558,015	471,323	388,885	661,801
529/Coverdell	0	0	0	0	0	0
Total Income	392,319	441,104	606,561	527,601	553,424	698,516
Taxes						
Federal Ordinary	87,972	1,188	144,679	113,410	82,147	157,262
Federal Cap Gain	340	52,053	0	0	0	0
State and Local	19,559	15,170	29,829	25,878	21,117	34,592
Total Income After Taxes	284,448	372,693	432,053	388,313	450,160	506,662
Expenses						
Living Expenses	249,243	288,941	334,962	388,313	450,161	506,660
Travel during retirement	0	83,751	97,090	0	0	0
College - Jack	0	0	0	0	0	0
College - Jill	0	0	0	0	0	0
Mortgage on 125 Elm Street	35,205	0	0	0	0	0
Total Expenses	284,448	372,692	432,052	388,313	450,161	506,660
Value of Investments	5,857,113	7,144,638	6,990,621	6,965,622	7,317,999	6,851,402

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Net Worth Over Time



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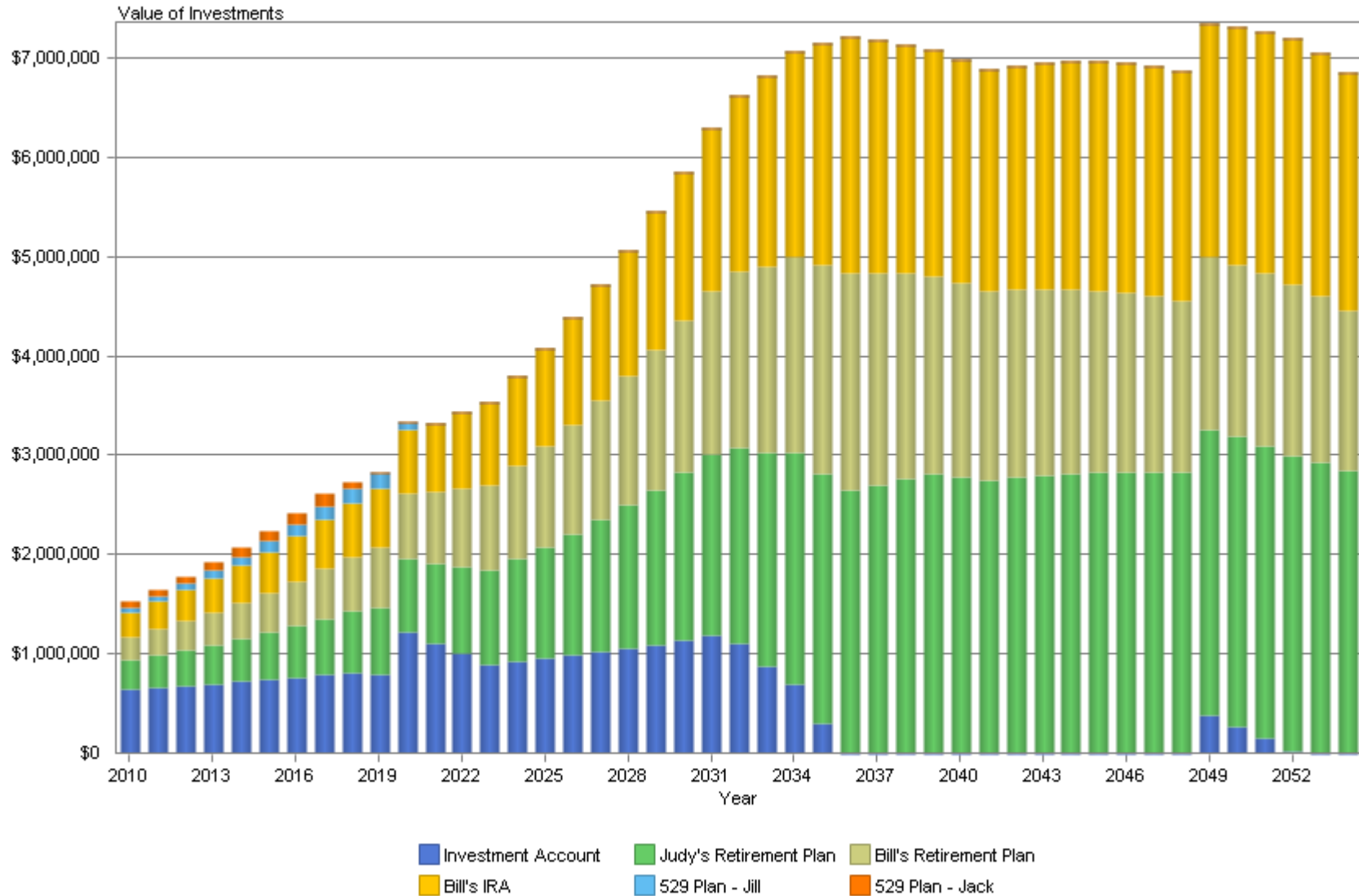
Net Worth Over Time

<u>Year</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2020</u>	<u>2025</u>
Assets								
Investment Account	641,806	658,506	676,447	695,644	716,168	738,088	1,222,245	946,701
Judy's Retirement Plan	294,723	325,029	357,846	393,370	431,811	473,394	737,608	1,125,730
Bill's Retirement Plan	228,901	259,285	292,019	327,260	365,176	405,948	659,741	1,019,268
Bill's IRA	255,363	281,348	309,579	340,239	373,528	409,662	641,847	989,336
529 Plan - Jill	48,321	57,428	67,374	78,228	90,061	102,951	71,670	0
529 Plan - Jack	53,690	63,194	73,567	84,879	97,204	110,623	0	0
125 Elm Street	926,926	954,734	983,376	1,012,877	1,043,263	1,074,561	1,245,711	1,444,120
Paintings / Collectibles	51,496	53,041	54,632	56,271	57,959	59,698	69,206	80,229
Life Insurance - Judy	11,500	13,000	14,500	16,000	17,500	19,000	26,500	34,000
Total Assets	2,512,726	2,665,565	2,829,340	3,004,768	3,192,670	3,393,925	4,674,528	5,639,384
Liabilities								
Mortgage on 125 Elm Street	446,578	437,023	426,899	416,172	404,806	392,762	320,892	224,909
Total Liabilities	446,578	437,023	426,899	416,172	404,806	392,762	320,892	224,909
Net Worth	2,066,148	2,228,542	2,402,441	2,588,596	2,787,864	3,001,163	4,353,636	5,414,475

