

DAWSON WEALTH MANAGEMENT LLC

www.dawsonwealth.com

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38 YEARS

Of Serving Clients

1985 - 2023

DAWSON
WEALTH
MANAGEMENT LLC

Planning For Retirement

PRESENTED TO:

DWM LLC clients/prospective clients



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Securities offered through

Raymond James Financial Services, Inc.

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Dedicated To the Prudent Stewardship Of Our Clients' Wealth

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RAYMOND JAMES®

PLANNING FOR RETIREMENT ESTABLISHING YOUR LONG-TERM PLAN

Retirement is all about making good decisions. This is a great time to identify and record your goals.

There are a lot of decisions and trade-offs facing you as you consider your next phase of life.

- What are your goals for retirement, how much income will you need, what do you want to do with your money and your time?
- What benefits can you expect?
- What about your health?



We have the tools and resources to ensure that you understand your choices and how they can impact your confidence in a secure retirement.

PLANNING FOR RETIREMENT GETTING STARTED

One of the best ways to ensure that you achieve a goal is to write it down. The same applies to financial goals. We have tools and resources to help you get started.

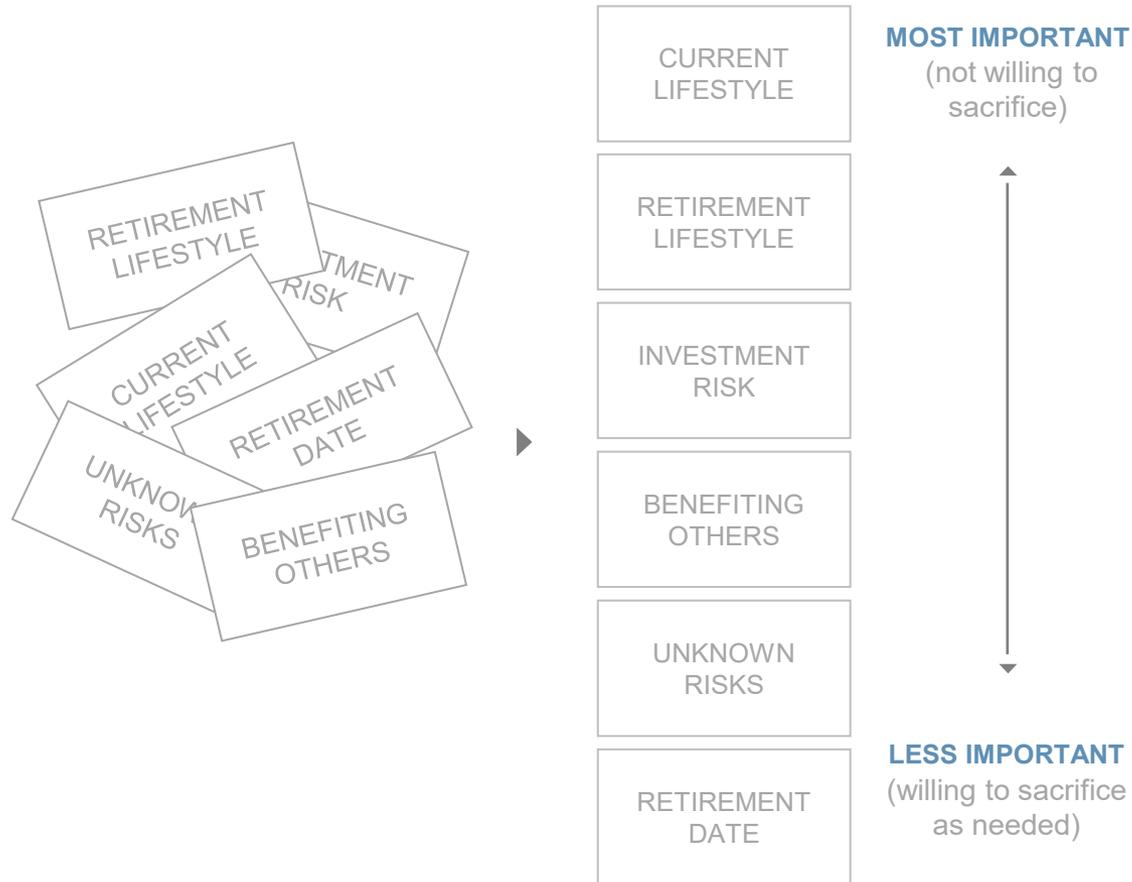
The process can be relatively easy:

1. Identify your goals and retirement lifestyle expenses
2. Inventory your assets and income sources
3. Analyze the likelihood of reaching those goals
4. Create an action plan
5. Monitor your plan to ensure you stay in your confidence zone



PLANNING FOR RETIREMENT PRIORITIZE RETIREMENT OBJECTIVES

Retirement planning requires individuals and families to prioritize among competing objectives and establish where they might be willing to sacrifice to achieve reasonable outcomes.



PLANNING FOR RETIREMENT UNDERSTAND SPENDING

To understand your unique financial picture and to determine a plan for how to meet your goals, one of the first steps is to quantify your expense requirements, differentiating between your unique needs and wants.

NEEDS

Essential Expenses, e.g.,

- Mortgage
- Insurance
- Food
- Clothing
- Healthcare

WANTS

Non-Essential Expenses, e.g.,

- Travel
- Entertainment
- Club memberships
- Charitable giving
- Legacy for heirs

PLANNING FOR RETIREMENT HEALTHCARE

Planning for your health – and how you'll pay for expected and unexpected expenses – should be considered an essential need.



Factors to consider:

- Medicare Parts A, B, C and D, what they cover and associated costs
- Out-of-pocket healthcare expenses not covered by Medicare such as premiums, copays, deductibles, hearing, dental and vision costs
- The potential need for long-term care

Medicare is estimated to only cover about 60% of medical costs in retirement.

The Center for Retirement Research estimates that married couples age 65 and over spend \$7,600 a year on average for Medicare premiums and copays.

PLANNING FOR RETIREMENT UNDERSTAND SPENDING

In order to meet the expenses you quantified, we'll need to account for every source of reliable income in retirement, as well as a current inventory of your assets that are intended to support income in retirement.



RELIABLE INCOME

Consistent income from:

- Social Security
- Pension payments
- Part-time employment
- Other income



RETIREMENT ASSETS

Financial assets, including:

- 401(k)s
- IRAs
- Roth IRAs
- Annuities
- Brokerage and checking accounts
- Certificates of deposit

PLANNING FOR RETIREMENT SOCIAL SECURITY

Social Security retirement benefits should be considered a critical asset alongside other sources of reliable income. Numerous variables play a role in deciding when and how to begin drawing benefits.



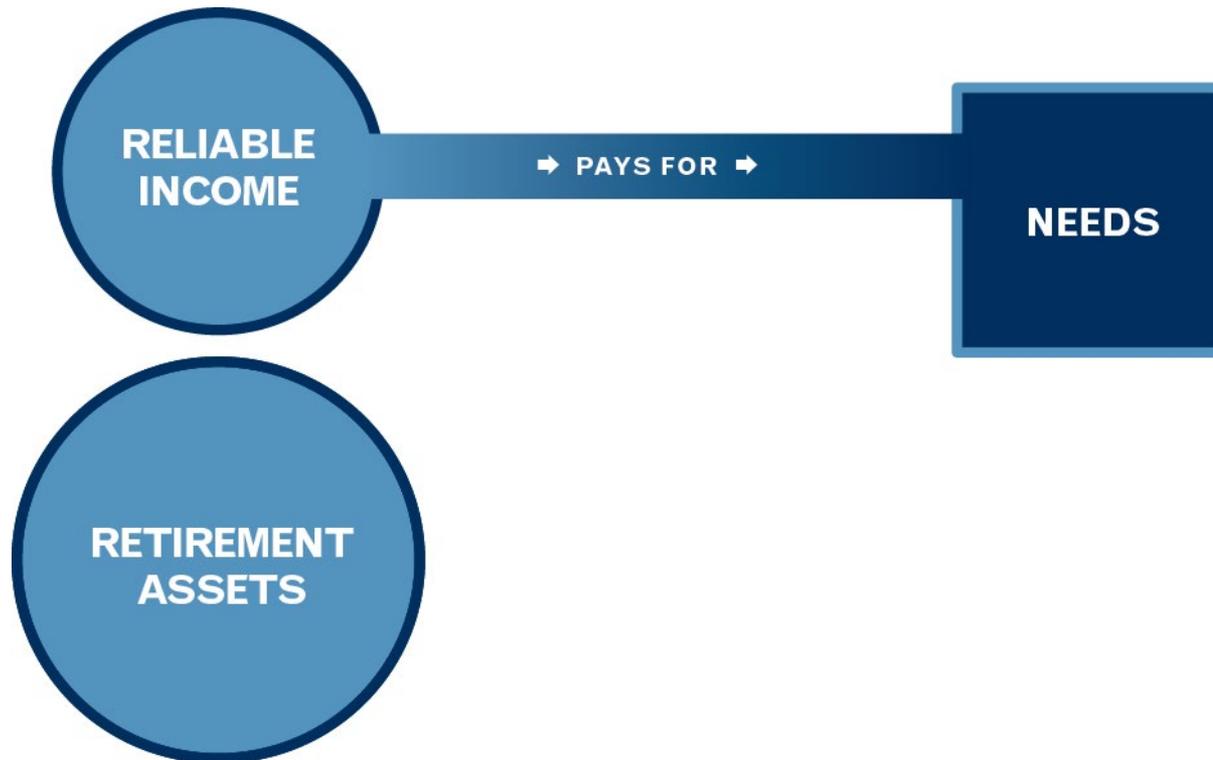
Factors to consider:

