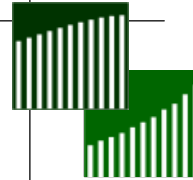


Stretch IRA / Roth Conversion Comparison Analysis

Phase 1

Income to match your lifestyle and preserve your wealth



Phase 2

Continuing income for spousal security and independence

Prepared For :

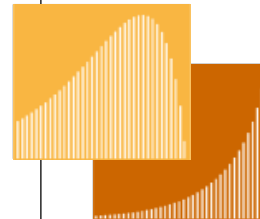
January 06, 2012

Prepared By :

Financial Analyst
First Financial of Sewickley

Phase 3

A legacy that passes to the next generation



This information is hypothetical and is provided for informational purposes only. It is not intended to represent any specific return, yield, or investment, nor is it indicative of future results. Information provided by you has not been verified by our firm.

Contents & Disclosure

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Important Disclosure Regarding Illustration of the "Roth Conversion"

The following are illustrations comparing the conversion of a deductible Traditional IRA into a Roth IRA. They provide only broad, general guidelines, that which may be helpful in shaping your thinking about whether to maintain a deductible Traditional IRA or convert all or a portion of a deductible Traditional IRA into a Roth IRA. The usefulness of this report depends upon the accuracy of data furnished by you. No legal or accounting advice is being rendered by this report or through any other oral or written communications. This report provides estimates based on our general understanding of current tax laws. Payment of income taxes due upon conversions to a Roth IRA may not be appropriate for all investors. Since our firm is not a tax or legal advisor please discuss legal and accounting matters directly with your tax and legal counselors in each of those areas and in light of your investment objectives, age, tax bracket, etc. Please contact your financial professional and/or tax advisor for more information on planning for retirement and to find out if a Roth Conversion may be suitable for your specific situation.

It is important to recognize that in computing and illustrating this hypothetical projection of the "Stretch Concept":

- i) This illustration assumes the original owner (and spouse if applicable) will have no need for income from the IRA in excess of the distribution amounts illustrated, before and/or during retirement.
- ii) This illustration assumes that all distributions are taken at year's end (12/31) by the client (and spouse if applicable) and that all beneficiaries take only the minimum distributions required by the IRS.
- iii) All projected figures assume the current tax law and IRA rules remain constant throughout. The impact of future changes in the tax law and IRA rules may have dramatic effects on the IRA balances, distributions and actual income taxes and estate taxes paid.

All rates of return are hypothetical and are not a guarantee of the future performance of any financial product. Income and capital projections assume investment returns net of fees and other expenses and are not product specific. In addition, income and capital projections reflect the impact of estimated federal and state income taxes when applicable. Many, but not all, states follow the federal rules regarding the deductibility of contributions and the taxability of distributions from IRAs. You must consult with your tax advisor regarding the specific rules applicable to your state of residence.

Please note that the results depicted in the illustrations are based on the specific assumptions you have provided. Any variation in the assumptions used, particularly with respect to the applicable tax rates during the accumulation and distribution periods, will cause significant variations in the illustrated results, and could materially impact the value of the illustration for comparative purposes.

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Initial Information & Assumptions

Analysis - Initial Data, Assumptions & Options

Analysis Info

Analysis Date : 01/06/2012
 2012 Conversion Date : 01/06/2012

Client Info

Name : Joe Sample
 DOB / Age : 05/09/1947 / 65
 Retirement Age : 66
 Illustrate To Age/Yr. : 86 / 2033

Current - Pre-Retirement

@PV of 2012 Conversion & Tax Rate : **\$54,992 (28.00%)**
 Traditional IRA & Roth IRA ROI : 6.00%
 Net Savings ROI : 4.00%

Account Balances (As of 01/06/2012)

Traditional IRA : \$200,000
 Savings : \$0

Spouse Info

Name : Jane Sample
 DOB / Age : 01/04/1952 / 60
 Illustrate To Age/Yr. : 85 / 2037

Post Conversion - Retirement / Beneficiary Period

Income Tax Rate : 15.00% / 0.00%
 Traditional & Roth ROI : 5.00% / 0.00%
 Net Savings ROI : 3.00% / 0.00%

