M. Dutton and Associates

FINANCIAL SERVICES

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M. Dutton & Associates

Rethinking Retirement

Creative Solutions

Retirement isn't the end of the story – it's the beginning of a new chapter…

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Financial Services
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Investment • Retirement • Insurance

Our Founder & President, Marvin Dutton

I believe in giving back to the community in which I live work and play. I have served as board member of a charter school for over ten years. I have a daughter, two sons, and four grand children. I believe in supporting the gospel of Jesus Christ, and the importance of helping others less fortunate. My hobbies include golf, fishing and travel.

Over 25 years ago I started M. Dutton and Associates. We are a full-service financial firm. We are retirement specialists, working with individuals and corporations. Ours is a well-staffed service organization, not just an insurance brokerage. We believe that your future business is just as important as your business today. In order for us to continue to do business with you, we must earn that right – through service. Through comprehensive objective driven planning, we provide you with the research analysis, and available options needed to guide you in implementing a sound retirement plan. Our commitment is to assist you in achieving your goals and objectives.

We make it our business to focus on our clients and build long term relationships with them; to use teamwork to deliver seamless integration of services; to respect our clients and colleagues as important individuals; to act as responsible citizens in the communities in which we live and work; and above all, to maintain our reputation of integrity.

Retirement isn't the end of the story – it's the beginning of a new chapter… and you are the writer. ***Call us today!***

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212. 951. 7376

This report is meant to provide general information on issues that many people consider in making the decision as to whether or not they should purchase a financial vehicle, including insurance products; and if they do decide to buy, which types and benefits will best suit their goals and needs. This information is not designed to be a recommendation to buy any specific financial product or service. This material is not intended to provide, and should not be relied upon for, accounting, legal, tax or investment advice. Please consult with a professional specializing in these areas regarding the applicability of this information to your situation.

Your personal goals may change from time to time which is why Creative Solutions gives you the option when each segment term ends to reallocate your annuity value among the available options on the contract anniversary.

1. Prior to your contract anniversary date, meet with your advisor to discuss your financial goals.
2. Decide which strategies meet your goals.
3. Allocate your funds accordingly.
4. Relax and enjoy the peace of my mind that comes with knowing your money is protected from a loss in value if the market declines.

INCOME GROWTH & LEGACY

CAN YOU RETIRE ON YOUR TERMS?

Since there are four basic reasons you might be reading this report

- **Income**
- **Growth**
- **Asset Protection**
- **To Build An Inheritance**

Our meeting starts by addressing the concerns that could affect anyone planning for retirement. Then we'll explain in more depth about the different types of annuities and how they might be helpful in reaching different financial goals. Finally, we'll show you how financial strategies built with annuities have helped others in situations similar to yours to achieve their objectives.

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THE "CRISIS" IN RETIREMENT INCOME PLANNING

There are millions of people in the Retirement Red Zone who do not have solid financial strategies to see them through their golden years without running short of money. There are several hedging techniques to reduce portfolio risk and take advantage of market growth.

NEW RETIREMENT REALITIES

The quest for a comfortable retirement has never been more challenging. Americans are living longer, healthcare costs are rising, and pension plans are disappearing. People are seeking solutions that can help make the idea of a comfortable retirement into a reality.

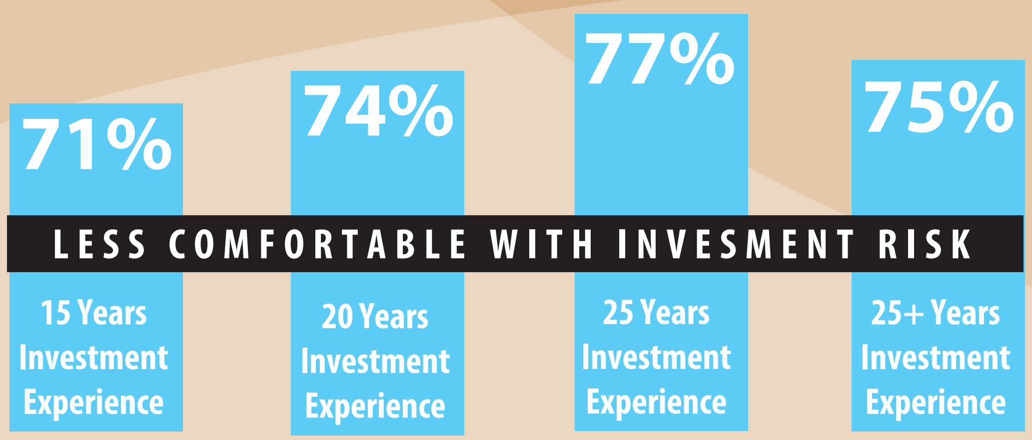
M. Dutton and Associates' purpose is to help you build your own retirement income strategy that leaves your savings intact while providing the money you need to maintain your lifestyle and still spend with confidence throughout all the years of your retirement.