<u>Year</u>	<u>2030</u>	<u>2035</u>	<u>2040</u>	<u>2045</u>	<u>2050</u>	<u>2054</u>
Assets						
Investment Account	1,132,995	302,384	0	0	265,512	0
Judy's Retirement Plan	1,692,954	2,501,758	2,779,334	2,824,324	2,914,374	2,846,621
Bill's Retirement Plan	1,523,922	2,105,908	1,950,750	1,827,986	1,737,230	1,612,982
Bill's IRA	1,507,242	2,234,588	2,260,537	2,313,313	2,400,882	2,391,799
529 Plan - Jill	0	0	0	0	0	0
529 Plan - Jack	0	0	0	0	0	0
125 Elm Street	1,674,132	1,940,777	2,249,893	2,608,242	3,023,668	3,402,893
Paintings / Collectibles	93,007	107,821	124,994	144,902	167,982	189,050
Life Insurance - Judy	41,500	49,000	56,500	64,000	71,500	77,500
Total Assets	7,665,752	9,242,236	9,422,008	9,782,767	10,581,150	10,520,850
Liabilities						
Mortgage on 125 Elm Street	96,724	0	0	0	0	0
Total Liabilities	96,724	0	0	0	0	0
Net Worth	7,569,028	9,242,236	9,422,008	9,782,767	10,581,150	10,520,850

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Value of Investments



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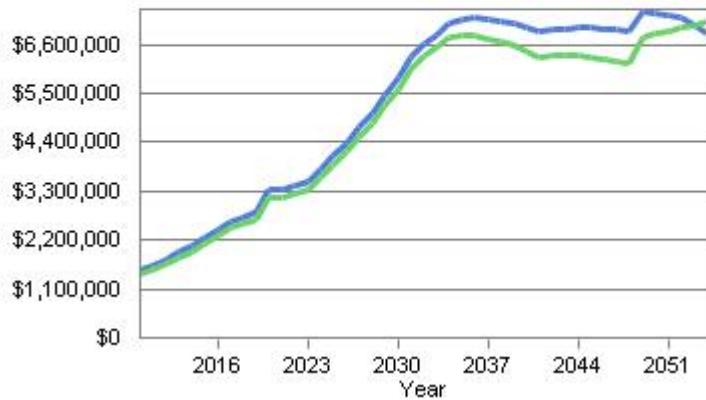
Solutions

The following values will allow you to meet your expense needs. Each of the values is calculated independently of the other values. Rates of return are derived by solving for the appreciation return only. Interest and dividends remain constant. Portfolio rebalancing for the 'Solved For' account(s) is disabled during rate of return solution.

	Current Value	Value to Meet Goal
You could change your asset mix to realize a different rate of return:		
Overall Return (All Accounts)	7.0%	6.3%
Or, you could retire a few years earlier:		
Retirement ages - combined (Client/Partner)	65/65	63/63
Or, you could increase your living expenses (combined):		
Living Expenses	\$138,000	\$149,700

Roth Conversion Comparison

Value of Investments
Before-taxes

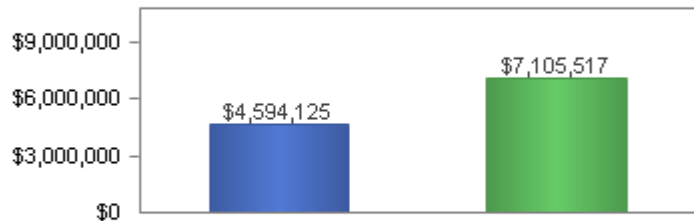


Assumptions

Bill's IRA

- Convert to Roth by transferring the entire value in 2010
- Conversion tax rates: Federal 33.0%, State 5.0%
- Conversion taxes added as an expense
- Conversion taxes for the year 2010 paid in 2010
- Future IRA contributions will be made to Roth account

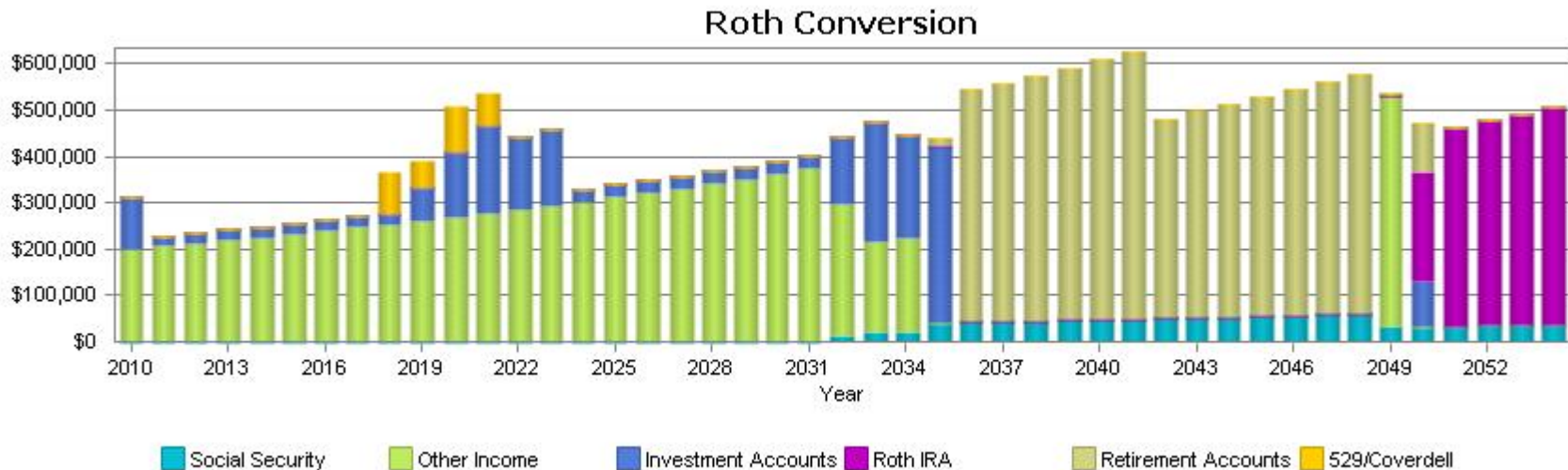
Value of Investments
After-tax, In Final Year of Plan*