Beneficiary Data

Name	DOB / Age	Benefit % / Initial IRA Allocation	Relationship
Tom Sample	07/22/1972 / 40	50.00 % / \$100,000	Child
Kim Sample	05/15/1995 / 17	50.00 % / \$100,000	Grandchild

Discussion / Comparison Of Traditional IRA vs Roth Conversion Options

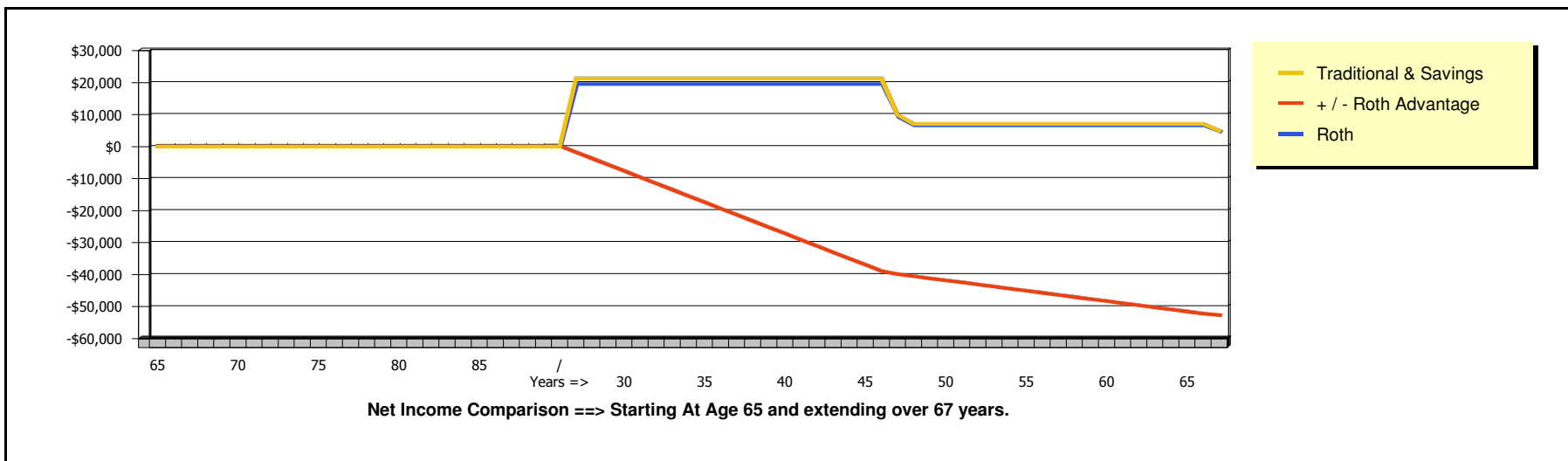
Explanation Of Presentation

Individual Retirement Accounts (IRAs) are designed primarily to provide retirement income benefits to its owner and in the case of a married couple, the owner and their spouse. Given the nature of the IRS distribution rules, the life expectancy tables that are used to meet these rules, and a very moderate IRA account growth rate, the actual retirement income needs (which may be small or none) do little to deplete the IRA account principle, and in the case of a Traditional IRA the additional savings account (Side Fund) where the excess required minimum distributions deposits are reinvested. Consequently, IRA accounts (and savings accounts) are left to heirs with considerable balances remaining. With proper planning and structure, the beneficiary's of the IRA can continue the yearly minimum required distributions based on their life expectancy. The extension of the IRA benefits across to a second generation is generally referred to as a "Stretching the IRA".

Given the Stretch scenario, there may be significant differences between the net benefits of the Traditional IRA & Roth IRA income streams provided to the second generation. The graph below shows the net income streams and most significantly the inflation adjusted +/- cumulative benefit of the Roth IRA conversion over the continuation of the Traditional IRA. Please note the center values with both the future & inflation adjustment conversion benefit below.