DISCOVERY #1: AMERICANS ARE MORE RISK AVERSE

Although the economy is doing well now, who knows how long it will last. The threat of trade wars only makes our economic future more uncertain. It is the very nature of the stock market to have up and down swings. To recover from the loses that people experienced in 2002 and 2008, it took the average investor 7 to 8 years to get back to where they started.

Regardless of their investment experience todays near retirees want less risk.

Q: HOW HAVE YOUR VIEWS OF RISK CHANGED DURING THE PAST DECADE?



77% **of investors are less comfortable with investment risk today than they were a decade ago.**

1. Baumeister, Roy F. Bratslavsky Ellen. Finkenauer, Catrin. Vohs, Kathleen D. "Bad Is Stronger Than Good" Review of General Psychology 2001, p.351 [http://bobsutton, typepad.com/files/bad-is-stronger-than-good.pdf]

ALL INCOME GROUPS WANT LESS RISK TODAY THAN 10 YEARS AGO

The majority of people surveyed - regardless of investment experience, affluence, gender, or geographic area – indicated they were more risk averse today than a decade ago. In general, **the longer they'd been investing, the more likely it was their investment risk tolerance had declined.** To some extent, this may reflect a natural shift toward asset conservation as retirement nears. However, a percentage of respondents were a decade or so away from retirement, so increased risk aversion may also reflect negative market experiences.

Q: HOW HAVE YOUR VIEWS OF RISK CHANGED DURING THE PAST DECADE?

LESS COMFORTABLE WITH INVESTMENT RISK	
71%	Household income $200,000 and up
73%	Household income $175,000 - $199.999
75%	Household income $150,000 - $174.999
73%	Household income $125,000 - $149.999
71%	Household income $100,000 - $124,.999
78%	Household income $75,000 - $99,.999
79%	Household income $50,000 - $74,.999

71%

of Americans earning $200K or more are less comfortable with risk than they were a decade ago.

We take into consideration all the factors that can affect your money, how much of it you get to keep, and what your purchasing power will be. Factors like taxes, inflation, fees, asset erosion, etc. can eat away at your assets if you aren't aware of what's going on.

Nevertheless, if you know the ins and outs of these factors, you're in a position to set up a retirement income strategy designed to provide:

- ***Permanent income***
- ***Money you can't outlive***
- ***Provisions for keeping up with inflation***

Depending on your goals, it's also possible to build in extra features:

- ***Enhanced death benefits***
- ***More income potential than other retirement income strategies***
- ***DOUBLE to TRIPLE income for qualifying healthcare expenses***

When you have these requirements met, the thought of retirement will bring you more financial confidence.

The foundation for this kind of personal retirement income strategy is annuity products offered by insurance companies, **you don't have to be insurable to take advantage of them!** These retirement benefits are available to everyone, regardless of health.

M. Dutton and Associates are trained in creative solutions strategies to search out what we believe are the "best of breed" annuities:

- ***The products with the highest payout or interest rates***
- ***Offered by top-rated companies***
- ***Can be leveraged to best meet the individual goals of our clients***

The "best of breed" products we utilize combine what we believe to be the most beneficial features of annuities:

- ***The steady income and control of immediate***
- ***The growth that comes with leaving fixed annuity funds intact for a longer period of time***
- ***The potential for the interest that come with fixed index annuities***

Next, we meet with you and conduct a detailed analysis of your particular situation. Once we know where you stand and what you want to accomplish, we go to work using out best annuities to tailor a retirement income strategy designed to help you accomplish your goals.

