

Asset Allocation Report

August 24, 2009

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Schulz Financial
Invest

Prepared For

John and Mary Smith
March 15, 2008

Prepared By

Rodney Schulz
Schulz Financial
12558 Honeywood Trail
Houston, TX 77077
281-705-9189
rodney@schulzinvest.com

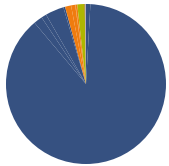
Asset Allocation Analysis

John Smith

Determining an appropriate mix of asset classes is essential to create a well balanced investment strategy. The Efficient Frontier line represents portfolios with the highest possible return for each level of risk(as measured by standard deviation), given the capital market assumptions and the constraints being used.

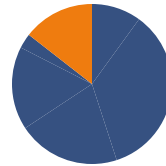
Asset Allocation

Current



Asset Class	%
Domestic Large Growth Stocks	0.88
Domestic Large Value Stocks	87.99
Domestic Mid-Cap Stocks	1.77
Domestic Small-Cap Stocks	1.04
Non-Domestic Developed Stocks	3.75
Developing Markets Stocks	0.36
Domestic Investment-Grade Bonds	1.21
Domestic High-Yield Bonds	0.83
Domestic Inflation-Protected Bonds	0.09
Non-Domestic Bonds	0.34
Cash	1.48
Commodities	0.00
REITs	0.09
Unidentified	0.17

Target



Asset Class	%
Domestic Large Growth Stocks	10.00
Domestic Large Value Stocks	35.00
Domestic Mid-Cap Stocks	5.00
Domestic Small-Cap Stocks	15.71
Non-Domestic Developed Stocks	16.82
Developing Markets Stocks	3.00
Domestic Investment-Grade Bonds	14.47
Domestic High-Yield Bonds	0.00
Domestic Inflation-Protected Bonds	0.00
Non-Domestic Bonds	0.00
Cash	0.00
Commodities	0.00
REITs	0.00
Unidentified	0.00

Current Portfolios

Portfolio Name	Owner	Type	Amount\$
Aggregate Portfolio	Client	DC	360,473.00

Assumptions

Client Profile

Name	John Smith		
Current Age	49 yrs	Retirement Age	60 yrs
Gender	Male	Life Expectancy	75 yrs
Current Income \$	74,500.00	Retirement Expense %	—
Expected Inflation Rate %	2.30	Retirement Expense \$	90000.00

Partner Profile

Name	Mary Smith		
Current Age	43 yrs	Retirement Age	55 yrs
Gender	Female	Life Expectancy	75 yrs
Current Income \$	45,400.00	Retirement Expense %	—
Expected Inflation Rate %	2.30	Retirement Expense \$	90000.00

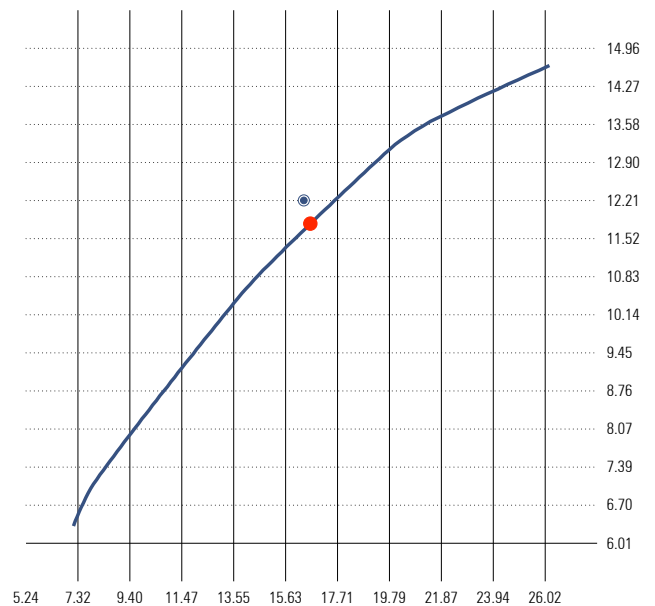
Risk Section

Risk Type	Moderate Growth
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Efficient Frontier

Expected Return vs. Standard Deviation/Risk

● Current ● Target



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Risk and Performance Statistics

	Current	Target
Expected Return	12.21	11.79
Risk	16.36	16.62
Yield	3.05	2.84

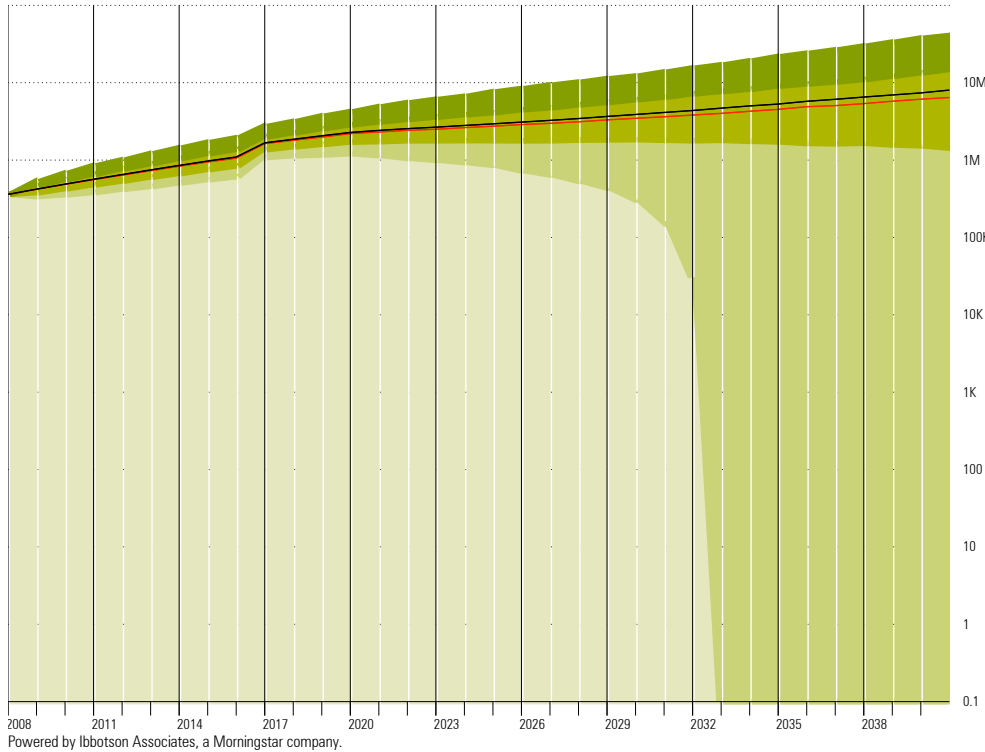
Wealth Graph of Target Asset Allocation

John Smith

The report demonstrates how investments based on the target asset allocation would have performed over a long investing horizon.