- **Your age** – When should you draw benefits?
- **Your job** – How do earnings impact your benefits?
- **Your taxes** – How are benefits taxed when combined with other retirement income?
- **Your marriage** – How do spousal and survivor benefits work?

74% of those drawing Social Security retirement benefits are receiving permanently reduced amounts due to timing decisions.

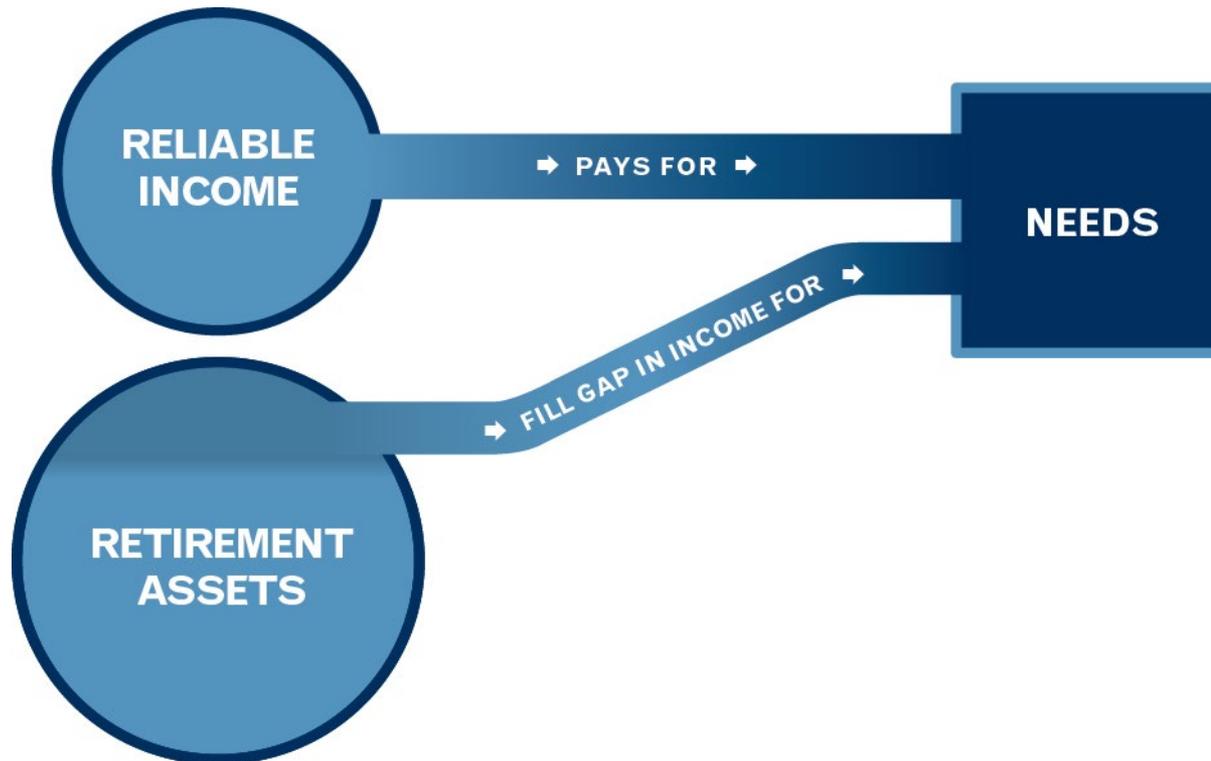
PLANNING FOR RETIREMENT IDENTIFY NEEDS GAP