2. Cohn, D'Vera, Taylor, Paul. "Baby Boomers Approach 65 – Glumly." Pew Research Center. December 20, 2010 [http://www.pewsocialtrends.org/2010/12/20/baby-boom-ers-aproach-65-glumly/]

ANNUITIES: GUARANTEE CLAIMS AND PROTECTION FROM DOWNSIDE MARKET RISK

Because insurance companies operate in a different business environment than banks and credit unions do, they are subject to different rules. And, since they are not banks or credit unions, the FDIC and NCUA have no authority over them and do not back the funds against loss. Instead, insurers are subject to legal requirements to maintain a system of reserves, and many also have reinsurance (insurance for insurance companies) that provides the financial strength and ability to pay claims as they have promised.

RESERVES

Most insurance companies are required to have $1 for every $1 in their own reserves that they contractually agree to pay Therefore, they should have to pay out on every policy they have issued, they have the money they need to do that. Many companies actually have more than the required dollar-for-dollar on hand.

SOLVENCY AND SURPLUS

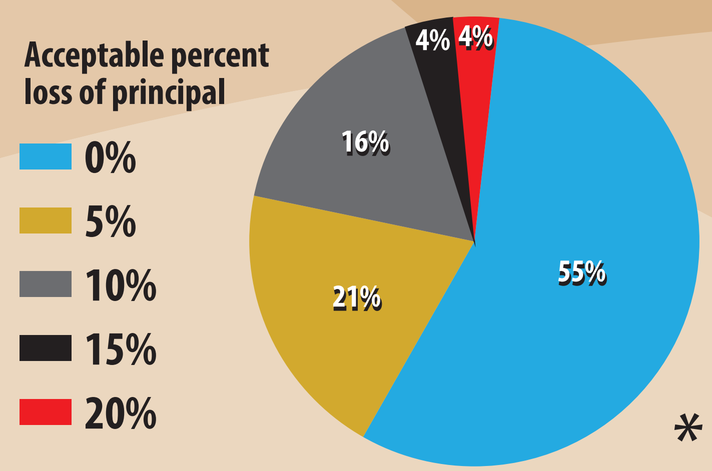
Your licensed insurance representative can help you check the ratings of individual companies. Their ratings include their solvency ratios or statements as to how much capital they have to back the promises they have made to pay the customers. Forbes explains:

Fox example, a company with a solvency ratio of 105 means that for every $1 you put into an annuity they have $1.05 in assets to bank that principal promise. In contrast, large banks only have to keep about .03 - .10 in reserves for every $1 dollar you deposit in the bank.

DISCOVERY #2: MANY INVESTORS WANT NO-RISK INVESTMENTS

Americans want to keep their retirement savings safe. About 55% of respondents would not be comfortable losing any of their retirement savings, and 21% were willing to lose 5% or less. Principal risk was slightly more palatable to respondents with higher earnings; however a significant percentage at each income level is unwilling to risk any savings at all.

Q: WHAT AMOUNT OF YOUR RETIREMENT INVESTMENTS ARE YOU COMFORTABLE LOSING?



55%
of investors want no retirement savings risk. Risk and reward can be related, but during periods of market volatility, and for investors nearest retirement, risk can prove to be disruptive of retirement peace of mind and destructive of retirement assets.

**All of the graphs and surveys indicated are studies that vary from year to year.. They're only meant to bring awareness to past statistics which can be applied to the investor's current circumstance*

DISCOVERY #3: MANY AMERICANS ARE INVESTED IN RISKY ASSETS

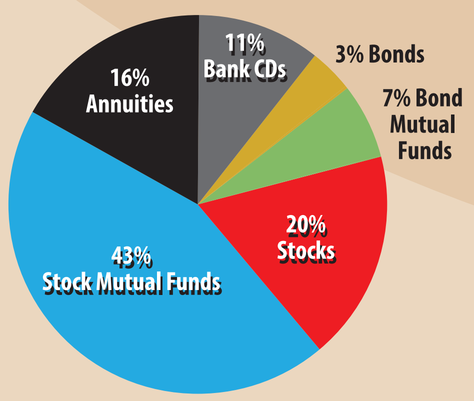
Despite investors' aversion to putting their savings at risk, the most widely held investments are stocks and stock mutual funds. More than one-half of investors who were risk averse and two-thirds who were willing to risk 5% of their portfolios, held stocks. Just 11% held bank CDs and 16% were invested in annuities – investment choices that normally are linked to principal protection.