Net Income Comparison - Traditional IRA & Savings vs Roth IRA (Conversion Taxes From IRA)

Total IRA & Savings Savings Net Income \$572,999	-	Cumulative Benefit of Roth IRA Future / Adjusted for Inflation * (\$52,809) / (\$16,582) *	=	Total Roth IRA Income \$520,190
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Stretch Flow Comparative Summary (Taxes From IRA)

Summary of IRA Activity: Joe Sample & Beneficiaries

Joe Sample ==> Activity 2012 To 2033

	IRA & Savings	Roth IRA
Starting Balances :	\$200,000	\$145,008
Earnings :	\$334,194	\$282,953
Distributions :	\$232,716	\$0
Net To Spending :	\$0	\$0
Net To Savings :	\$197,809	\$0
Ending Balances :	\$499,287	\$427,962

Jane Sample ==> Activity 2034 To 2037

	IRA & Savings	Roth IRA
Starting Balances :	\$499,287	\$427,962
Earnings :	\$83,136	\$92,228
Distributions :	\$62,824	\$0
Net To Spending :	\$0	\$0
Net To Savings :	\$53,400	\$0
Ending Balances :	\$572,999	\$520,190

Comparative Distribution Totals: Traditional IRA & Savings vs Converted Roth IRA Projected Beneficiary Distributions Starting In 2038

	% Alloc	Distributions Ages / To Year	IRA & Savings	Roth IRA	+/- Cumulative Benefit Of Roth IRA
Tom Sample	50.00%	66 -- 86 / 2058	286,499	260,095	(26,404)
Kim Sample	50.00%	43 -- 83 / 2078	286,499	260,095	(26,404)
Totals	100.00%		\$572,999	\$520,190	(\$52,809)

Comparative Summary Income Ledger

Net Income Ledger (No Conversion vs 2012 Conversion Taxes From IRA)

Age / LX	No Conversion						2012 Conversion		
	Traditional IRA			Savings			Roth IRA / Savings		
	Earnings	RMD	IRA Balance	Earnings	Net Deposit Of IRA RMD	Savings Balance	Earnings	Tax	Balance
01/06/2012			\$200,000			\$0			\$145,008
Conversion									\$54,992
65	11,868	0	211,868	0	0	0	8,605		153,614
12 RC Tax							1,008	56,000	0
66	10,593	0	222,462	0	0	0	7,681		161,294
67	11,123	0	233,585	0	0	0	8,065		169,359
68	11,679	0	245,264	0	0	0	8,468		177,827
69	12,263	0	257,527	0	0	0	8,891		186,718
70 / 27.4	12,876	9,399	261,005	0	7,989	7,989	9,336		196,054
71 / 26.5	13,050	9,849	264,206	240	8,372	16,601	9,803		205,857
72 / 25.6	13,210	10,321	267,096	498	8,772	25,871	10,293		216,150
73 / 24.7	13,355	10,814	269,637	776	9,192	35,839	10,807		226,957
74 / 23.8	13,482	11,329	271,790	1,075	9,630	46,544	11,348		238,305
75 / 22.9	13,589	11,869	273,510	1,396	10,088	58,028	11,915		250,220
76 / 22.0	13,676	12,432	274,754	1,741	10,567	70,337	12,511		262,731
77 / 21.2	13,738	12,960	275,531	2,110	11,016	83,463	13,137		275,868
78 / 20.3	13,777	13,573	275,735	2,504	11,537	97,504	13,793		289,661
79 / 19.5	13,787	14,140	275,381	2,925	12,019	112,448	14,483		304,145
80 / 18.7	13,769	14,726	274,424	3,373	12,517	128,339	15,207		319,352
81 / 17.9	13,721	15,331	272,814	3,850	13,031	145,220	15,968		335,319
82 / 17.1	13,641	15,954	270,501	4,357	13,561	163,138	16,766		352,085
83 / 16.3	13,525	16,595	267,431	4,894	14,106	182,138	17,604		369,690
84 / 15.5	13,372	17,254	263,549	5,464	14,666	202,268	18,484		388,174
85 / 14.8	13,177	17,807	258,919	6,068	15,136	223,472	19,409		407,583
86 / 14.1	12,946	18,363	253,502	6,704	15,609	245,785	20,379		427,962
82 / 17.1	12,675	14,825	251,352	7,374	12,601	265,759	21,398		449,360
83 / 16.3	12,568	15,420	248,500	7,973	13,107	286,839	22,468		471,828