Once we quantify your sources of income, we can determine whether that income is sufficient to fund – at a minimum – those expenses you have identified as “needs.” It’s probable that you’ll need to withdraw from your assets you’ve designated for retirement to meet these needs.



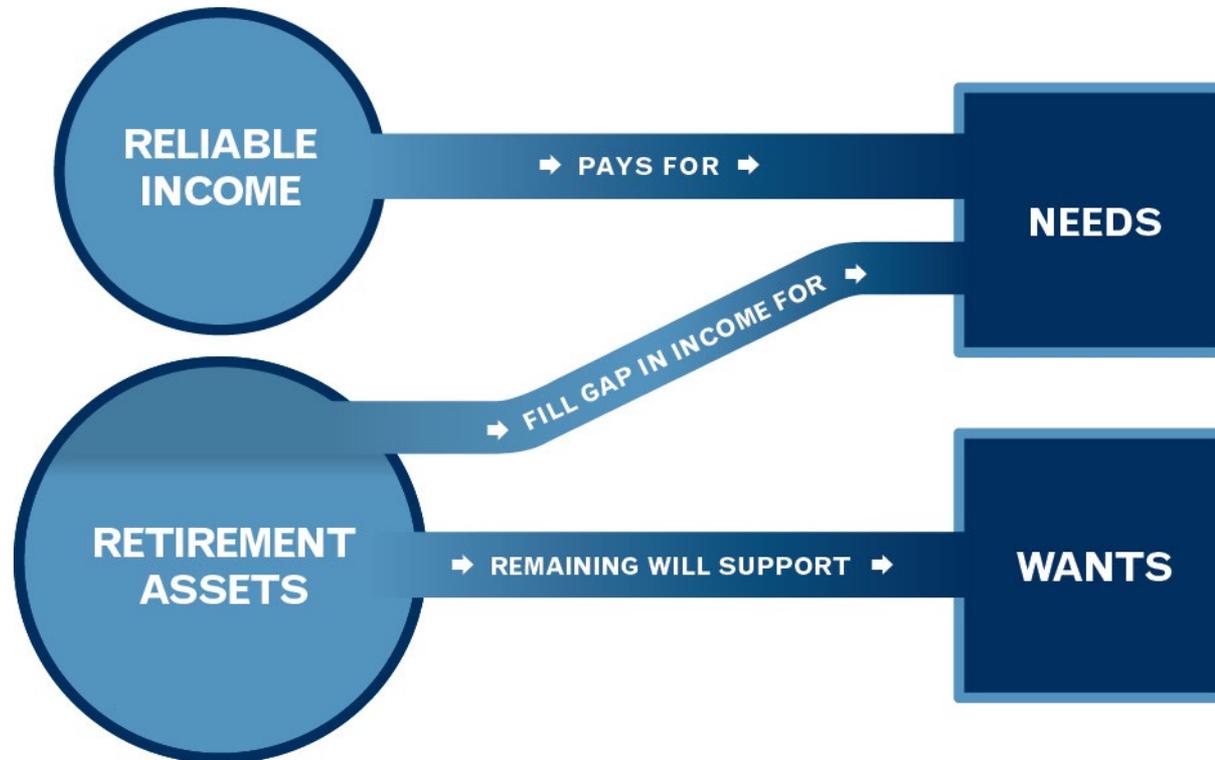
PLANNING FOR RETIREMENT DESIGN FOR NEEDS

If your reliable income isn't enough to at least cover the needs you've identified, we'll analyze how your assets are allocated, and evaluate how your portfolio could be structured to generate income for your needs.