*Assuming an overall income tax rate of 33%

■ Current Strategy ■ With Roth Conversion

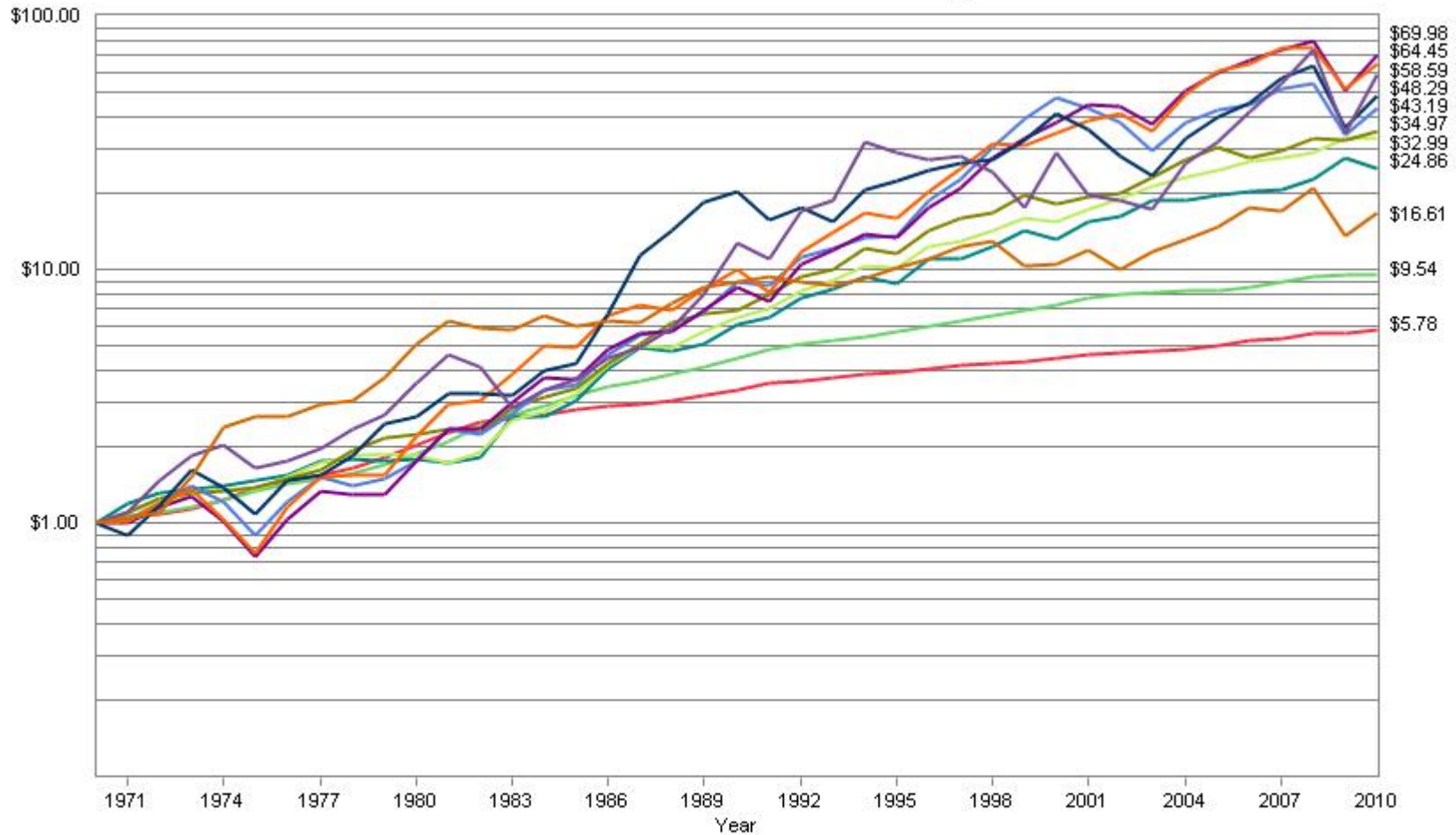
Cash Flow Analysis - Strategy Comparison



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Inflation vs. Investments

Value of \$1 invested in 1970 and held through 2009



Source: Global Financial Data, Inc.

- Inflation
- Cash & Equivalents
- Fixed Income - Government
- Fixed Income - Corporate
- Fixed Income - International
- Large Cap Equities
- Mid Cap Equities
- Small Cap Equities
- International Equities
- Emerging Market Equities
- Commodities

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Correlation Coefficients

Asset Class	1	2	3	4	5	6	7	8	9
1 Cash & Equivalents	1.00								
2 Fixed Income - Government	0.19	1.00							
3 Fixed Income - Corporate	0.14	0.93	1.00						
4 Large Cap Equities	0.22	0.04	0.10	1.00					
5 Mid Cap Equities	0.17	0.03	0.08	0.89	1.00				
6 Small Cap Equities	0.19	0.04	0.12	0.79	0.94	1.00			
7 International Equities	0.03	-0.07	0.04	0.66	0.57	0.50	1.00		
8 Emerging Market Equities	-0.14	-0.39	-0.29	0.48	0.51	0.51	0.59	1.00	
9 Real Estate Investment Trusts	0.20	-0.19	-0.08	0.44	0.65	0.76	0.35	0.33	1.00

Asset class correlation coefficients are for the period 1979 – 2009.

Monte Carlo Assumptions

In this Monte Carlo analysis, the chance of meeting your goals is calculated by running the projections many times, each time using varying rates of return. For each run of the plan (trial), the following rates of return and standard deviations were used:

Asset Class	Rate of Return	Standard Deviation
Cash & Equivalents	4.00%	3.38%
Fixed Income - Government	6.00%	11.84%
Fixed Income - Corporate	6.00%	8.93%
Large Cap Equities	8.00%	17.33%
Mid Cap Equities	8.00%	17.27%
Small Cap Equities	8.00%	17.94%
International Equities	9.00%	22.87%
Emerging Market Equities	9.00%	31.37%
Real Estate Investment Trusts	8.00%	19.57%

Rates of return are using expected data.
Standard deviations are for the period 1979 – 2009.