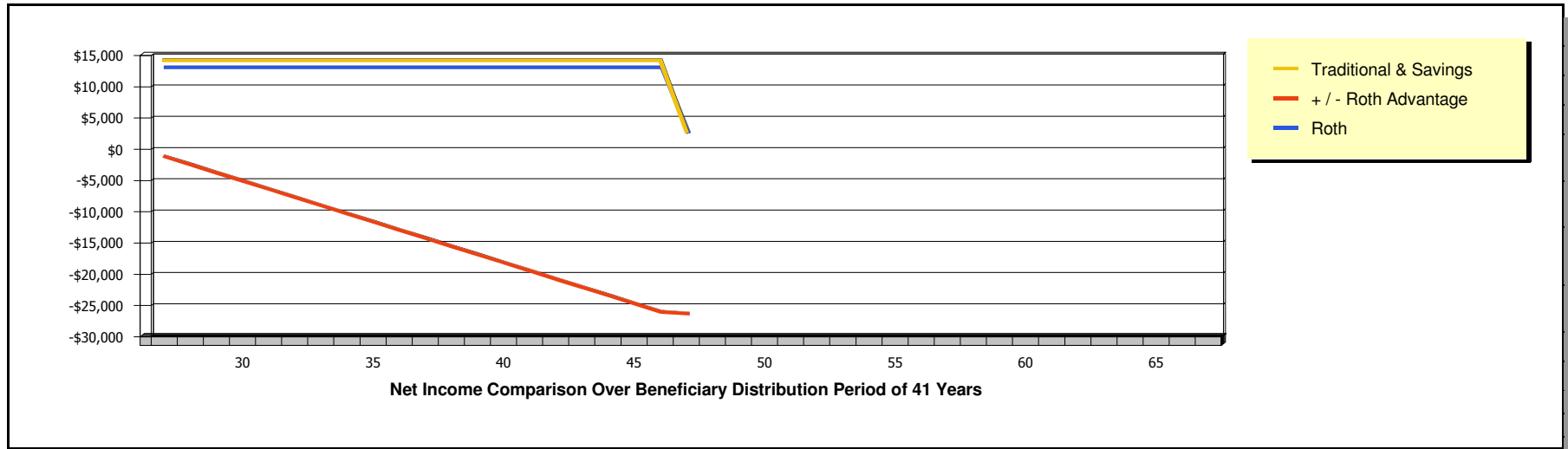
Comparative Summary Income Ledger Continued

Net Income Ledger (No Conversion vs 2012 Conversion Taxes From IRA)

Age / LX	No Conversion						2012 Conversion		
	Traditional IRA			Savings			Roth IRA ./ Savings Conversion		
	Earnings	RMD	IRA Balance	Earnings	Net Deposit Of IRA RMD	Savings Balance	Earnings	Tax	Balance
84 / 15.5	12,425	16,032	244,892	8,605	13,627	309,072	23,591		495,419
85 / 14.8	12,245	16,547	240,590	9,272	14,065	332,409	24,771		520,190
	336,130	295,540		81,200	251,209		375,182		