A diversified portfolio designed to minimize volatility may include stocks and bonds, but both are at risk assets and both are risk assets and both can fall in value. A diversified portfolio may also include lower risk investments that offer guaranteed income streams during retirement.

Americans' current portfolios are not in concert with their fear of principal loss.

Q: WHAT TYPES OF INVESTMENTS DO YOU OWN

Just 16% of respondents held annuities, which may offer principal or income guarantees



73% of investors hold risky assets - investments that may lose value

IS AN ANNUITY RIGHT FOR YOU?

The purpose of this report is to help you examine the preparation you have made for your retirement years to see whether or not there is more you can do to reach your financial goals. If you are in or nearing the retirement "Red Zone" (the period 10 years before you retire and the first 10 years into retirement), your financial future may be on the line at this stage. The decisions you make during that time will affect the rest of your retirement years, no matter how long you live. People are living longer today than ever before. Let us help you prepare for the future.

For more information or to schedule an appointment with a licensed professional call 212. 951. 7376

One of the ways we help people Strategize for retirement is through the purchase of annuities.

ANNNUITY OVERVIEW

An annuity is a contract between a person and an insurance company that can be used as part of a retirement strategy, and can provide in some cases tax-free. income, and growth potential without market risk.

People typically purchase annuities for one or more of the following reasons:
1. Guaranteed income for life that can be adjusted for inflation.
2. Protection from downside market risk.
3. Legacy for beneficiaries annuities come in different shapes and sizes. Annuities have costs, some of which are spelled out clearly and others are credited and the income you receive.

Annuities are designed to be a long term income product and usually involve surrender charges if you withdraw funds early. Each insurance company has its own spin on the features of its annuities and offers different options, but there are four basic types of annuities: FIXED, IMMEDIATE, VARIABLE and FIXED INDEX

FIXED ANNUITY

This one earns a steady interest rate – typically, from 1% to 4% for a fixed period of time. The longer the term, the higher the earning percentage. The insurance company holds your money and pays you part of its earnings in exchange for the use of your money.

IMMEDIATE ANNUITY

This is a type Fixed Annuity that can immediately provide a regular income stream for your lifetime. It can be a good supplement to social security, especially if you don't have pension income, depending on the premium you pay and your age when you purchase it. But you give up control of your money as a trade off for that promised income. You can't pull it out without a substantial penalty, or may not be able to withdraw a lump sum at all.

VARIABLE ANNUITY

This is an insurance product with an investment component that is tied to the stock market or other investments.

You can earn higher returns because gains are tied to the market performance.

However, you can lose earnings, and even principal, when the market drops. Fees for variable annuities generally, range from 2% to 8% per year whether the market is up or down. Be sure you understand the terms and conditions of variable annuities before you buy.

FIXED INDEX ANNUITY

A fixed index annuity can earn interest that is tied to an external index such as the S&P 500 ®. If the market index goes up, your money has the potential to grow. And because you are never invested in the market with a fixed index annuity, you can't lose money due to market loss. In exchange for your premium payment, the insurance company provides you with income immediately or in the future (deferred). Some benefits of index annuities are: guaranteed "income for life", tax-deferral, death benefit, and if the index you select increases, you have the potential to earn more interest as well. Once your interest is credited (see contract for crediting methods and period), it cannot be lost to market volatility.

Bank CD's are issued by the Federal Deposit Insurance Corporation and offer a fixed rate of return. Principle protection and income stream guarantees on annuities are backed by the financial strength and claims paying ability of the issuing company.