Wealth Graph

Target Asset Allocation: 5% 25% 75% 95% — Median Current Portfolio: — Median Portfolio Value (\$)



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Client
 Current Age 49 yrs
 Retirement Age 60 yrs
 Life Expectancy 75 yrs

Partner
 Current Age 43 yrs
 Retirement Age 55 yrs
 Life Expectancy 75 yrs

Wealth Table

Year	Beginning Balance (\$)	Additions (\$)	Withdrawals (\$)	Investment Gains/Losses (\$)	Ending Balance (\$)
2008	360,473.00	20,821.25	0.00	37,741.84	419,036.09
2009	419,036.09	21,419.90	0.00	44,497.61	484,953.59
2010	484,953.59	22,042.72	0.00	51,206.21	558,202.52
2011	558,202.52	22,690.70	0.00	57,539.82	638,433.04
2012	638,433.04	23,364.86	0.00	66,808.99	728,606.89
2013	728,606.89	24,066.24	0.00	79,964.32	832,637.45
2014	832,637.45	24,795.95	0.00	87,424.83	944,858.23
2015	944,858.23	25,555.14	10,000.00	98,094.12	1,058,507.49
2016	1,058,507.49	465,680.00	10,000.00	115,543.50	1,629,730.99
2017	1,629,730.99	6,000.00	10,000.00	175,847.85	1,801,578.84
2018	1,801,578.84	0.00	10,000.00	190,417.74	1,981,996.58
2019	1,981,996.58	0.00	10,000.00	226,688.78	2,198,685.36
2020	2,198,685.36	34,000.00	118,236.10	190,010.52	2,304,459.77
2021	2,304,459.77	34,000.00	120,955.54	208,675.23	2,426,179.47
2022	2,426,179.47	34,000.00	133,737.51	175,303.07	2,501,745.02
2023	2,501,745.02	34,000.00	136,583.48	229,204.94	2,628,366.49
2024	2,628,366.49	34,000.00	139,494.90	217,562.71	2,740,434.30
2025	2,740,434.30	34,000.00	142,473.28	246,376.70	2,878,337.72
2026	2,878,337.72	34,000.00	145,520.16	218,818.92	2,985,636.48
2027	2,985,636.48	34,000.00	138,637.13	243,056.44	3,124,055.79

* Investment Gains/Losses include tax paid for that period.

Wealth Graph of Target Asset Allocation

John Smith

Year	Beginning Balance (\$)	Additions (\$)	Withdrawals (\$)	Investment Gains/Losses (\$)	Ending Balance (\$)
2028	3,124,055.79	34,000.00	141,825.78	290,697.04	3,306,927.06
2029	3,306,927.06	34,000.00	145,087.77	272,319.56	3,468,158.85
2030	3,468,158.85	34,000.00	148,424.79	276,770.10	3,630,504.15
2031	3,630,504.15	34,000.00	151,838.56	306,369.75	3,819,035.33
2032	3,819,035.33	34,000.00	155,330.85	317,188.26	4,014,892.74
2033	4,014,892.74	34,000.00	158,903.46	385,975.91	4,275,965.20
2034	4,275,965.20	34,000.00	162,558.24	376,160.96	4,523,567.92
2035	4,523,567.92	34,000.00	166,297.08	509,240.61	4,900,511.45
2036	4,900,511.45	34,000.00	170,121.91	291,164.49	5,055,554.02
2037	5,055,554.02	34,000.00	174,034.72	455,083.41	5,370,602.72
2038	5,370,602.72	34,000.00	178,037.51	536,918.85	5,763,484.06
2039	5,763,484.06	34,000.00	182,132.38	504,096.05	6,119,447.73
2040	6,119,447.73	34,000.00	186,321.42	473,470.78	6,440,597.09

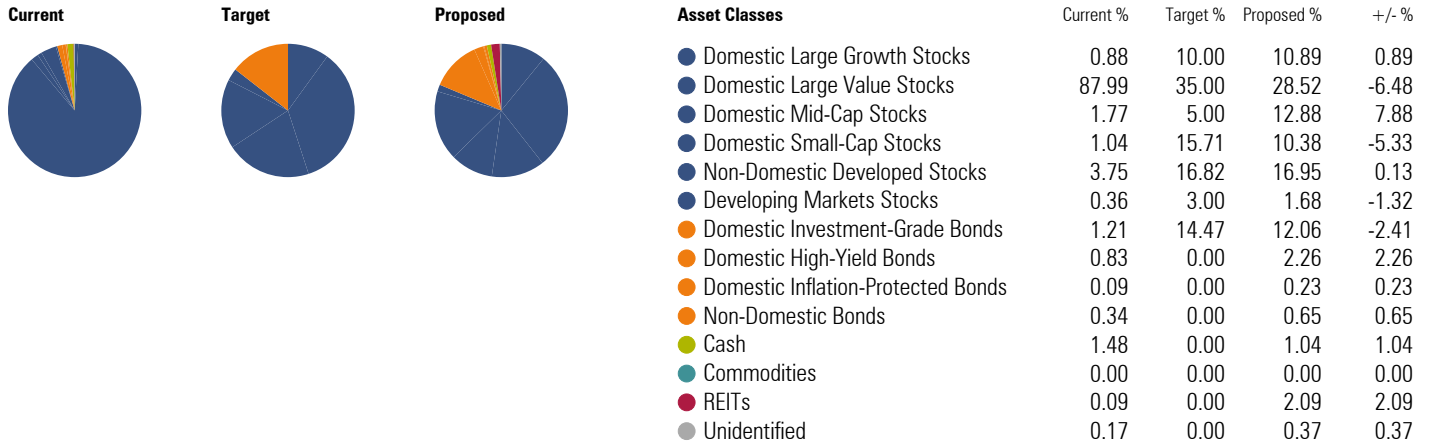
* Investment Gains/Losses include tax paid for that period.

Action Plan

John Smith

Here are the specific changes recommended for your current investments. The table includes both your current and/or proposed weightings of each holdings. Where applicable, we indicate when a recommendation involves an action to buy or sell the security.

