Mutual Fund vs. Split Funding Example:

Before Split Funding

\$100, 000 in Mutual Funds, Diversified Portfolio, with an 8.3% average annual return

Value of		Annual	Value Before	Annual	Income	
Funds	% Return	Return	Withdrawal	Withdrawal	Taxes @ 28%	Net Income
\$100,000	10%	\$10,000	\$110,000	\$8,000	\$2,240	\$5,760
\$102,000	6%	\$6,120	\$108,120	\$8,000	\$2,240	\$5,760
\$100,120	-10%	-\$10,012	\$90,108	\$8,000	\$2,240	\$5,760
\$82,108	3%	\$2,463	\$84,571	\$8,000	\$2,240	\$5,760
\$76,571	12%	\$9,189	\$85,760	\$8,000	\$2,240	\$5,760
\$77,760	11%	\$8,554	\$86,131	\$8,000	\$2,240	\$5,760
\$78,313	11%	\$8,614	\$86,928	\$8,000	\$2,240	\$5,760
\$78,928	11%	\$8,682	\$87,610	\$8,000	\$2,240	\$5,760
\$79,610	21%	\$16,718	\$96,328	\$8,000	\$2,240	\$5,760

\$88,328 Ending Value

\$50,000 in Mutual Fund

After Split Funding

with an 8.3% average annual return			• •	10 Year Certain - Guaranteed Income			
Value of Funds	% Return	Annual Return	Annual Income	Income Taxes @ 20%	Net Income		
\$50,000	10%	\$5,000	\$5,890	\$130	\$5,760		
\$55,000	6%	\$3,300	\$5,890	\$130	\$5,760		
\$58,300	-10%	-\$5,830	\$5,890	\$130	\$5,760		
\$52,470	3%	\$1,574	\$5,890	\$130	\$5,760		
\$54,044	12%	\$6,485	\$5,890	\$130	\$5,760		
\$60,529	11%	\$6,658	\$5,890	\$130	\$5,760		
\$67,188	11%	\$7,391	\$5,890	\$130	\$5,760		
\$74,578	11%	\$8,204	\$5,890	\$130	\$5,760		
\$82,782	21%	\$17,384	\$5,890	\$130	\$5,760		

^{\$ 100,166} Ending Value

\$50,000 in Immediate Annuity

Advantages: The Income from the Immediate Annuity is Guaranteed for the entire 10 years. If you have a guaranteed income, could you be more aggressive with your other investments? If you were not aggressive, could you have even more money in 10 years?

This example is for illustrative purposes only and the interest rates illustrated are for demonstrative purposes only. This illustration does not guarantee or predict the results or performance in any particular case.

^{*} Lower tax bracket due to IRS Treatment of 89% Exclusion Ratio on Immediate Annuities