OUR CREATIVE SOLUTIONS MAXIMIZE YOUR RETIREMENT INCOME AND AVOID COSTLY MISTAKES

"The Retirement Red Zone" are the
10 years before and the 10 years after you choose to retire.

It's crucial not to make mistakes while in the Retirement Red Zone because they impact the rest of your retirement. One of the first steps you can take to increase your financial confidence is to minimize the risk of loss, maximize earnings and protect your principal. M. Dutton & Associates specializes in asset preservation.

If you have a 401K or 403b with a former employer, let us evaluate it for you. The company that you worked for, in most cases, is limited to giving you information only. They cannot and will not give you advice. They will not take a look at your situation, evaluate where you are in life and make recommendations to help you accomplish your goals. Our financial consultants have been advising clients for over 25 years.

Let us make recommendations that will put you in a better position for financial growth, asset protection, and secure your retirement income. Many investments charge fees, which coupled with taxes, erode earnings, and are subjected to probate. We can do analysis to help you eliminate fees, minimize taxes, protect your principal plus earnings, avoid probate and preserve your legacy. We can show you strategies with no fees, principal protection and growth opportunity. Creative solutions to build a strong income base and provide an income that you cannot outlive – **a lifetime income.**

MISCONCEPTION #1: BONDS ARE SAFE EVEN WHEN INTEREST RATES RISE

The bad news was that 80% of respondents didn't realize bond values would decline when interest rates increased. There is an inverse relationship between interest rates and bond prices.

When rates rise, bond prices fall, and vice versa. The longer a bond's maturity, the more its value may fall.

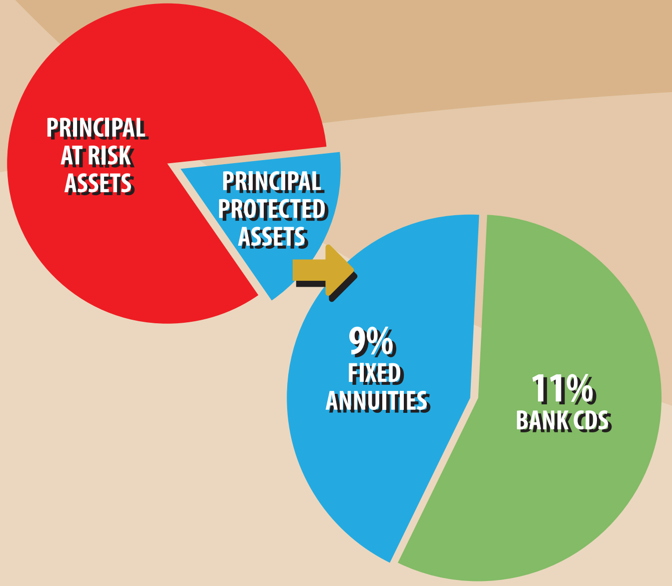
55%
of respondents are completely risk averse, yet

80%
of them hold investments that can suffer declines in principal value

PRINCIPAL PROTECTED VS. PRINCIPAL AT RISK

80%
Principal At Risk Assets
Stocks
Bonds
Stock Mutual Funds
Bond Mutual Funds
Variable Annuities

20%
Principal Protected Assets
Fixed Annuities
Bank CD



FINRA Investor Alert - https://www._nra.org/newsroom/2013 /_nra-issues-new-investor-alert-duration%E2%E2%80%94what-interest-rate-hike-could-do-your-bond

Bank CDs are insured by the Federal Deposit Insurance Corporation and o_er a _xed rate of return, principle protection and income

Stream guarantees on annuities are backed by the financial strength and claims paying ability of the issuing company.

MISCONCEPTION #2: INVESTORS OVERESTIMATE SAFE WITHDRAWAL RATES

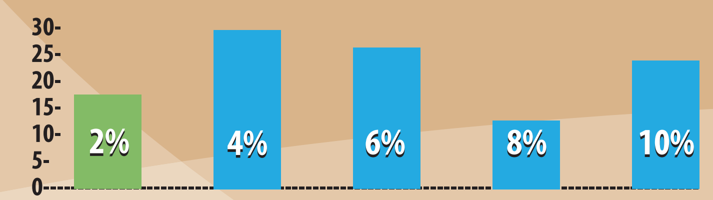
About 82% of individuals investors overestimate the amount of income their retirement savings will generate in retirement. One-third believe they'll be able to withdraw 8% or 10% of savings each year during retirement without depleting their assets!