Asset Allocation



Actions

Holding Name	Ticker	Current \$	Current %	Proposed \$	Proposed %	Action	Action \$	Action %
PIMCO Total Ret Admin	PTRAX	9,795.00	2.72	0.00	0.00	Sell	9,795.00	2.72
Vanguard Sh-Tm Bd Idx	VBISX	45.00	0.01	56,364.73	15.64	Buy	56,319.00	15.62
Vanguard Morgan Gr	VMRGX	1,698.00	0.47	0.00	0.00	Sell	1,698.00	0.47
Vanguard Intl Value	VTRIX	13,885.00	3.85	25,000.00	6.94	Buy	11,114.00	3.08
Vanguard LifeSt Mod Grth	VSMGX	768.00	0.21	0.00	0.00	Sell	768.00	0.21
Vanguard Long-Tm InvGrde	VWESX	172.00	0.05	0.00	0.00	Sell	172.00	0.05
Vanguard Val Idx	VIVAX	0.00	0.00	100,233.35	27.81	Buy	100,233.00	27.81
Vanguard 500 Index	VFINX	0.00	0.00	68,368.41	18.97	Buy	68,368.00	18.97
Vanguard Intl Gr	VWIGX	0.00	0.00	15,363.02	4.26	Buy	15,363.00	4.26
Vanguard Wellington	VWELX	9,357.00	2.60	0.00	0.00	Sell	9,357.00	2.60
Vanguard Windsor	VWNDX	1,133.00	0.31	0.00	0.00	Sell	1,133.00	0.31
Vanguard SmCp VI Idx	VISVX	173.00	0.05	30,143.48	8.36	Buy	29,970.00	8.31
Vanguard SmCp Gr Idx	VISGX	4,623.00	1.28	35,000.00	9.71	Buy	30,376.00	8.43
Vanguard Mid Cap Idx	VIMSX	4,947.00	1.37	0.00	0.00	Sell	4,947.00	1.37
Vanguard Total Intl Stk	VGTSX	0.00	0.00	30,000.00	8.32	Buy	30,000.00	8.32
ConocoPhillips	COP	313,877.00	87.07	0.00	0.00	Sell	313,877.00	87.07

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Appendix: Risk Profile

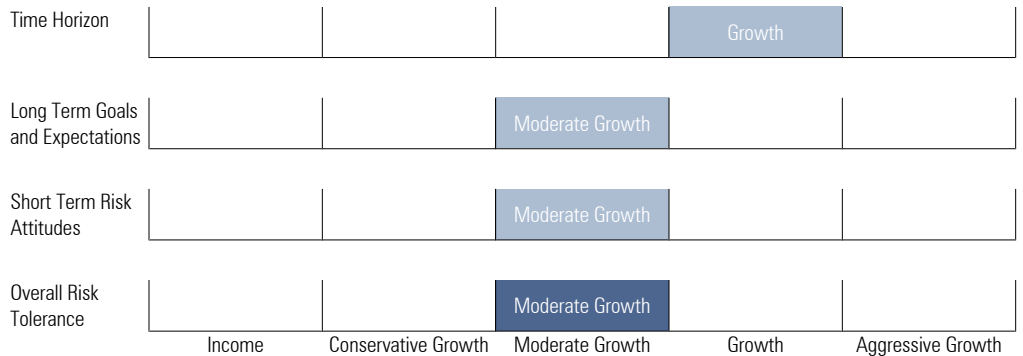
John Smith

Tolerance for risk is a key consideration in determining your probable comfort level with different investment choices. Your responses to the questionnaire were scored and then mapped to a list of asset types listed in the chart below.

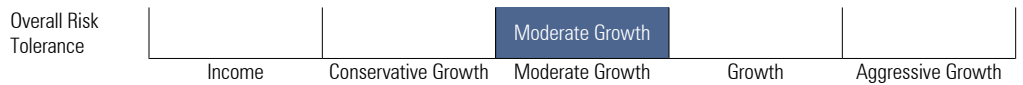
Risk Scoring

Your risk tolerance is scored based on three factors that impact investing decisions: time horizon, long term goals and expectations, and short term risk attitudes. This graph illustrates your risk tolerance.

Risk Questionnaire Results



Advisor Selection



Income This portfolio is appropriate for investors whose primary objective is current income. The majority of assets in this portfolio are allocated to short-term and intermediate-term investments such as fixed-income securities (bonds). A portion of this portfolio is also invested in equities(stocks), which are subject to price fluctuations, as protection against the erosion to purchasing power caused by inflation.

Conservative Growth This portfolio is appropriate for investors who prefer a balanced mix of current income and capital appreciation, and are willing to tolerate some short-term price fluctuations associated with equity (stock) investments. The assets in this portfolio are balanced among equities(stocks) and fixed-income securities (bonds).

Moderate Growth This portfolio is appropriate for investors whose primary objective is capital appreciation and to whom current income is of secondary importance. A moderate growth investor is willing to tolerate short-term price fluctuations. The assets in this portfolio are a mix of equities (stocks) and fixed-income securities (bonds), with a high weightings towards equities (stocks).

Growth This portfolio is appropriate for investors whose primary objective is long term capital appreciation and who are willing to tolerate potentially large price fluctuations. Generating current income is not a primary goal. Assets in this portfolio are invested primarily(and in some cases entirely) in equities(stocks).

Aggressive Growth This portfolio is appropriate for investors whose primary objective is long term capital appreciation and who are willing to tolerate more substantial, potentially large price fluctuations. Generating current income is not a goal. Assets in this portfolio are invested entirely(or almost entirely) in equities(stocks)

Appendix: Current vs Proposed

John Smith

Portfolio Comparison Report

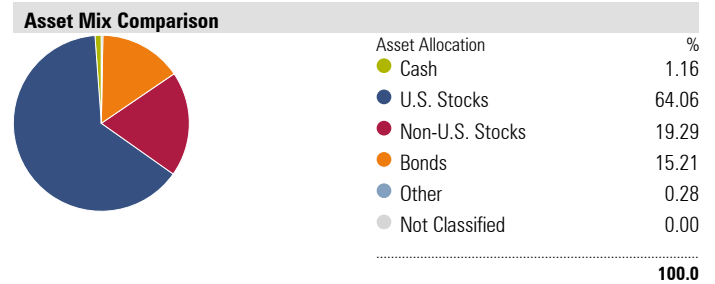
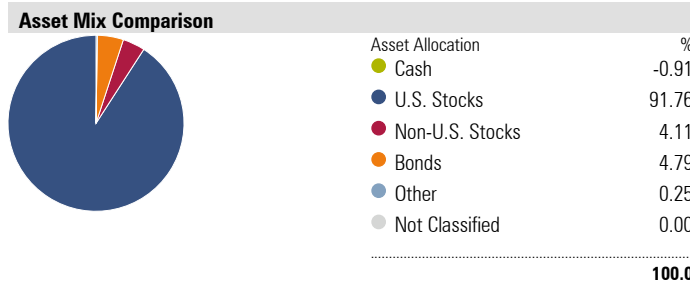
Current Portfolio

