

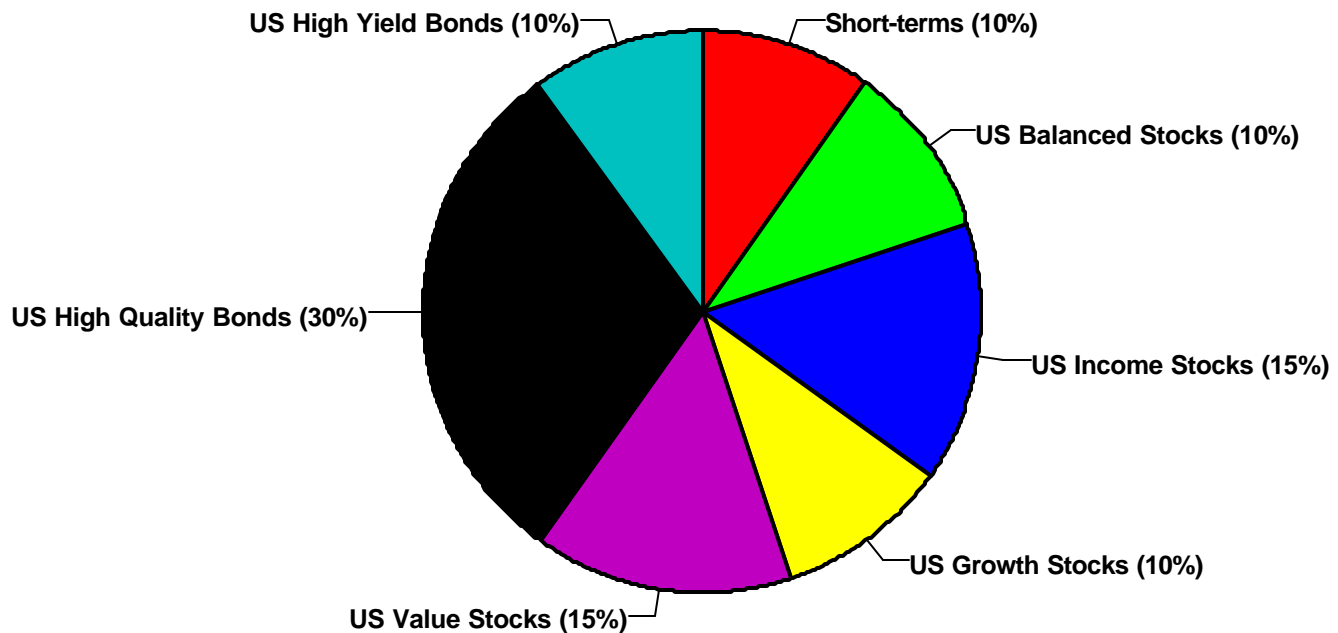
Asset Allocation Report for Samuel Sample

Report produced May 22, 2002

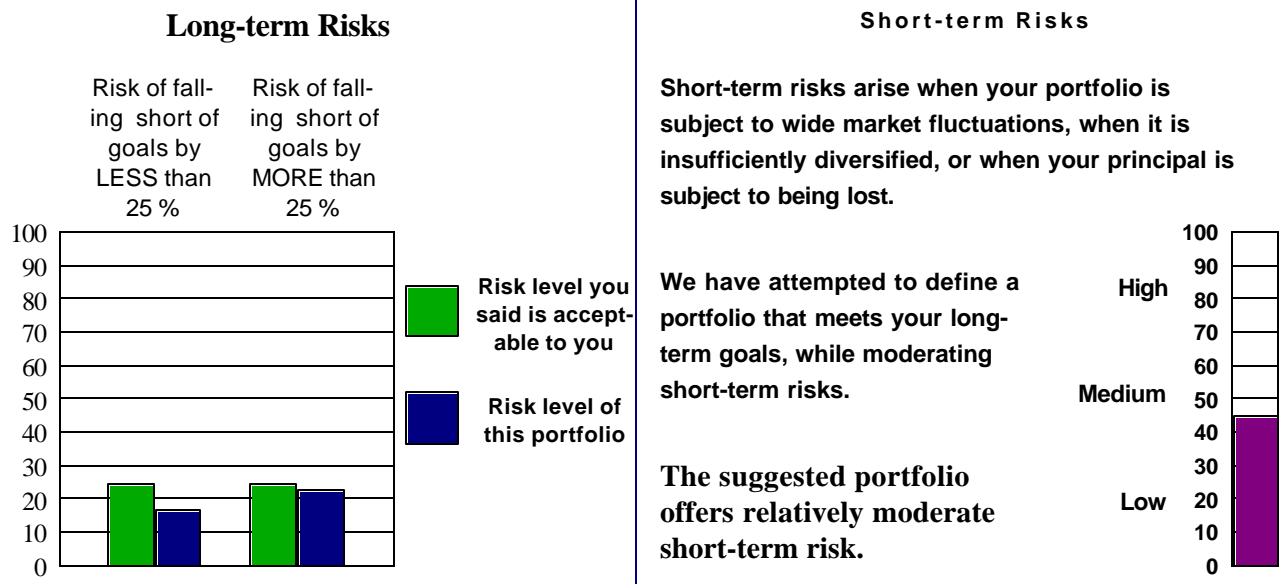
This report reflects assumptions contained in the attached Notes.