For many years, common wisdom, supported by Bill Bengen's research, suggested that 4% was a safe withdrawal rate. If investors took no more than 4% of portfolio assets (adjusted annually for inflation) each year, they could generate income that would last throughout retirement.

Rapidly evolving economic and financial circumstances have affected that assumption. In fact, new analysis showed that a 1.7% withdrawal rate had a high probability of providing retirement income for 30 years Without depleting assets (5% probability of failure), of 60% of a portfolio was invested in stocks.

For many years, the American public has believed that 4% is a sustainable annual withdrawal rate from their nest egg during retirement.

Q: WHEN YOU RETIRE, WHAT PERCENTAGE OF SAVINGS CAN YOU SPEND EACH YEAR WITHOUT OUTLIVING YOUR ASSETS?



82%

of investors overestimate the amount of income their retirement savings will accumulate in retirement.

The average 65-year-old man in the US is expected to live to be 86.6 years old.

The average 65-year-old woman in the U.S. is expected to live to be 88.8 years old.

Unfortunately, a 1.7% withdrawal rate might not provide enough income for many retirees. The research suggests that combining stocks with single-premium immediate annuities (with guaranteed living benefits for riders) could boost income levels significantly. Guaranteed living benefits for retirees can provide 3-5% annual payout rates and lifetime income.

Misconceptions about longevity may be another reason for the confusion about withdrawal rates. The majority of respondents said the life expectancy of a 65-year-old man was about 10 to 15 years. New estimates project that the average 65-year-old man in the U.S. is expected to live to be 86.6 and the average 65-year-old woman is expected to live to be 88.8.

RETHINKING RETIREMENT

DO YOU THINK THE MARKET WILL CONTINUE TO GROW? ARE YOU PREPARED FOR FINANCIALLY TURBULENT TIMES?

Has your retirement plan changed to meet the times?

Planning for retirement today is much different than it was even 5 or 10 years ago. The stock market rises and falls in reaction to events a half a world away. People are living longer than ever, meaning their money needs to last longer. Record government deficits and record government spending will almost certainly lead to higher taxes and inflation. Many retirement plans are simply no longer suitable for today's volatile economic conditions.

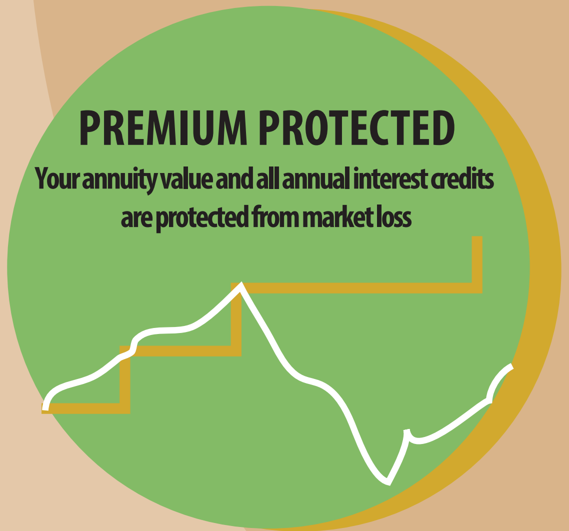
Whether you are planning for retirement or already retired, a second opinion from an experienced financial advisor may uncover opportunities that could put you in a better financial position – no matter what the future holds.