Benchmark: S&P 500

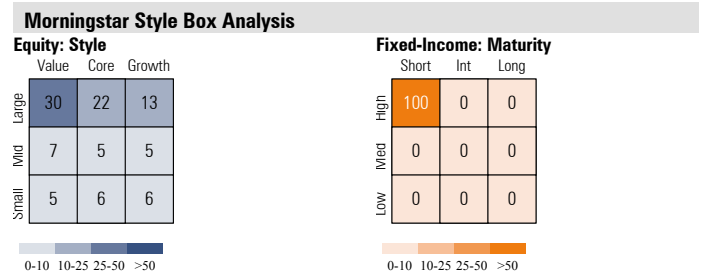
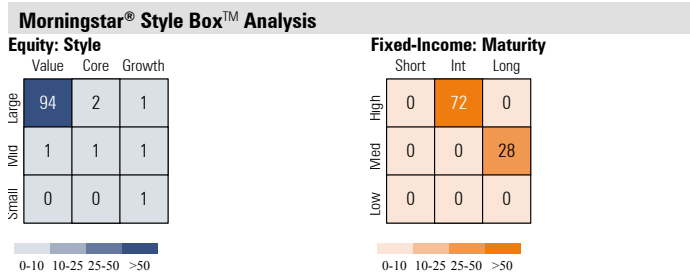
Proposed Portfolio

Benchmark: S&P 500

The following pages take a detailed look at the differences in the stock and bond exposures between investments in the selected portfolios. This report uses the benchmark shown as a point of comparison between the portfolios in the Stock Sector Analysis, Regional Exposure, Historical Returns and Portfolio Statistics sections.



The Asset Mix pie graph and table show how assets in each portfolio are allocated among broad asset classes.



The Equity Style box shows how the investments are classified in terms of the size of the companies (large, medium, and small) and their price characteristics (value, core, and growth). The Fixed-Income Style box shows how bond holdings are classified in terms of their credit quality (high, medium, and low) and the duration of the bonds (short, intermediate, and long). Note the percentages may not add up to 100% as your holdings may own other types of investments such as cash.

Sector Weightings

	Portfolio %	Bmark %
Information	1.94	20.90
Software	0.32	4.30
Hardware	0.78	10.50
Media	0.16	2.70
Telecommunication	0.67	3.50
Service	3.87	40.80
Healthcare Services	1.30	13.90
Consumer Services	0.57	8.30
Business Services	0.59	4.90
Financial Services	1.42	13.70
Manufacturing	94.19	38.30
Consumer Goods	0.95	10.00
Industrial Materials	0.96	11.40
Energy	91.85	13.20
Utilities	0.44	3.70
Not Classified	0.00	0.00

Sector Weightings

	Portfolio %	Bmark %
Information	17.10	20.90
Software	2.59	4.30
Hardware	6.62	10.50
Media	1.92	2.70
Telecommunication	5.95	3.50
Service	41.41	40.80
Healthcare Services	12.18	13.90
Consumer Services	6.47	8.30
Business Services	5.37	4.90
Financial Services	17.43	13.70
Manufacturing	41.47	38.30
Consumer Goods	9.78	10.00
Industrial Materials	12.46	11.40
Energy	13.35	13.20
Utilities	5.90	3.70
Not Classified	0.01	0.00

Drilling down past the fund level, the Sector Analysis summarizes the stock allocation of the investments across 12 sectors.

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Appendix: Current vs Proposed

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Portfolio Comparison Report

Current Portfolio

Benchmark: S&P 500

Regional Exposure		
% of Stocks	Portfolio %	Bmark %
Americas	95.71	100.00
North America	95.51	100.00
Latin America	1.96	0.00
Greater Europe	30.50	0.00
United Kingdom	9.11	0.00
Europe-Developed	19.77	0.00
Europe-Emerging	1.22	0.00
Africa/Middle East	0.44	0.00
Greater Asia	10.58	0.00
Japan	5.10	0.00
Australasia	0.58	0.00
Asia-Developed	3.49	0.00
Asia-Emerging	1.38	0.00
Not Classified	-36.79	0.00

Proposed Portfolio

Benchmark: S&P 500

Regional Exposure		
% of Stocks	Portfolio %	Bmark %
Americas	77.99	100.00
North America	76.73	100.00
Latin America	1.26	0.00
Greater Europe	14.22	0.00
United Kingdom	4.23	0.00
Europe-Developed	9.16	0.00
Europe-Emerging	0.43	0.00
Africa/Middle East	0.42	0.00
Greater Asia	7.78	0.00
Japan	3.65	0.00
Australasia	0.82	0.00
Asia-Developed	2.29	0.00
Asia-Emerging	1.01	0.00
Not Classified	0.00	0.00

Investing overseas can provide valuable diversification. The Regional Exposure table helps you review the general location of the geographical distribution of stocks in each portfolio.

Trailing Returns 06-30-2009					
	3 Mo %	1 Yr %	3 Yr %	5 Yr %	10 Yr %
Pre-Tax Port Ret	9.61	-49.94	-9.97	4.70	7.91
Benchmark Return	15.93	-26.21	-8.22	-2.24	-2.22
+/- Bmark Ret	-6.32	-23.73	-1.75	6.94	10.13

Trailing Returns 06-30-2009					
	3 Mo %	1 Yr %	3 Yr %	5 Yr %	10 Yr %
Pre-Tax Port Ret	17.38	-22.00	-6.07	0.66	1.76
Benchmark Return	15.93	-26.21	-8.22	-2.24	-2.22
+/- Bmark Ret	1.45	4.21	2.15	2.90	3.98

The Trailing Returns table shows the trailing returns of the portfolios over the periods shown. For comparison purposes, the return relative to the benchmark is shown as well.

