Your Advisor as the **Conductor**

Managing the Plan

Many things need to be considered in a properly designed and personalized retirement income plan.

Flexibility of the Income • Investment Selections
Liquidity of Investments • Ability to Adapt to Changes

Not only is it important to consider these variables when creating a plan, it is also important to have someone to manage the overall plan. As a financial advisor, we can work with you to manage your plan and help to ensure it meets your needs moving forward.

Important Components to Your Retirement Performance

Personalized Plans

To ensure you're poised for lifetime income, we develop a personalized income plan that will incorporate assets managed by us as well as assets held elsewhere. Your personal income plan for retirement is not based on a single asset or account but rather is based on the financial capital of your whole household.

A Disciplined Long-Term Approach

It is natural to experience emotions like fear and greed in response to changes in the markets. Our income planning strategy will help you manage those emotions by segmenting your retirement years into defined time periods, each with their own investment objective and time horizon.

A Diversified Implementation Approach[4]

An income plan should use diversified investment portfolios and product selections. IncomeConductor™ combines products that have little or no stock market exposure with investment portfolios that attempt to manage market risk through global diversification and time in the market. The mix is personalized to meet your income goals and be consistent with your risk tolerance.

Continuous Review and Adjustment

Recognizing that your income needs may vary over the stages of your retirement and market conditions may change, we will meet periodically to review the progress of your plan and make any adjustments that are necessary.

Clear Communication on Plan Progress

After reviewing Proposed plans, an Approved Plan Report will be created outlining the details of your personalized plan.

Each time we meet, you will receive a Client Review Report that will detail and measure your plan's progress and any changes that we agree to make to the plan at that time.

[4] Diversification does not assure a profit or protect against market losses.

For more information about this program contact:

Your Next Step

Allow us to understand your income needs during retirement and provide you a personalized IncomeConductor Proposal.

Disclosures

Managing Income in the Next Stage

Orchestrating a Common Sense Approach to Retirement Income.

INCOMECONDUCTOR

Retirement: A Whole New Chapter

It's Not Your Parent's Retirement

For most of our parents, retirement was a partnership with the Government and their employer. The combination of pensions and Social Security provided a significant portion of their retirement income needs. By having less dependency on their personal assets to provide monthly income, many of our parents could afford to keep their assets in very safe places. With the replacement of pensions with 401k plans and the uncertainty of Social Security's ability to maintain future benefits, the responsibility to provide retirement income has been placed squarely on individuals.

Today's retirees are living longer and more active lives. This, in combination with inflation, requires many retirees to adopt a more aggressive investment mix. Retirees are now having to deal with longevity, inflation and investment risks that were not significant issues for their parents.

Longevity Risk

There are several stages within retirement, some that are very active, some that are not. One unknown is how long these stages will last.

With improvements in health and medical advances we can expect longer lives. The increase in years is not just tacked on to the end of life but rather, added across all the stages of retirement. That means we will need to plan for more sustainable income during our active years as well as for the later years.

Inflation Risk

One other consequence of long life is the exposure to rising prices. Even modest rates of inflation over long periods of time can seriously erode purchasing power.

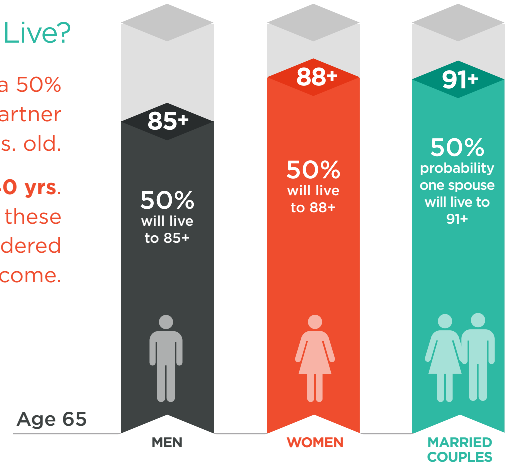
Investment Risk

In your next stage you need to focus more on managing investment risks. While we are in our prime earning years, we can often replenish savings if we experience investment losses. In your next stage that might not be possible.

How Long Will You Live?

A 65 yr. old married couple has a 50% probability of at least one partner living beyond 91 yrs. old.

Retirements lasting **20, 30 and even 40 yrs**. are becoming commonplace, and these longer time spans must be considered when planning for income.

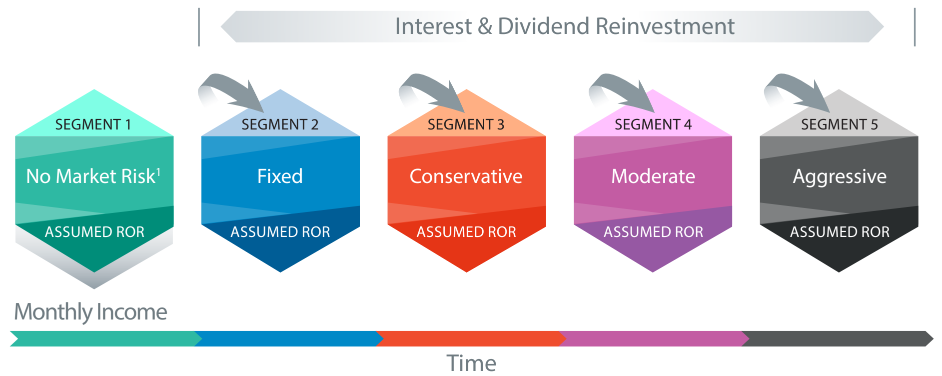


Source: Annuity 1000 Mortality Tables

Strategies to Help **Manage the Risk**

Outcome-Oriented Investing

Time-Segmented Methodology



Our strategy for providing income and managing risks is called IncomeConductor™. It's based on a time-segmented approach, which allows you and your advisor to manage your retirement assets using a variety of product and investment strategies.