This report is not complete unless the Notes are attached.

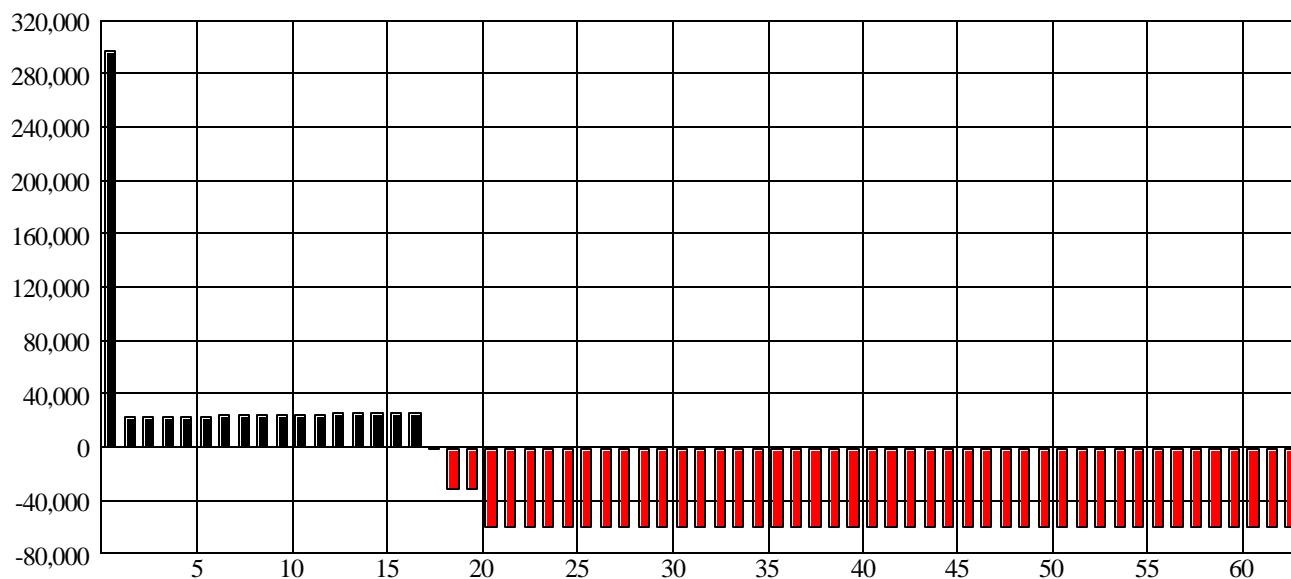
1. Suggested Allocation:



2. Risk Analysis:



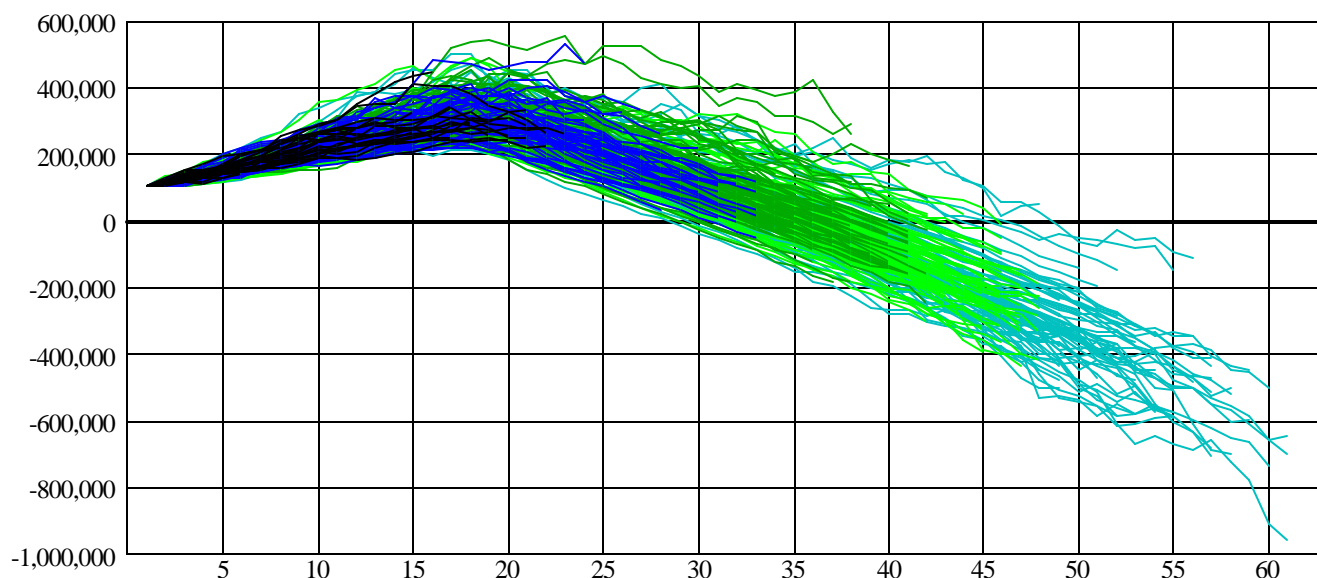
3. Requested Cash Flows (year by year, in current dollars):



Notes:

Retirement withdrawals of \$60,000 end at the second death.

4. Different Future Scenarios (possible fund balance, year by year, in current dollars):



THE UNCERTAINTY OF THE FUTURE: Here is the range of scenarios we have reviewed. Your requested cash flows, and the suggested asset allocation, are taken as givens. Also illustrated here, however, are varying investment experience and risks of early or late death, which are fundamentally unpredictable. Death is represented as occurring when the lines end, with earlier death scenarios shown in darker lines, so they are visible. It is impossible to say which of these scenarios, if any, will actually occur. They are shown here to illustrate the range of uncertainty about the future.

5. The most important things for you to understand:

- .. **There are no guarantees! Predicting the future is risky at best, hopeless at worst. What will happen years from now is fundamentally unknowable, and even the single most likely scenario is almost certain not to occur.**
- .. **The purpose of the allocation, therefore, is not to predict what will happen, or to provide the highest possible return on your investments. Rather, the purpose is to help you position your assets so that you have a reasonable chance of achieving your financial goals under a wide range of possible future events.**
- .. **This analysis is just one step along the way. You should review your asset allocation frequently, as the investment environment changes, and as your own personal and financial circumstances evolve.**
- .. **Keep in mind that adverse future scenarios need not be as bad as projections make them appear. If such a scenario plays out, you will have many opportunities to make adjustments along the way. And even in the worst of situations, people often find that there are resources available, and ways of adjusting their cash needs, that they had not thought about.**
- .. **Before making any final investment decisions, you should make sure that you are knowledgeable about the specific investments involved. You should review any applicable plan documents, product and/or fund prospectuses, company financial reports, or other pertinent documents to make sure you understand and are comfortable with the characteristics of the assets you invest in.**

6. How the suggested allocation was determined:

Our allocation strategy is to test the ability of your desired cash flows to be met, with the degree of flexibility you specify, against a wide variety of investment and lifespan scenarios. The investment scenarios are based on expected investment results in economic scenarios ranging from catastrophically adverse to outstandingly favorable, but with the bulk of them close to actual historic trends over most of the past century. We ask: in how many of those scenarios are your goals met? In how many do we come within 25% of meeting your goals?