Risk and Return Statistics						
	3 Yr		5 Yr		10 Yr	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	29.43	18.84	26.80	15.40	24.87	16.03
Mean	-9.97	-8.22	4.70	-2.24	7.91	-2.22
Sharpe Ratio	-0.30	-0.51	0.20	-0.27	0.31	-0.25

Risk and Return Statistics						
	3 Yr		5 Yr		10 Yr	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	17.85	18.84	14.74	15.40	13.99	16.03
Mean	-6.07	-8.22	0.66	-2.24	1.76	-2.22
Sharpe Ratio	-0.42	-0.51	-0.09	-0.27	-0.02	-0.25

The Risk and Return Statistics table shows the expected pre-tax return, standard deviation, and Sharpe ratio of each portfolio.

Modern Portfolio Theory Statistics						
	3 Yr		5 Yr		10 Yr	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Alpha	1.80		9.79		11.34	
Beta	1.10		1.10		0.91	
R-Squared	50		40		34	

Modern Portfolio Theory Statistics						
	3 Yr		5 Yr		10 Yr	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Alpha	1.51		2.58		3.05	
Beta	0.94		0.94		0.84	
R-Squared	98		97		93	

The MPT Statistics table shows investment statistics for each portfolio.

Performance Disclosure

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please visit the fund companies' web sites.

See Disclosure Page for Standardized Returns.

Appendix: Current vs Proposed

John Smith

Portfolio Comparison Report

Current Portfolio

Benchmark: S&P 500

Portfolio Holdings		
Holdings	Type	Allocation %
ConocoPhillips	EQ	87.07
PIMCO Total Ret Admin	MF	2.72
Vanguard Intl Value	MF	3.85
Vanguard LifeSt Mod Grth	MF	0.21
Vanguard Long-Tm InvGrde	MF	0.05
Vanguard Mid Cap Idx	MF	1.37
Vanguard Morgan Gr	MF	0.47
Vanguard Sh-Tm Bd Idx	MF	0.01
Vanguard SmCp Gr Idx	MF	1.28
Vanguard SmCp VI Idx	MF	0.05
Vanguard Wellington	MF	2.60
Vanguard Windsor	MF	0.31
		99.99

Proposed Portfolio

Benchmark: S&P 500

Portfolio Holdings		
Holdings	Type	Allocation %
Vanguard Sh-Tm Bd Idx	MF	15.64
Vanguard Intl Value	MF	6.94
Vanguard Val Idx	MF	27.81
Vanguard 500 Index	MF	18.97
Vanguard Intl Gr	MF	4.26
Vanguard SmCp VI Idx	MF	8.36
Vanguard SmCp Gr Idx	MF	9.71
Vanguard Total Intl Stk	MF	8.32
		100.01

The Holdings table shows the current holdings in each portfolio.

Appendix: Assumptions

John Smith

Correlation Matrix

	1												
1		2											
2	0.83		3										
3	0.85	0.91		4									
4	0.76	0.80	0.92		5								
5	0.57	0.54	0.57	0.49		6							
6	0.30	0.25	0.39	0.41	0.58		7						
7	0.27	0.42	0.31	0.23	0.08	-0.26		8					
8	0.54	0.63	0.64	0.64	0.41	0.16	0.55		9				
9	-0.10	-0.08	-0.14	-0.22	-0.02	0.16	0.01	-0.31		10			
10	0.05	-0.05	-0.05	-0.08	0.44	0.16	0.16	0.21	0.40		11		
11	0.04	0.06	0.02	-0.01	-0.09	-0.34	0.27	-0.04	-0.06	-0.22		12	
12	-0.29	-0.31	-0.30	-0.35	-0.20	0.00	-0.25	-0.36	0.47	0.01	0.01		13
13	0.35	0.64	0.64	0.69	0.31	0.00	0.25	0.59	-0.25	-0.10	-0.09	0.00	

Investment Key

- 1 Domestic Large Growth Stocks
- 2 Domestic Large Value Stocks
- 3 Domestic Mid-Cap Stocks
- 4 Domestic Small-Cap Stocks
- 5 Non-Domestic Developed Stocks
- 6 Developing Markets Stocks
- 7 Domestic Investment-Grade Bonds
- 8 Domestic High-Yield Bonds
- 9 Domestic Inflation-Protected Bonds
- 10 Non-Domestic Bonds
- 11 Cash
- 12 Commodities
- 13 REITs

Degree of Correlation



The Correlation Matrix demonstrates the relationship of return patterns among investments. It is based upon the correlation coefficient, a number between -1.0 and 1.0. A perfect negative linear relationship between two investments has a correlation of -1.0, whereas a perfect positive linear relationship exists with a correlation of 1.0.

A correlation coefficient of 0.0 indicates no linear relationship between the investments. Correlation information can be valuable in assessing the diversification effect of combining an investment with other investing options.

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Appendix: Assumptions

John Smith

The tables below include assumptions and/or projections that may change or prove to be incorrect. Long term investment results cannot be predicted or guaranteed.

Capital Market Assumptions

Asset Class Return/Risk/Yield/Turnover Rate

Asset Class	Return	Risk	Yield	Turnover Rate (%)	Short-term Turnover Rate (%)
Domestic Large Growth Stocks	10.84	24.51	1.30	20.00	0.00
Domestic Large Value Stocks	12.48	16.91	3.03	20.00	0.00
Domestic Mid-Cap Stocks	13.24	22.28	1.73	20.00	0.00
Domestic Small-Cap Stocks	15.36	28.75	1.37	20.00	0.00
Non-Domestic Developed Stocks	12.10	24.62	3.01	20.00	0.00
Developing Markets Stocks	15.56	33.33	2.90	20.00	0.00
Domestic Investment-Grade Bonds	5.24	7.05	5.24	20.00	0.00
Domestic High-Yield Bonds	7.39	12.34	7.39	20.00	0.00
Domestic Inflation-Protected Bonds	4.28	11.53	4.28	20.00	0.00
Non-Domestic Bonds	4.92	11.27	4.92	20.00	0.00
Cash	3.48	2.97	3.48	20.00	0.00
Commodities	11.31	24.07	3.48	20.00	0.00
REITs	13.55	24.94	6.64	20.00	0.00

Income Assumptions

Begin Year	End Year	Start Year Before Tax Income (\$)	Start Year After Tax Income (\$)	Earnings Grth Above Inf (%)	Inflation (%)	Earnings Grth Rate (%)	Owner
2008	2015	83,500.00	74,500.00	2.00	2.30	4.35	Client
2008	2017	51,000.00	45,400.00	0.00	2.30	2.30	Partner

Social Security*

Client

Age to Collect (Years) —
Amount to Collect (\$) —

Partner

Age to Collect (Years) —
Amount to Collect (\$) —

* The default benefit is provided as an estimate. It may not match the one provided by your Social Security Statement.

