



The Income for Life Model™

An investment strategy with the objective of
providing an inflation-adjusted income for life

CONCEPT OVERVIEW

WEALTH2K, INC.



THE INCOME FOR LIFE MODEL™



THE FACTS

Between 1988 - 2007, the S&P 500 grew by 11.81%,
the average equity mutual fund investor earned only 4.48% *

Why?

Lack of strategy

Individuals chased performance and became integral players
in momentum driven markets.

Lack of patience

With the average mutual fund position held for just two years,
investors did not give their investment decisions sufficient time.


Emotions

Many investors succumbed to emotionally-based decision
making driven first by greed and then followed by fear.

* Past performance does not guarantee future results. S&P 500 is an unmanaged index of 500 widely held stocks. Inclusion is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary.



THE CHALLENGE

 Today's retirees may be challenged as no recent generation has. A “perfect storm” has emerged comprised of low interest rates, volatile stock markets and unprecedented longevity. These realities are sure to create stress for many retirees as they seek ways to make their retirement income last as long as they do.


More than ever before, retirees are dependent upon their investments to generate retirement income. With fewer companies providing traditional pension plans, retirees are being forced to assume the investment risk associated with their retirement assets.

Of course, widespread uncertainties about the future of Social Security continue to linger. Increasing budget deficits and financial uncertainty only serve to create additional anxiety for retirees. All of these factors combine in a way that causes retirees to seek investment choices that offer safety but also provide growth opportunities to meet their income needs for both today and tomorrow.



Until now, no asset allocation approach was available that placed sufficient emphasis on the present and future income needs of retirees. The central objective for The Income for Life Model™ is to provide an inflation-adjusted income for life.

In addition, interest rates at levels not seen since the Eisenhower administration have reduced the current income that can be gained from savings vehicles. Many retirees are thus challenged to find ways to boost levels of current income without taking on undue risk.

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THE SITUATION



Problems:

Invest only in Guaranteed Investments

1. Low Rate of return.
2. Insufficient current income.
3. No inflation protection.

Invest in Growth Vehicles

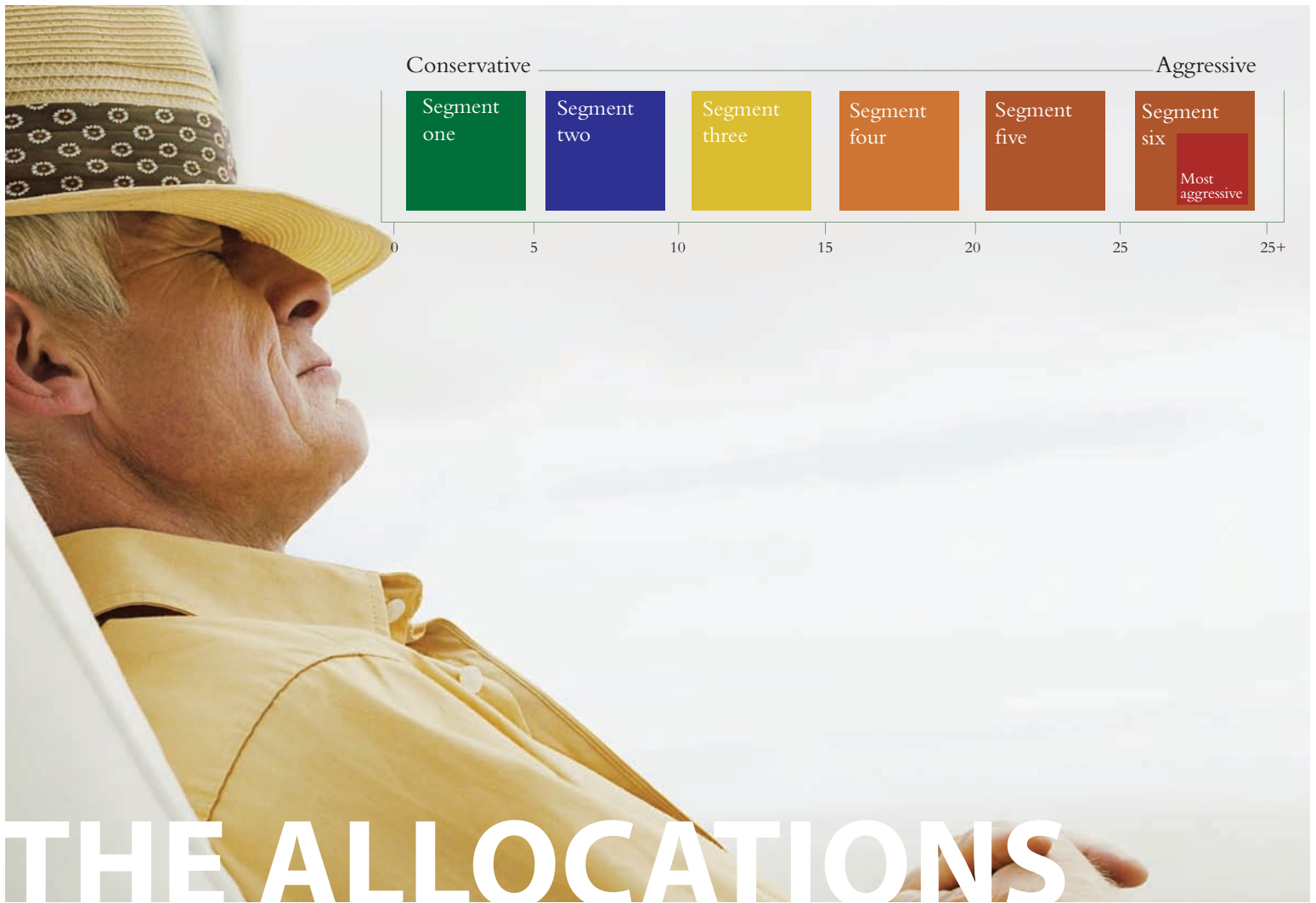
1. Possibility of negative returns.
2. Drawing income during normal market downturns could put investment principal at risk.