Beneficiary Graph & Ledger of Traditional IRA vs Roth Conversion

Distributions For Tom Sample - Starting Age of 66, Allocation of 50.00%

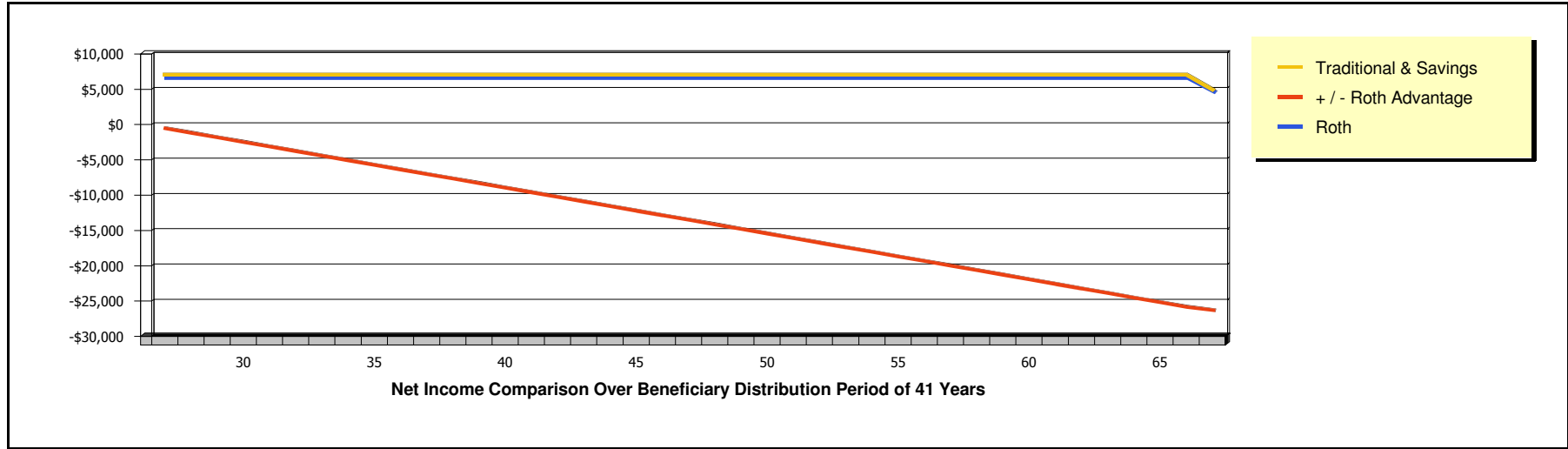


Comparative Detailed Beneficiary Distribution Ledger

Client Age / LX	No Conversion			2012 Conversion			Roth IRA				
	Traditional IRA		Net Income	Savings		Roth IRA			+ / - Cumulative Benefit of Roth		
	Earnings	RMD		IRA Balance	Earnings	Wthdws	Savings Balance	Earnings		RMD	Balance
12/31/2037			120,295			166,204			260,095		
66 / 20.2	0	5,955	5,955	114,340	0	8,228	157,976	0	12,876	247,219	(1,307)
67 / 19.2	0	5,955	5,955	108,385	0	8,228	149,748	0	12,876	234,343	(2,614)
68 / 18.2	0	5,955	5,955	102,429	0	8,228	141,521	0	12,876	221,467	(3,921)
69 / 17.2	0	5,955	5,955	96,474	0	8,228	133,293	0	12,876	208,591	(5,229)
70 To 82	0	77,418	77,418	13,101	0	106,963	18,101	0	167,388	28,327	(22,221)
83 / 3.2	0	5,955	5,955	13,101	0	8,228	18,101	0	12,876	28,327	(23,529)
84 / 2.2	0	5,955	5,955	7,146	0	8,228	9,874	0	12,876	15,451	(24,836)
85 / 1.2	0	5,955	5,955	1,191	0	8,228	1,646	0	12,876	2,575	(26,143)
86 / 0.2	0	1,191	1,191	0	0	1,646	0	0	2,575	0	(26,404)
	0	120,295	120,295		0	166,204		0	260,095		

Beneficiary Graph & Ledger of Traditional IRA vs Roth Conversion

Distributions For Kim Sample - Starting Age of 43, Allocation of 50.00%



Comparative Detailed Beneficiary Distribution Ledger

Client Age / LX	No Conversion				2012 Conversion			Roth IRA		+ / - Cumulative Benefit of Roth	
	Traditional IRA		Savings		Roth IRA			+ / - Cumulative Benefit of Roth			
	Earnings	RMD	Net Income	IRA Balance	Earnings	Wthdws	Savings Balance		Earnings		RMD
12/31/2037				120,295			166,204			260,095	
43 / 40.7	0	2,956	2,956	117,339	0	4,084	162,121	0	6,391	253,705	(649)
44 / 39.7	0	2,956	2,956	114,384	0	4,084	158,037	0	6,391	247,314	(1,298)
45 / 38.7	0	2,956	2,956	111,428	0	4,084	153,953	0	6,391	240,924	(1,946)
46 / 37.7	0	2,956	2,956	108,472	0	4,084	149,870	0	6,391	234,533	(2,595)
47 To 79	0	97,537	97,537	7,980	0	134,760	11,026	0	210,888	17,254	(24,004)
80 / 3.7	0	2,956	2,956	7,980	0	4,084	11,026	0	6,391	17,254	(24,653)
81 / 2.7	0	2,956	2,956	5,025	0	4,084	6,942	0	6,391	10,864	(25,301)
82 / 1.7	0	2,956	2,956	2,069	0	4,084	2,859	0	6,391	4,473	(25,950)
83 / 0.7	0	2,069	2,069	0	0	2,859	0	0	4,473	0	(26,404)
	0	120,295	120,295		0	166,204		0	260,095		