Saving Assumptions

Description	Portfolio Type	Saving Value (\$/%)	Begin Year	End Year	Value Based on	Owner
401K	DC	17.75	2008	2015	% of Pre-Tax Income	Client
College Savings	Taxable	6,000.00	2008	2017	Future Dollars	Client
COP Lump Sum	DC	459,680.00	2016	2016	Future Dollars	Client
Tamara's Retirement	Taxable	34,000.00	2020	2040	Future Dollars	Partner

Education

Child/Student Name	Birth Year	Begin Year	End Year	School Name	Current Cost Tuition/Board (\$)	Grth Rate Above Inf (%)	Inflation (%)	Tuition Grth Rate (%)
Oldest daughter	1997	2015	2019	TBD	10,000.00	—	2.30	
Youngest daughter	2004	2022	2026	TBD	10,000.00	—	2.30	

Tax Rate Assumptions

Begin Year	End Year	Federal Income Tax (%)	Income Tax On Equity Yield (%)	Federal Cap Gain Tax (%)	State Income Tax (%)	State Cap Gain Tax (%)
2008	2108	28.00	15.00	15.00	0.00	0.00

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Appendix: Assumptions

John Smith

Asset Allocation Disclosure Statement

John Smith

General

The target Asset Allocation report is hypothetical in nature and for illustrative purposes only. The suggested allocation does not represent actual securities or client performance information. In all cases, the Target Asset Allocation report should be accompanied by this disclosure statement.

"Asset Allocation" is the decision of how much to invest in each broad investment category, or "asset class." Example of broad asset classes include U.S. Stocks, non-U.S. stocks, bonds and cash.

The Target Asset Allocation in this report was developed by your financial advisor. In determining a target asset allocation, your advisor may have considered your ability to handle market volatility – financially and/or emotionally – your financial needs and goals, the expected market behavior of the various asset classes, and other factors. Your advisor may have used tools developed by Morningstar to arrive at a suggestion, may have used other commercially or privately available tools, and/or may have applied his/her own objective or subjective judgement or analysis. Please contact your financial advisor to understand how your particular asset allocation was selected.

There is no guarantee that your advisor applied any specific methodology in determining the asset allocation. Tools employed for purposes of arriving at an asset allocation decision, even when objectively employed, reflect subjective judgments.

There is no guarantee that any tool employed to arrive at the asset allocation proposed in the report effectively analyzed your situation or resulted in your advisor arriving at an appropriate allocation. There is no guarantee that the target asset allocation is appropriate for your situation, or will be an effective means of achieving your financial goals. There is no guarantee that a particular return or dollar amount will be achieved.

The target asset allocation may include allocations to several different asset classes. While allocations to multiple asset classes can reduce risk, risk cannot be completely eliminated with diversification. There is no guarantee that the identified mix of asset classes will eliminate risk, reduce your current exposure to risk, or manage your exposure to risk in a way that is tolerable for you.

This report shows the asset allocation at a broad asset class level. However, investors should note that security implementation decisions that must be made in implementing a particular asset allocation may have a significant effect on the actual risk and return results for a portfolio of securities. If the suggestions are implemented using specific securities, shares may be worth more or less than when invested. There is no guarantee of a specific return or dollar value.

User-defined securities may be included in this report. Morningstar cannot guarantee the completeness or accuracy of this data. For more information, please work with your advisor.

Prior to investing in a specific mutual fund, variable annuity or variable life subaccount, you must be provided with a current prospectus or equivalent. Additionally, for variable life subaccounts, a copy of the variable life contract should be provided.

Investors must realize that investment returns vary from a short to a long time frame. They must also understand the risk in their investment choices and set realistic expectations for the growth of their assets. By applying the concept of asset allocation to a portfolio, an investor may potentially reduce portfolio volatility by spreading risk over various asset classes. Asset allocation also structures an investor's assets to help them achieve their goals with a minimum level of risk.

This analysis uses Monte Carlo simulations, an analytical method used to simulate random returns of uncertain variables to obtain a range of possible outcomes. Such probabilistic modeling does not analyze specific security holdings, but instead analyses the identified asset classes and identified cash flows. The modeling generated is not a guarantee or projection of future results, but rather, an analysis of the likelihood that you may be able to achieve your stated goals and a tool to identify a range of potential wealth outcomes that could potentially be realized.

Morningstar is not a broker/dealer or FINRA-member firm.

Definitions

Asset Allocation: The decision about what asset classes to include in a portfolio, and how much to include of each.

Cash: Cash and fixed-income securities with maturities of less than a year.

U.S. Stock: Common equity shares of companies domiciled in the United States.

U.S. Large-Cap Growth Stocks: Common equity shares of companies domiciled in the United States that are among the largest 70% of market capitalizations in the U.S. equity market and that are deemed to be overpriced. (Market capitalization for a company equals shares outstanding multiplied by share price.)

U.S. Large-Cap Value Stocks: Common equity shares of companies domiciled in the United States that are among the 70% largest market capitalizations in the U.S. equity market and that are deemed to be underpriced. (Market capitalization for a company equals shares outstanding multiplied by share price.)

U.S. Mid-Cap Stocks: Common equity shares of companies domiciled in the United States that have market capitalizations representing the next largest 30% of market capitalization after the largest 70% of capitalization in the U.S. equity market. (Market capitalization for a company equals shares outstanding multiplied by share price.)

U.S. Small-Cap Stocks: Common equity shares of companies domiciled in the United States that have the smallest 10% of market capitalizations. (i.e. shares outstanding multiplied by share price) in the U.S. equity market.

Non-U.S. Stocks: Common equity shares of companies domiciled outside of the United States

Non-U.S. Developed Stocks: Common equity shares of companies domiciled outside of the United States in countries that have relatively developed and stable economies and exchanges, such as Great Britain, Canada, and Japan.

Non-U.S. Emerging Stocks: Common equity shares of companies domiciled outside of the United States in countries that have relatively undeveloped economies and exchanges, such as Russia, Argentina, Taiwan and South Africa.

Bond: Fixed-income securities issued by companies and governments.

U.S. Bonds: Fixed-income securities issued by companies domiciled in the United States and U.S. governmental bodies (federal, state, and municipal).