A Solution:

A Strategic Combination of Asset Allocation and Product Selection with the following goals:

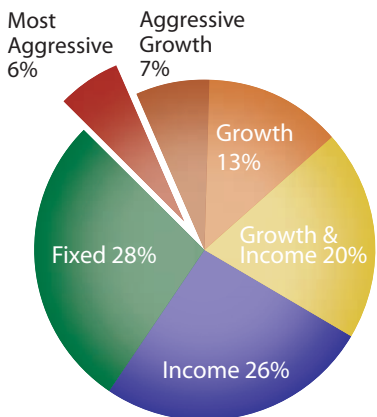
1. Minimize the impact of emotions.
2. Increase income to help maintain purchasing power throughout retirement.
3. Minimize Risk.
4. Preserve Principal.
5. Realize the best possible chance of achieving excellent investment results by keeping assets invested over long periods of time.*

*Investments involve risk and you may incur a profit or loss.



THE ALLOCATIONS

Your deposit is shown as being allocated to six “segments” that will hold invested assets ranging from very conservative to aggressive. Segment one, the most conservative, receives the largest portion of your deposit – 28%. Successive segments receive 26%, 20%, 13%, 7% and 6% (total, 100%). The segments receiving the smallest amount of money are those which hold progressively more aggressive assets. The more aggressive an investment, the more risk it is subject to. These segments will be held for the longest period of time in order to achieve the best possible chance of excellent investing results.



Initially, a guaranteed income* will be provided by a fixed, single premium immediate annuity for a period of sixty months. For each subsequent five-year period, additional segments will be successively converted into fixed, single premium immediate annuities with payouts of sixty months. Should the projected rates of return be realized in the various segments, sufficient money will be available to purchase these annuities in amounts capable of providing an increasing level of retirement income.

Segment six is shown as a hedge against you living beyond twenty-five years from the date of inception. If that segment meets its projected rate of return, it will hold sufficient assets to continue an income stream. At your death, any remaining assets will pass to your beneficiaries.

*All guarantees are backed by the claims-paying ability of the issuing insurance company. Note: Investing involves risk and you may incur a profit or a loss. There is no guarantee this model will perform as planned. If the model underperforms, the income levels and assets could be significantly reduced.



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