Risk Alignment

As we transition from wealth accumulation to income distribution the strategies change. During accumulation, our asset allocation was based on achieving the highest returns consistent with the risk we were willing to take. When distributing wealth the primary focus is aligning your asset allocation with your income goals. Why take more risk than necessary? Risk Alignment provides an investment mix specific to your objectives.

Time Horizon

While some investment strategies attempt to "time" the markets by moving in and out, IncomeConductor divides your retirement into time segments, each with a different investment objective. This time-segmented strategy helps you stay in the market an d assists your advisor in managing your investments' volatility.

The goal of the first segment is to produce income immediately through the use of an immediate annuity, laddered CD's, money market funds or some other conservative vehicle. Segment 2 will be converted to the same type of conservative vehicle when the first segment is spent. Segment 2 can be initially invested slightly more aggressively with a higher assumed rate of return. And so on.

This approach to investing is called "outcome-oriented." Each segment is invested to produce an assumed rate of return in a specific time period.

Of course, as with any investment strategy, there can be no assurance that these goals will be achieved or maintained.

Global Diversification[2]

Within any given time period, not all asset classes perform identically. Some will do well, when others are in market declines. Rather than attempting to predict which asset classes will perform the best each year, research suggests that your money should be allocated across many asset classes. A well diversified portfolio of investments should include globally diversified asset classes, i.e., both domestic and international holdings. This not only seeks to reduce volatility, but also can help manage emotional responses to normal market cycles.

The two risks that concern retired clients the most are loss of principal and volatility.

[1] "No Market Risk" refers to the use of an income vehicle such as an immediate annuity, CD's, a money market or other vehicle that is not invested in the Stock Market.

[2] Diversification and asset allocation do not assure a profit or protect against market losses and past performance is not indicative of future results. Therefore, there is no assurance that the assumed rate will be achieved or maintained.

Loss of principal. This means selling your investments for less than their original value when you invested.

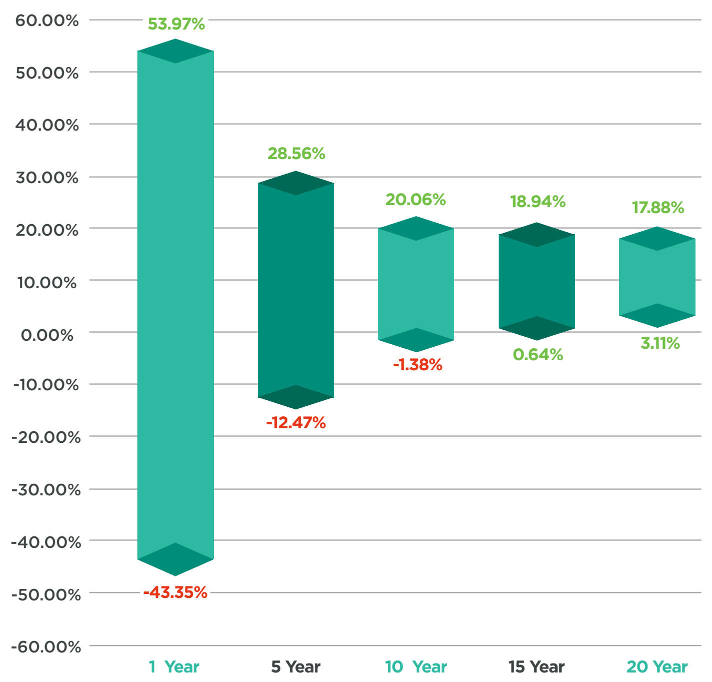
Volatility. A simple explanation of volatility is the severity and frequency of fluctuations in the value of your investments. One way to analyze volatility is to use the statistical measure of standard deviation (SD). An investment with a larger SD will tend to produce more fluctuations than one with a lower SD. Understanding the SD of an investment strategy is a critical part of what we consider when recommending investments for different time-segments.

With the IncomeConductor strategy, loss of principal and volatility risks are managed with time[3], not timing. In other words, the philosophy is that given enough time, markets have historically recovered from losses due to market swings. As time goes by, IncomeConductor helps us manage your exposure to market risk in the later segments in your plan, but most importantly in the next income segment.

A plan can be created for any length of time. We can also create a plan that includes an additional segment for longevity or legacy planning.

S&P 500 Index Best/Worst Returns, 1926-2015

This illustration is intended to show the affect that the length of one's holding period may have on one's investment experience. The best and worst calendar year returns for the S&P 500 for each of five different time periods are shown below. The worst single calendar year return for the S&P 500 was -43.35% in the year 1931. The worst 20 year period annualized return was +3.11% for the 20 years ending 12/31/1949.



*Annualized total returns shown. Source of data: Morningstar, Inc.

The S&P 500 (Standard & Poors) index is an unmanaged index of 500 large widely held U.S. companies often used to represent the broader market. Inclusion of this index 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 the actual investment performance. This graph illustrates historical performance of the S&P 500. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

[3] No amount of time in the market can guarantee a profit or guarantee the prevention of a loss.

INCOMECONDUCTOR