Other asset classes not used in the analysis may have characteristics similar or superior to those being considered.

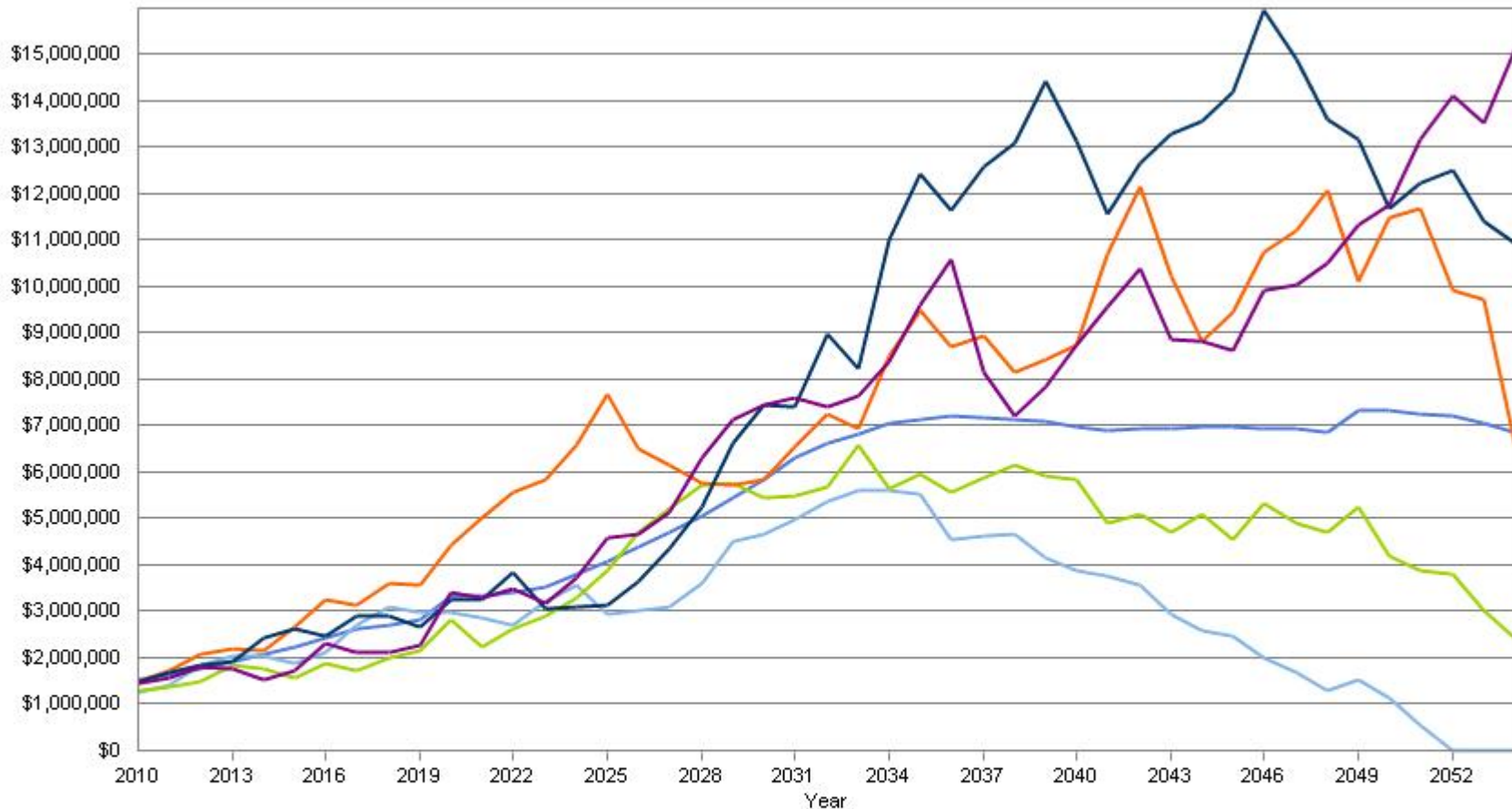
If there were sufficient funds to cover all expenses, the trial is considered a success. If not, it is a failure. Once all of the trials have been completed, the chance of success is determined by dividing the number of successful trials by the total number of trials.

The results generated using Monte Carlo may vary with each use and may vary over time.

Standard Deviation is a measure of the variability of a data set. A low standard deviation indicates that most all of the data points are close to the mean, while a high standard deviation indicates that the data is more 'spread out' over a larger range of values. For this analysis a normal distribution is used. Approximately 68% of the data will be plus or minus 1 standard deviation from the mean and approximately 95% of the data will be plus or minus 2 standard deviations from the mean.

Monte Carlo Analysis

Chance of meeting goals 76.3%

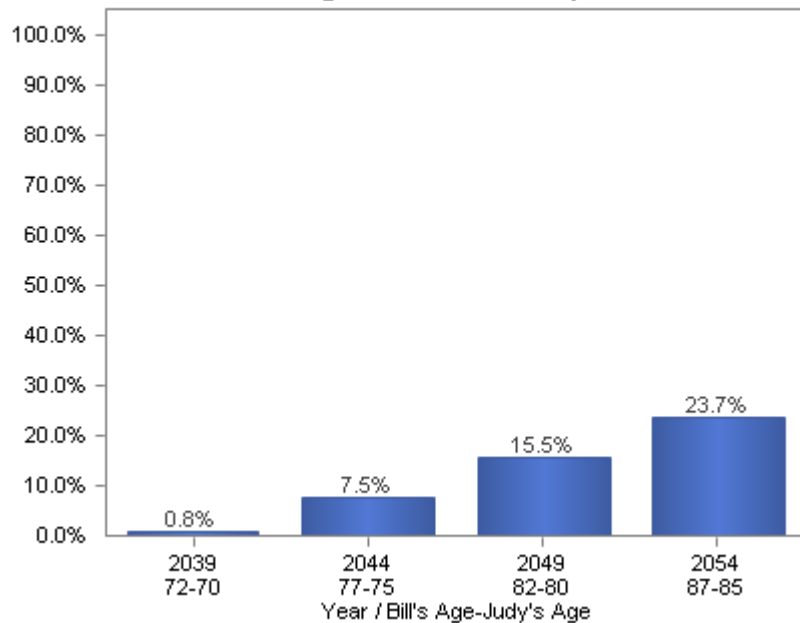


IMPORTANT: The projections or other information generated by the Cheshire Wealth Manager regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Probabilities based on running 2,000 Monte Carlo trials. While this diagram depicts a wide range of possible outcomes, there is no assurance that your actual investment plan will fall within this range.