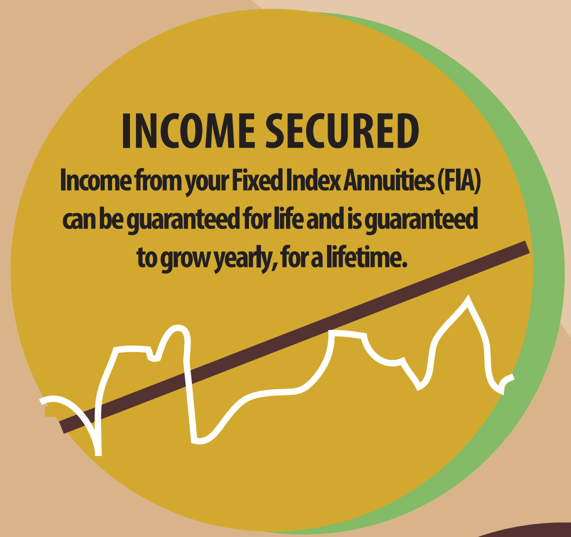
Are you confident that your retirement plan can weather any financial storm?
Do your investments suit your stage in life?
Do you completely understand your investments and the associated risks?
Will you outlive your retirement savings?
Is your IRA/401(k) beneficiary paperwork filled out correctly?
Do you have a well-defined recovery plan in place?
Will you be able to retire on time living your desired lifestyle?
Are you confident you will not outlive your savings?
What steps are you taking TODAY to help prevent the financial mistakes of 2002 and 2008?
Have you visited/revised your financial plan in light of current market trends?
How can you reduce the impact of inflation on your savings?
How can you generate significant income with historically low interest rates?
How will rising rates affect your investments?
What is the difference between a fee-based advisor and commissioned broker?
Should you take advantage of the Limited Roth Conversion privilege?

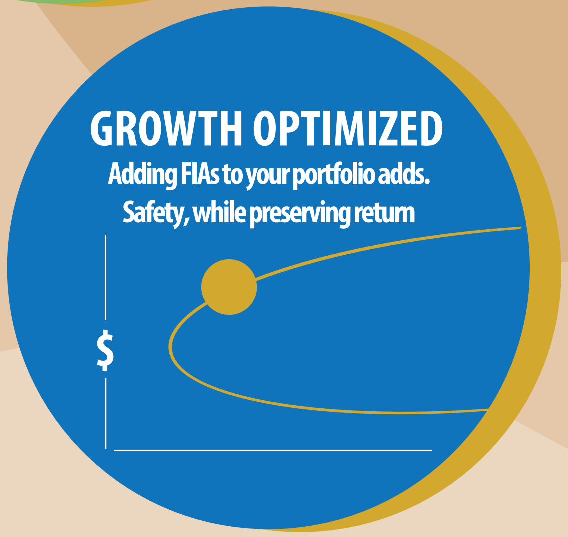
Marvin Dutton, President of M. Dutton and Associates, is offering a Free Retirement Check-up and Recovery Plan. Marvin has over 25 years of experience helping his clients reach their retirement goals. Call for your appointment today! 212.951.7376

PLAN • INVEST • PROTECT

OPPORTUNITY #3: FIXED INDEX ANNUITIES MAY PROVIDE:







Annuities are designed to meet long-term needs for retirement income. They provide guarantees of premium and credited interest, subject to surrender charges, and a death benefits for beneficiaries. The interest credited on an annuity contract may be affected by the performance of an external index. However, the annuity contact does not directly participate in the index or any equity investments underlying any equity index or any interest paid on any fixed income investments underlying any bond index. These dividends and interest are not reflected in the interest credited to the annuity contract. This material is intended for informational purposes only and is not intended to serve as the basis for any investment or purchasing decision.

Guarantees are backed by the financial strength and claims paying ability of the issuing company.
Not FDIC insured. May lose value. No bank or credit union guarantee. Not a deposit. Not insured by any federal government agency or NCUA / NCUSIF

MISCONCEPTION #3: INVESTORS EXPECT HIGHER FUTURE RETURNS THAN ANALYSTS PREDICT

Investors' estimates for stock market returns over the next 10 years demonstrate their uncertainty about markets. One-half of respondents estimated that stock market returns would average 4% to 6% over the next decade.

This may prove to be overly optimistic.

Many analysts believe the Shiller PE 10 (Price Earnings Ratios over previous 10 years) which measures stock valuations, provides insight to future market performance. A low PE 10 suggests a higher future annualized return after inflation, while a high PE 10 suggests a lower expected return of -0.3% over the next eight years.