Non-U.S. Bonds: Fixed-income securities issued by companies domiciled outside of the United States and foreign governmental bodies.

REITs: Publicly traded entities that invest in office buildings, apartment complexes, industrial facilities, shopping centers and other commercial spaces. Most REITs trade on major stock exchanges or over-the-counter.

Commodity: Any good exchange in trade. Usually refers to raw materials and agricultural products traded principally on the basis of price.

Investment Risk

Market Price Risk: The market price of ETFs, closed-end funds and HOLDRs traded on the secondary market is subject to the forces of supply and demand and thus independent of the NAV. This can result in the market price trading at a premium or discount to the NAV, which will affect the investment value.

Market Risk: The market prices of closed-end funds, ETFs and HOLDRs can fluctuate as the result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact they may have on the market price.

Non-Diversified Funds/Subaccounts: Investing most of their assets in a small number of issuers involves additional risks, including share price fluctuations, because of the increased concentration of investments.

Asset Allocation Disclosure Statement

John Smith

Tax-Free Municipal Bond Funds/Subaccounts: The income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

Bond Funds: Investors should note that bond funds are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds already held in a portfolio decline. Funds and subaccounts that hold bonds are subject to declines and increases in value due to general changes in interest rates.

High-Yield Bond Funds/Subaccounts: Investing in lower-rated debt securities (commonly referred to as junk bonds) involves additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Sector Funds/Subaccounts: Investing exclusively in one sector or industry involves additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Small Company Stock Funds/Subaccounts: Investing in stocks of small companies involves additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

Foreign Securities Funds/Subaccounts: Investing in foreign securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards.

Emerging Market Funds/Subaccounts: Investing in foreign securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Mid Cap Funds/Subaccounts: Investing in companies with smaller market capitalizations involves additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

Risk Tolerance Disclosure Statement

John Smith

General

Risk tolerance is an investor's general ability to withstand risk inherent in investing. This report confirms the responses that you gave to the risk tolerance questionnaire that was administered by your advisor, and summarized the result of your responses. Your risk tolerance is scored based on three factors: (1) time horizon, (2) long-term goals and expectations, and (3) short-term risk attitudes. Using a weighted average, and overall risk tolerance score is generated. This score is then mapped to one of the following risk tolerance profiles, from most risk averse to least: Income, Conservative Growth, Moderate Growth, Growth, Aggressive Growth.

Although the scoring is objective, subjectivity cannot be completely eliminated using such planning tools. There is no guarantee that the risk assessment tool or its scoring accurately assessed your tolerance to risk. In addition, although the advisor may have directly or indirectly used the results of this questionnaire to determine a suggested asset allocation, there is no guarantee that the asset mix appropriately reflects your ability to withstand investment risk.

Prior to investing in a specific mutual fund or variable annuity or variable life subaccount, your must be provided a current prospectus.

Morningstar is not a broker/dealer.

Scoring

Your risk tolerance is scored based on three factors: (1) time horizon, (2) Long-term goals and expectations, and (3) short-term risk attitudes. Using a weighted average, and overall risk tolerance score is generated. Each overall score is mapped to one of five possible portfolio asset mixes -- Income, Conservative Growth, Moderate Growth, Growth, Aggressive Growth. Each is constructed to theoretically represent a spectrum of risk/return profiles from least risky to most risky.

Asset Class Assumptions

The following scoring was applied for each response.

A = 5
B = 4
C = 3
D = 2
E = 1

The following scoring was applied for the current age of client.

Less than 45 = 5
45 to 55 = 4
56 to 65 = 3
66 to 75 = 2
Older than 75 = 1

The following total score resulted in each risk tolerance result.

Result	Score
Income	7-10
Conservative Growth	11-17
Moderate Growth	18-24
Growth	25-31
Aggressive Growth	32-35

Comparison Report Disclosure Statement

John Smith

Used as supplemental sales literature, the Comparison report must be preceded or accompanied by the fund's/policy's current prospectus or equivalent. Please read these carefully before investing. In all cases, this disclosure statement should accompany the Comparison report. Morningstar is not itself a FINRA-member firm.

The underlying holdings of the portfolio are not federally or FDIC insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investment in securities involve investment risks including possible loss of principal and fluctuation in value.

This report summarizes the composition characteristics of a portfolio of securities. It considers broad asset allocation and regional exposures, security style, and sector exposure to provide a variety of ways for considering the level of diversification within a portfolio, its potential riskiness, and its possible behavior in the future.

User-defined securities may be included in this report. Morningstar cannot guarantee the completeness or accuracy of this data. For more information, please work with your advisor.

The information contained in this report is from the most recent information available to Morningstar as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

Security Types

The following security types are represented herein: closed-end fund (CE), exchange-traded fund (ETF), holding company depository receipt (HOLDR), index (IDX), money market mutual fund (MM), open-end mutual fund (MF), separate account (SA), stock (ST), and variable annuity/life (VA/L).

Items to Note Regarding Certain Underlying Securities

A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market such as the New York Stock Exchange. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

An exchange-traded fund (ETF) is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, ETFs can be traded on a secondary market and thus have a market price that may be higher or lower than its net asset value. If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

A holding company depository receipt (HOLDR) is similar to an ETF, but they focus on narrow industry groups and initially own 20 stocks which are unmanaged, and can become more concentrated due to mergers, or the disparate performance of their holdings. HOLDRs can only be bought in 100-share increments. Investors may exchange shares of a HOLDR for its underlying stocks at any time.

A money market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution. Although the money market seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Unit investment trust (UIT) is an investment company organized under a trust agreement between a sponsor and trustee. UITs typically purchase a fixed portfolio of securities and then sell units in the trust to investors. The major difference between a UIT and a mutual fund is that a mutual fund is actively managed, while a UIT is not. On a periodic basis, UITs usually distribute to the unit holder their pro rata share of the trust's net investment income and net realized capital gains, if any. If the trust is one that invests only in tax-free securities, then the income from the trust is also tax-free. UITs generally make one public offering of a fixed number of units. However, in some cases, the sponsor will maintain a secondary market that allows existing unit holders to sell their units and for new investors to buy units.