Original 80% 70% 60% 50% 40%

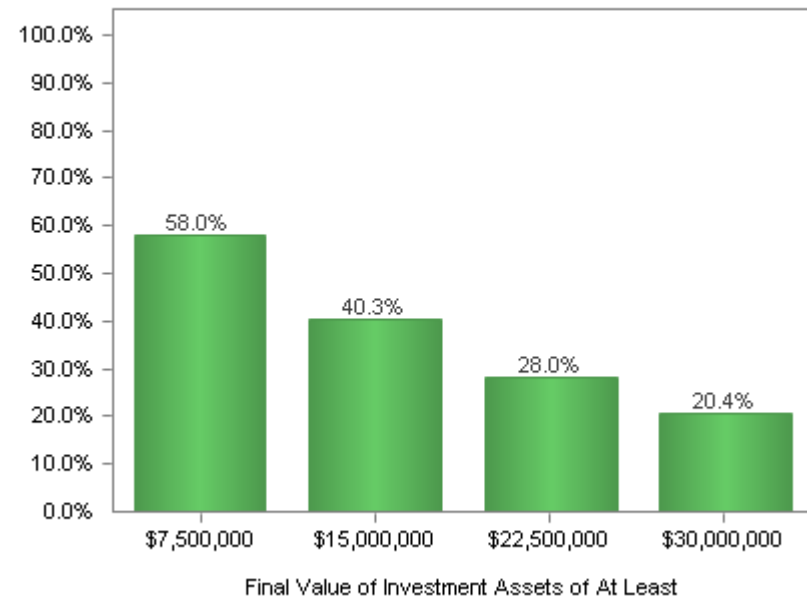
Monte Carlo Probability

Running Out of Money Before



This chart indicates the probability of running out of investment assets by the year (and age) indicated below each of the four bars. As you can see, the longer the plan goes, the higher the chance of depleting investment assets.

Final Value of Investments of At Least



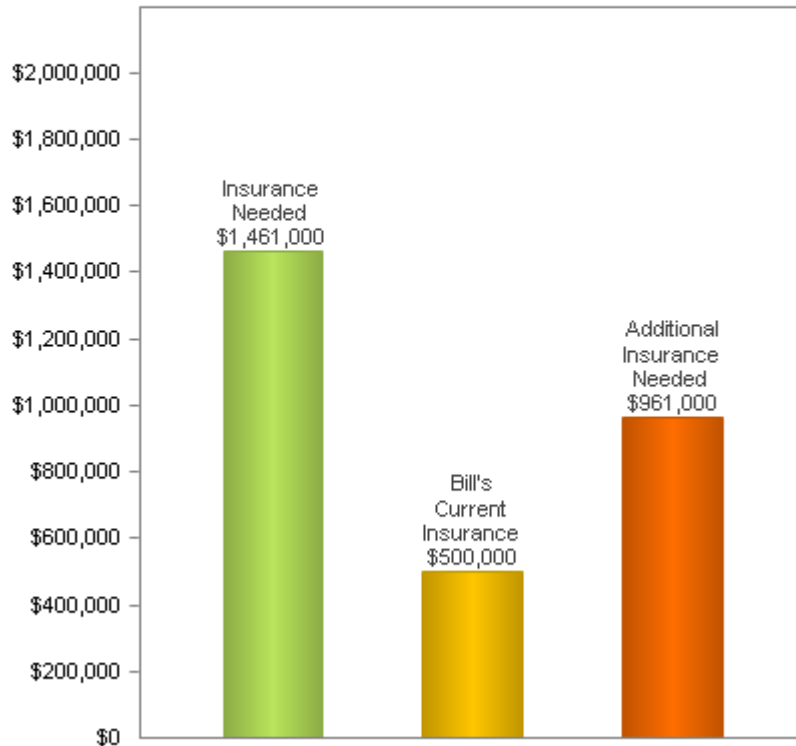
This chart indicates the chance of meeting all projected expenses and having investment assets worth at least as much as the dollar amount associated with each of the four bars. As you might expect, the higher the dollar amount, the lower the probability.

IMPORTANT: The projections or other information generated by the Cheshire Wealth Manager regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Probabilities based on running 2,000 Monte Carlo trials. While this diagram depicts a wide range of possible outcomes, there is no assurance that your actual investment plan will fall within this range.

Insurance Needs Analysis

The following chart shows the amount of life insurance needed in the event that Bill dies today.

Life Insurance Needs Analysis
In the event of Bill's death



In the event that Bill dies, all of the original plan assumptions are used with the following exceptions:

Modified Items

Income

Bill's Salary - Eliminate

Bill's Social Security - Eliminate

Judy's Salary - Decrease by 20.0%

Expense

Living Expenses - Decrease by 20.0%

Contribution

Bill's IRA Contribution - Eliminate

Investment Account Contribution - Eliminate

Inheritance - Eliminate

Judy's 403(b) Contribution - Eliminate

Bill's 401(k) Contribution - Eliminate

Final Value

Final value of investment assets - Eliminate

Additional Income

Judy - Consulting (3 Years)

Recipient	Judy
Description	\$20,000 per year, increasing at 3.0% per year between now and start date of 12/2034 (Judy retires), continuing through 12/2037 increasing at 3.0% per year

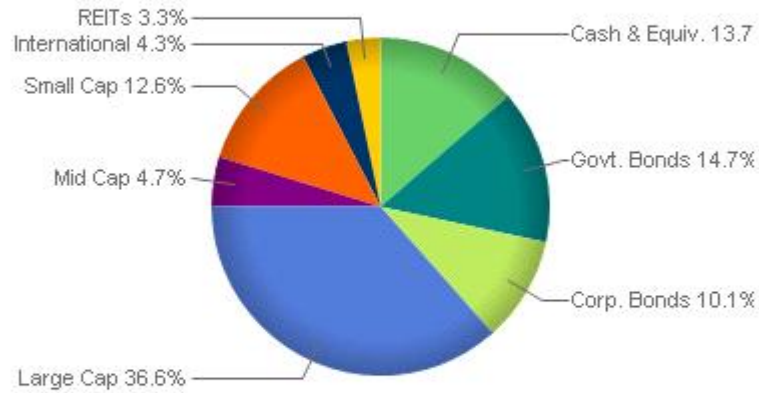
Investment Policy Statement

The Cheshire Wealth Manager allows you to integrate your own Investment Policy Statement (IPS) into the printed report generated by the software. Typically an IPS contains some or all of the following:

- Purpose
- Investment Objectives
- Investment Strategy/Asset Allocation
- Constraints/Guidelines
- Responsibility
- Approval and Signature

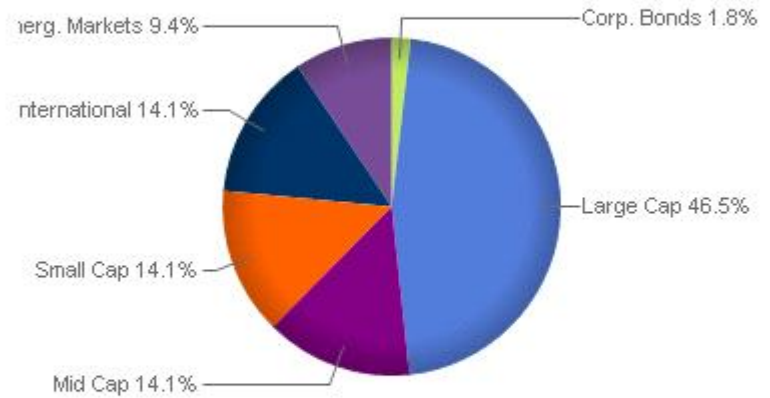
Asset Allocation Strategy - Current vs. Proposed for All Accounts

Current Allocation



Rate of Return: 7.0%
Standard Deviation: 10.6%

Proposed Allocation

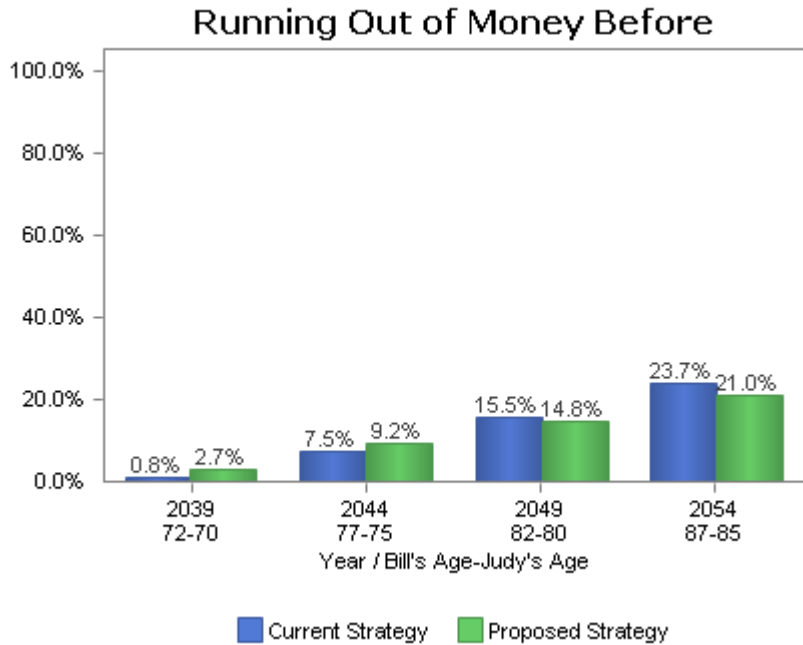


Rate of Return: 8.2%
Standard Deviation: 16.6%

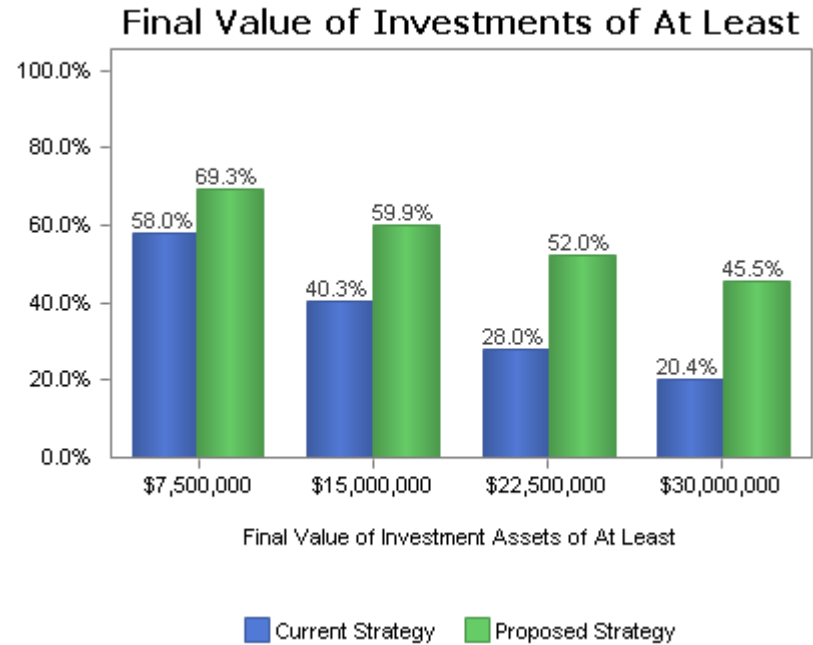
Asset Allocation Strategy - Current vs. Proposed for All Accounts

Asset Class	Current	Proposed	Net Change	Net Change
Cash & Equiv.	13.7%	0.0%	-13.7%	-191,662
Govt. Bonds	14.7%	0.0%	-14.7%	-207,319
Corp. Bonds	10.1%	1.8%	-8.3%	-116,654
Large Cap	36.6%	46.5%	9.9%	140,080
Mid Cap	4.7%	14.1%	9.4%	131,508
Small Cap	12.6%	14.1%	1.5%	20,709
International	4.3%	14.1%	9.8%	137,300
Emerg. Markets	0.0%	9.4%	9.4%	132,195
REITs	3.3%	0.0%	-3.3%	-46,156
Total	100.0%	100.0%	0.0%	0
Rate of Return	7.0%	8.2%	1.2%	
Standard Deviation	10.6%	16.6%	6.0%	

Asset Allocation Strategy - Monte Carlo Probability



This chart indicates the probability of running out of investment assets by the year (and age) indicated below each of the four bars. As you can see, the longer the plan goes, the higher the chance of depleting investment assets.