If we are really lucky, returns could average 4.6% a year.
If we are really unlucky, they could average -8.1% a year.

Survey Respondents Predict
4 - 6%
Average Annual Return

The Shiller PE 10 Implies
-0.3%
Average Annual Return

RETHINKING RETIREMENT

OPPORTUNITY #1:
CHOOSE PORTFOLIO OPTIONS THAT PROVIDE LIFETIME INCOME

The stock market is doing well today, but is vulnerable to: inflation risk, mismanagement risk, geopolitical concerns, and so much more.

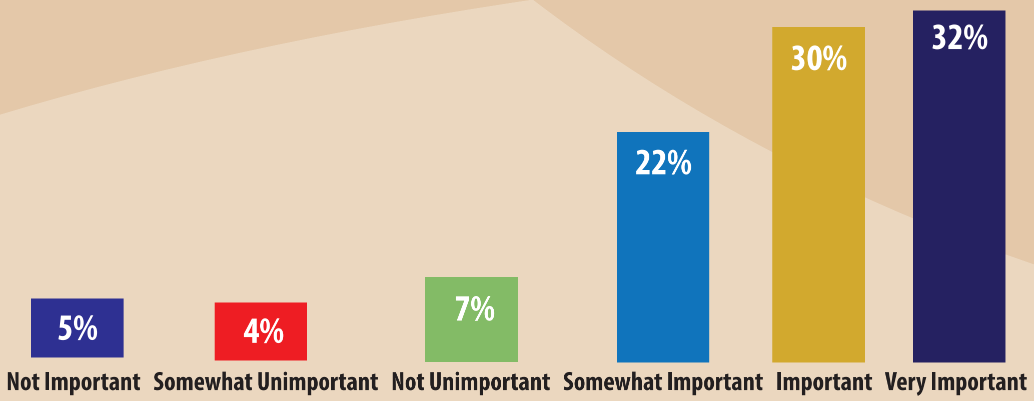
Bond markets are vulnerable to rising interest rates when the stock market goes up.

When investors current holdings are balanced against their desire for guaranteed retirement income – 62% were interested in receiving a guaranteed stream of income for life - it appears that annuities may be a welcome portfolio addition.

Annuities help reduce portfolio risk while taking advantage of market protection strategies.

Many investors want retirement income investments that grow with inflation and can never be outlived.

HOW IMPORTANT IS IT THAT IN RETIREMENT YOU NEVER OUTLIVE THE INCOME AND YOUR INVESTMENT GROWS WITH INFLATION?



84%

of all survey respondents wanted retirement income they could not outlive and would increase with inflation

Guarantees are backed by the financial strength and claim paying ability of the issuing company

OPPORTUNITY #2:
WORK WITH YOUR FINANCIAL PROFESSIONAL TO UNDERSTAND YOUR OPTIONS

Building a portfolio that can meet retirement income needs without taxing risk tolerance is a tall order. Today, it may be more complicated than ever before. Instead of relying on employers' pension plans to manage assets and provide steady streams of income throughout our retirements, **we must rely on our own knowledge and that of the financial professionals with whom we work.**

It is important to understand your risk tolerance, as well as the investment options that are available to help you meet your retirement goals. Different people are comfortable with different levels of risk, and the majority of retirement age Americans are not comfortable with principal risk for their retirement assets. Find the retirement products that match the risks that are comfortable for you. If you have questions about a financial concept or investment options, contact

M. Dutton & Associates 212. 951. 7376

Differing investment styles between women and men

BANK CDS	12%	9%
STOCKS	17%	25%
BONDS	3%	3%
STOCK MUTUAL FUNDS	42%	44%
BOND MUTUAL FUNDS	7%	7%
ANNUITIES	19%	12%

83%

of women being surveyed wanted no or low risk investments as compared to 63% of men.

Bank CDs are insured by the Federal Deposit Insurance Corporation and offer a fixed rate of return. Securities and annuities are not guaranteed by the FDIC or any other government Agency.

Principal protection and income guarantees tied to annuities are subject to the financial strength and claims paying ability of the issuing company.