Variable annuities are tax-deferred investments structured to convert a sum of money into a series of payments over time. Variable annuity policies have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a minimum death benefit, a schedule of payments, a fixed investment account guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. The financial ratings quoted for an insurance company do not apply to the separate account and its subaccount. If the variable annuity subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Variable life insurance is a cash-value life insurance that has a variable cash value and/or death benefit depending on the investment performance of the subaccount into which premium payments are invested. Unlike traditional life insurance, variable life insurance has inherent risks associated with it, including market volatility, and is not viewed as a short-term liquid investment. For more information on a variable life product, including each subaccount, please read the current prospectus. Please note, the financial ratings noted on the report are quoted for an insurance company and do not apply to the separate account and its subaccount. If the variable life subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Asset Mix

This pie chart and table shows the portfolio's exposure to various asset classes. The "Other" category, if shown, represents an asset class that Morningstar recognizes but classifies outside of the other asset classes shown. (For example, funds that invest in a narrow sector such as Specialty-Precious Metals). "Not Classified" indicates the percentage of the portfolio Morningstar is unable to categorize.

Morningstar Style Box Diversification

The Morningstar Style Box reveals a portfolio's investment strategy. For equity holdings the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income holdings the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

Stock Sector

This table shows the percentage of the portfolio's equity assets invested in each of the three "supersectors" (in bold) and 12 major industry subclassifications, in comparison with a benchmark. The Sector Graph accompanying the table demonstrates the sector orientation of the portfolio in relation to the Morningstar Broad Market Index. "Not Classified" is for those securities Morningstar does not recognize or track. The percentage of each sector that composes the benchmark index is also listed.

Regional Exposure

A broad breakdown of a portfolio's geographical exposure, by region and by market maturity. Only non-cash equity assets are evaluated in determining the exposures. "Not Classified" indicates the percentage of the equity portion of the portfolio for which Morningstar is unable to assess region or origin.

Standardized Returns

For mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses.

For money market mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Current 7-day yield more closely reflects the current earnings of the money market fund than the total return quotation.

For VA subaccounts, standardized return is total return based on its inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses.

Comparison Report Disclosure Statement

John Smith

For VL subaccounts, standardized return is total return based on its inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses. For VLS, additional fees specific to a VL policy such as transfer fees and cost of insurance fees, which are based on specific characteristics on an individual policy, are not included. If VL fees were included in the return calculations, the performance would have been significantly lower. An investor should contact their financial advisor and ask for a personalized performance illustration, either hypothetical or historical, which reflects all applicable fees and charges including the cost of insurance. Please review the prospectus and SAI for more detailed information.

For ETFs and UITs, the standardized returns reflect performance, both at market price and NAV price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing ETF expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

For HOLDRs, the standardized returns reflect performance at market price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

The charges and expenses used in the standardized returns are obtained from the most recent prospectus and/or shareholder report available to Morningstar. For mutual funds and VA/VLS, all dividends and capital gains are assumed to be reinvested. For stocks, stock acquired via divestitures is assumed to be liquidated and reinvested in the original holding.

Trailing Returns

The portfolio's trailing returns reflect the weighted average of the underlying holding's non-standardized returns during the same periods.

Past performance is no guarantee of future results.

For mutual funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the mutual fund returns would be reduced.

For money market funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the money market returns would be reduced.

For VA and VL subaccounts, total return illustrates performance of the subaccount since the inception date of the underlying fund and is adjusted to reflect all actual ongoing subaccount-level expenses including M&E risk charges and underlying fund-level expenses. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the subaccount returns would be reduced.

For ETFs and closed-end funds, total returns are calculated based on its market price as of the end of the business day for the period noted and does not include any fee or expenses incurred in buying or selling such a security like brokerage commission.

Benchmark Returns

Benchmark returns may or may not be adjusted to reflect ongoing expenses such as sales charges. An investment's portfolio may differ significantly from the securities in the benchmark.

Returns for custom benchmarks are calculated by applying user-supplied weightings to each benchmark's returns every month. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Custom benchmark returns thus assume monthly rebalancing.

Risk and Return Statistics

All the following statistics are calculated for three-, five-, and 10-year periods for the portfolio and its benchmark.

Standard Deviation is a statistical measure of the volatility of a portfolio's returns around its mean.

Mean represents the annualized geometric return of the portfolio for the period shown.

Sharpe Ratio uses a portfolio's standard deviation and total return to determine reward per unit of risk.

Modern Portfolio Theory (MPT) Statistics

All the following MPT statistics are calculated for three-, five-, and 10-year periods for the portfolio.

Alpha measures the difference between a portfolio's actual returns and its expected performance, given its beta and the actual returns of the benchmark index. Alpha is often seen as a measurement of the value added or subtracted by a portfolio's manager.

Beta measures the degree of change in value one can expect in a portfolio given a change in value in a benchmark index. A portfolio with a beta greater than one is generally more volatile than its benchmark index, and a portfolio with a beta of less than one is generally less volatile than the index.

R-squared reflects the percentage of a portfolio's movements that are explained by movements in its benchmark index, showing the degree of correlation between the portfolio and a benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Holdings

This section reflects the underlying holdings in which the various portfolio statistics noted within this report are derived and their weighted average in terms of the overall portfolio. The determination of the holdings and to which portfolio they are assigned was made by your financial professional and not Morningstar.

Investment Risk

High-Yield Bond Funds/Subaccounts: Investing in lower-rated debt securities (commonly referred to as junk bonds) involves additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

HOLDRs: The investor should note that these are narrow industry focused products that, if the industry is hit by hard times, will lack diversification and possible loss of investment would be likely. These securities can trade at a discount to market price, ownership is of a fractional share interest, the underlying investments may not be representative of the particular industry, the HOLDR might be delisted from the AMEX if the number of underlying companies drops below nine, and the investor may experience trading halts.

International/Emerging Market Funds/Subaccounts: The investor should note that funds / subaccounts that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Market Price Risk: The market price of ETFs and closed-end funds traded on the secondary market is subject to the forces of supply and demand and thus independent of the CE/ETF's NAV. This can result in the market price trading at a premium or discount to the NAV, which will affect the investment value.

Market Risk: The market prices of closed-end funds and ETFs can fluctuate as the result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact they may have on the market price.

Mid Cap Funds/Subaccounts: Investing in companies with smaller market capitalizations involves additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

Comparison Report Disclosure Statement

John Smith

Non-Diversified Funds/Subaccounts: Investing most of their assets in a small number of issuers involves additional risks, including share price fluctuations, because of the increased concentration of investments.

Tax-Free Municipal Bond Funds/Subaccounts: The income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

Sector Funds/Subaccounts: Investing exclusively in one sector or industry involves additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Small Cap Fund/ Subaccounts: The investor should note that funds/subaccounts that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.