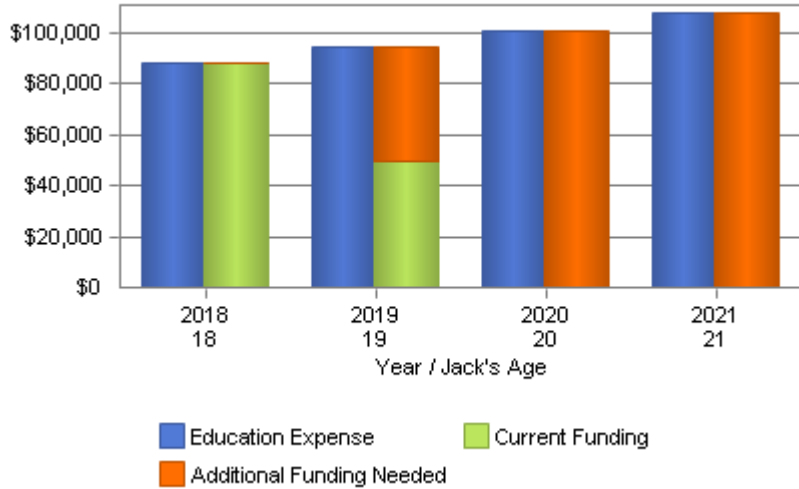


This chart indicates the chance of meeting all projected expenses and having investment assets worth at least as much as the dollar amount associated with each of the four bars. As you might expect, the higher the dollar amount, the lower the probability.

IMPORTANT: The projections or other information generated by the Cheshire Wealth Manager regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Probabilities based on running 2,000 Monte Carlo trials. While this diagram depicts a wide range of possible outcomes, there is no assurance that your actual investment plan will fall within this range.

Education Analysis for Jack

The following chart shows the education expenses, current funding and additional funding required for Jack's education.



Education Expense Details

College - Jack

Amount	\$51,300 per year, increasing at 7.0% per year
Begin at age	18
Education duration	4 years
Percent covered	100.0%

The following table shows the current value, current annual contribution and the additional annual contribution needed to meet Jack's education goals. Additional contribution values are calculated independently of each other. All contributions are assumed to begin today.

Account Name	Current Value	Current Annual Contribution	Additional Annual Contribution Needed
529 Plan	\$45,000	\$5,000	\$20,000
Taxable Account	\$0	\$0	\$31,500

Assumptions

529 Plan

Rate Of return	7.4%
Contribution increase	None
Contribution ends	Beginning of Jack's education

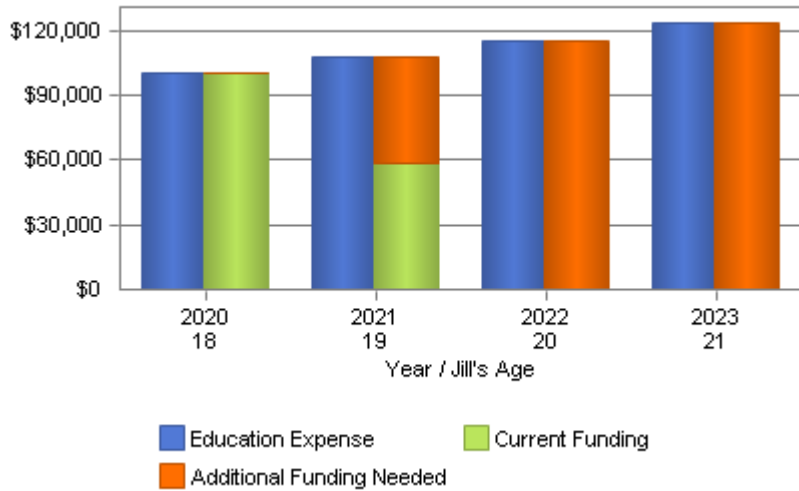
Taxable Account

Rate Of return	0.0%
Contribution increase	None
Contribution ends	Beginning of Jack's education

A flat combined tax rate of 33.0% is used in this analysis.

Education Analysis for Jill

The following chart shows the education expenses, current funding and additional funding required for Jill's education.



Education Expense Details

College - Jill

Amount	\$51,180 per year, increasing at 7.0% per year
Begin at age	18
Education duration	4 years
Percent covered	100.0%

The following table shows the current value, current annual contribution and the additional annual contribution needed to meet Jill's education goals. Additional contribution values are calculated independently of each other. All contributions are assumed to begin today.

Account Name	Current Value	Current Annual Contribution	Additional Annual Contribution Needed
529 Plan	\$40,000	\$5,000	\$16,800
Taxable Account	\$0	\$0	\$28,600