Then we examine which investments contribute to meeting your goals, and which detract from it. Finally, we assemble a proposed allocation that:

- .. Above all else, meets your financial goals, if possible;
- .. Provides adequate diversification both within and among your investment choices;
- .. Moderates any tendency of your funds to swing wildly in value as market conditions fluctuate;
- .. Limits the risk of loss of principal due to the failure of investments;
- .. Reflects the following constraints: Short-terms may not be less than 10%, Total U.S. Stocks may not be less than 50%, US Balanced Stocks may not be less than 10%, US Income Stocks may not be less than 15%, US Growth Stocks may not be less than 10%, US Value Stocks may not be less than 15%, Total U.S. Bonds may not be less than 40%, US High Quality Bonds may not be less than 30%, and US High Yield Bonds may not be less than 10%.

7. Important Additional Notes and Disclosures

We make no representation that the suggested allocation is in any sense ideal, or the best possible for you. Since true knowledge about the future cannot be had in advance, there is no way to predict with confidence which investments will perform the best, whether your needs will change, or whether you will live a long or a short life. Without such knowledge, any investment decisions involve guesswork. Although extensive calculations have gone into creating the suggested allocation, the methods and insights represented by those calculations are partly science and partly art, partly statistical analysis and partly judgment. Analyses are based on market conditions as of May 22, 2002.

Given the inherent uncertainty of the practice of asset allocation, therefore, there are no guarantees that the suggested allocation will meet your goals or otherwise prove suitable to you. Frequent periodical monitoring and adjustment of the allocation is necessary to provide even minimal confidence that your asset allocation is appropriate.

There is no guarantee that you will achieve any particular rate of return on your funds, or that your principal will be preserved.

In preparing your suggested allocation, we have taken into account “typical” management fees for funds of the kind represented. Your actual fees may differ considerably, however, and may change over time. Contributions to and withdrawals from your asset balance may also be subject to sales charges or other kinds of fees and expenses.

If your fund contributions are part of a registered investment product or fund(s), it is important to review the prospectus that must be provided with that product and/or fund(s). A prospectus must be provided to you at the time contributions are made.

The various scenarios we have tested take into account the risk of death occurring at various ages. We have used the following assumptions in calculating the likelihood of death at any given age:

- Client: Male, born January 1, 1954, Non-Smoker, No health impairments indicated.
- Spouse: Female, born January 1, 1955, Non-Smoker, No health impairments indicated.
- Mortality Table: 1985-1990 Individual Life Insurance Experience adjusted for smoking status and decreases in mortality over time.

The analysis assumes that your funds are tax-sheltered in a 401(k), 403(b) or other tax-qualified pension plan. In such a plan, earnings are tax-deferred, and withdrawals are taxed. We assume a post-retirement total marginal tax rate of 27%. Any tax penalties for early withdrawals that may apply are not taken into account.

Definition of asset classes and their objectives:

- Short-terms (10%) — seeks very high safety of principal offset by low current income and no capital gains, by investing in short-term commercial paper, certificates of deposit, and/or other similar instruments.
- US Balanced Stocks (10%) — seeks a blend of U.S. securities that are geared toward growth, income and long-term value.
- US Income Stocks (15%) — seeks high current income and is comprised of dividend-paying stocks.
- US Growth Stocks (10%) — seeks long-term growth in principal, with little regard to current income, and may be composed mostly of non-dividend-paying stocks.
- US Value Stocks (15%) — seeks long-term asset growth and relative safety of principal by focusing on stocks that are considered to be of solid value though perhaps current under-priced.
- US High Quality Bonds (30%) — seeks relatively high current income combined with relative safety of principal, though usually without significant long-term growth potential, by investing in high-grade bonds.
- US High Yield Bonds (10%) — seeks exceptionally high current income plus the possibility of capital gains by investing in bonds (sometimes referred to as “junk bonds”) that have a relatively high risk of default.

This report is generated by RetirementWorks® calculation software, a product of Still River Retirement Planning Software, Inc., Harvard, Massachusetts.