Assumptions

529 Plan

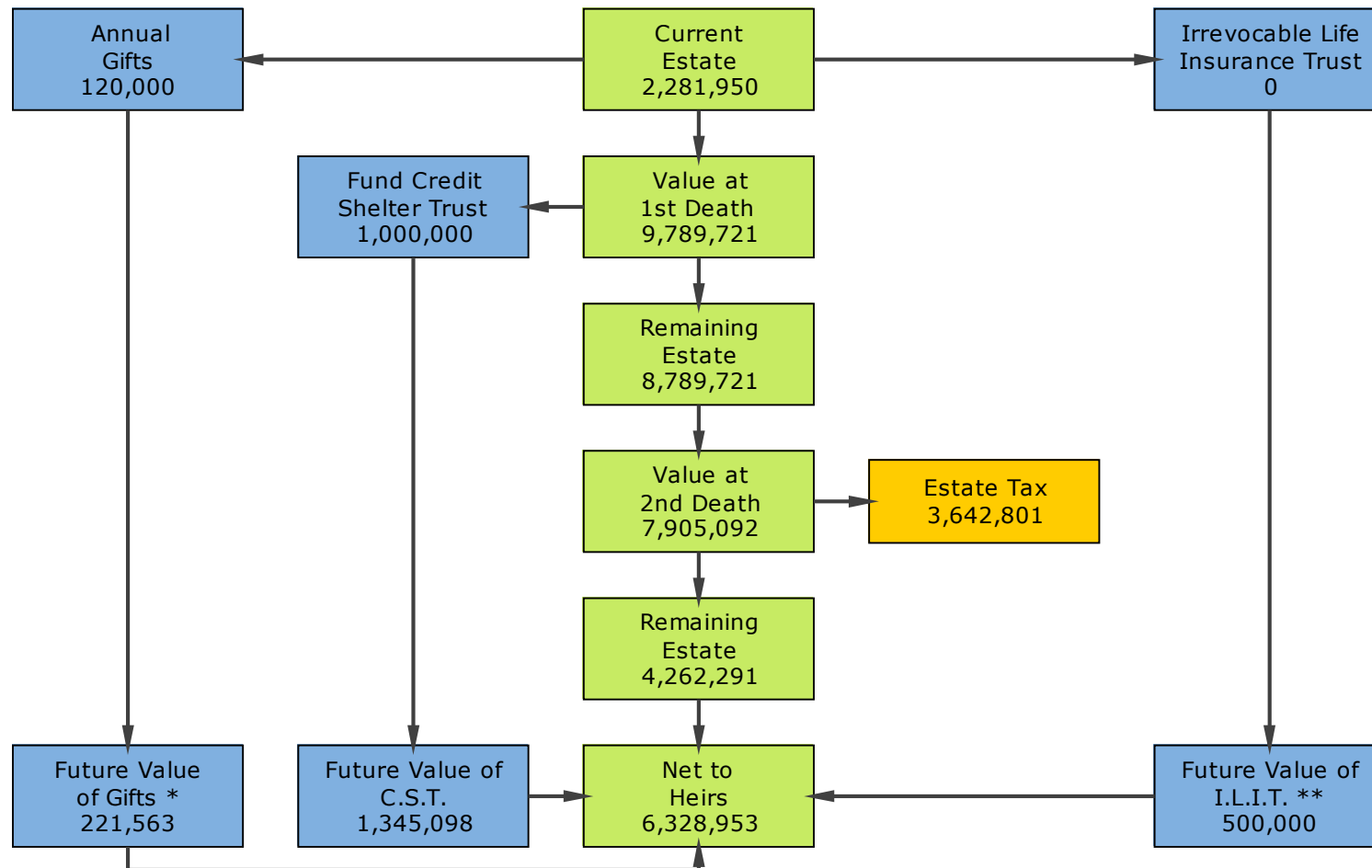
Rate Of return	7.4%
Contribution increase	None
Contribution ends	Beginning of Jill's education

Taxable Account

Rate Of return	0.0%
Contribution increase	None
Contribution ends	Beginning of Jill's education

A flat combined tax rate of 33.0% is used in this analysis.

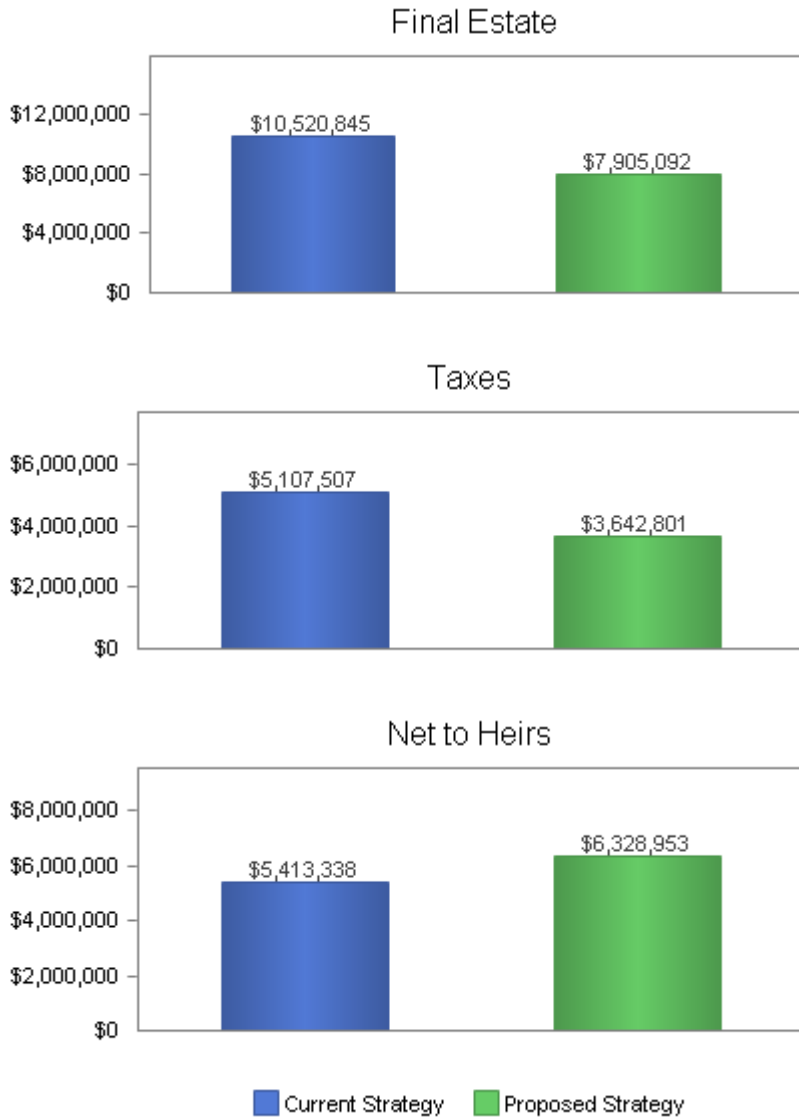
Proposed Estate Strategy - Dies in Future



* Derived using after-tax rate of return on gifts.

** May involve transfer of value issues that are not taken into consideration in this analysis.

Estate Planning Analysis - Dies in Future



Current Estate Strategies

There are no current estate strategies

Proposed Estate Strategies

All current estate strategies are included.

Establish a Credit Shelter Trust for maximum allowed amount in 6/2049 (first death)

Gift of \$20,000 per year, increasing at 0.0% per year between now and start date of 1/2040 (Jack is 40), continuing through 1/2045 increasing at 0.0% per year

Transfer 'Life Insurance - Bill' into an Irrevocable Life Insurance Trust (ILIT).