PLANNING FOR RETIREMENT DESIGN FOR WANTS

Once we've identified how much of your retirement assets will be required to fill your needs, we'll determine what withdrawal rate is sustainable to support your wants.



Creating your unique spending policy will help you to understand how much of your portfolio can be spent on non-essential expenses by setting up a sustainable withdrawal rate over time.

PLANNING FOR RETIREMENT UNDERSTAND OTHER FACTORS

There are other factors we will discuss that could impact your spending decisions and the way we allocate your assets throughout retirement.

OTHER ASSETS

Includes:

- Business
- Real estate
- Collectibles

RISK MANAGEMENT

Includes:

- Cash reserve
- Life insurance
- Long-term care needs
- Disability

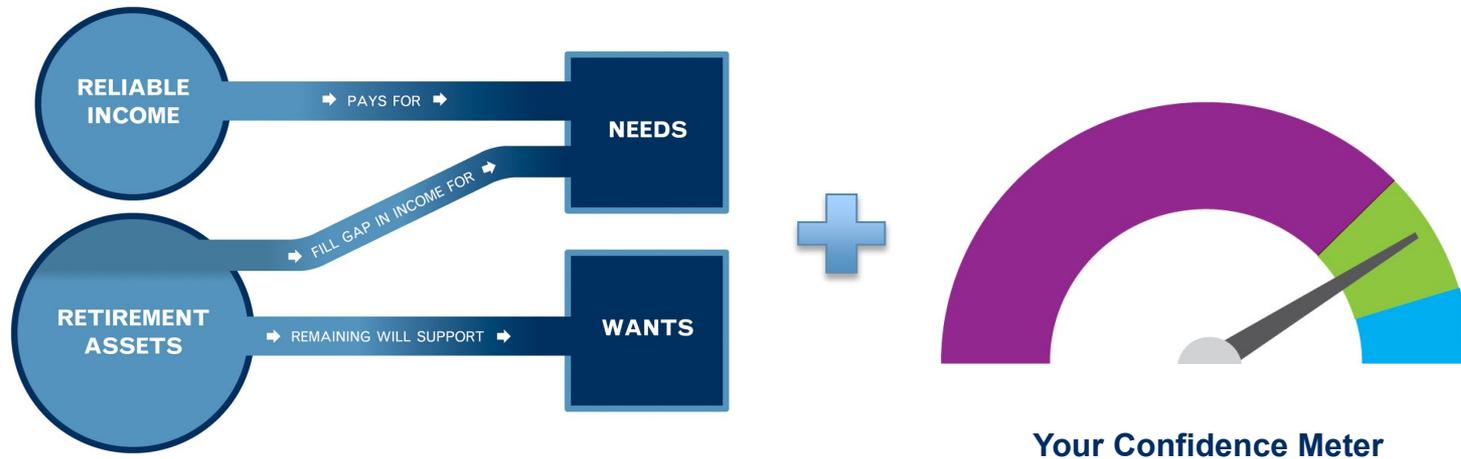
BENEFITING OTHERS

Includes:

- Supporting family members
- Leaving a legacy
- Charitable giving

PLANNING FOR RETIREMENT A LIVING PLAN

Once you have identified the important components of your retirement plan, the next step is to look to the future and analyze how well your resources can fund your goals. Our collaborative and robust tools can help you gain confidence that your plan is working for you today and well into the future.



This type of financial planning analysis is designed to move you into “The Confidence Zone” – to help you enjoy retirement.

PLANNING FOR RETIREMENT MANAGING YOUR RISK

As you look to the future, there are a lot of unknowns, and the key to a secure and comfortable retirement is making sure that your plan is flexible enough to withstand the unexpected. Using our innovative tools, we can evaluate your personal plan for its sensitivity to changes in many of the different risks that can impact your chances of achieving your goals.



Longevity Outliving your money

- Long retirement horizons due to longer life expectancies
- Outliving assets



Spending and Withdrawals Running out of money

- Wants vs. needs
- Sustainability of withdrawals
- Impact of spending behavior



Unknowns “What if ...”

- Long-term care needs
- Potential disability
- Medical expenses
- Early death of a spouse
- Unexpected expenses



Inflation Things cost more over time

- Erodes the value of savings and reduces returns
 - Healthcare inflation 6+%
- Source: U.S. Bureau of Labor Statistics

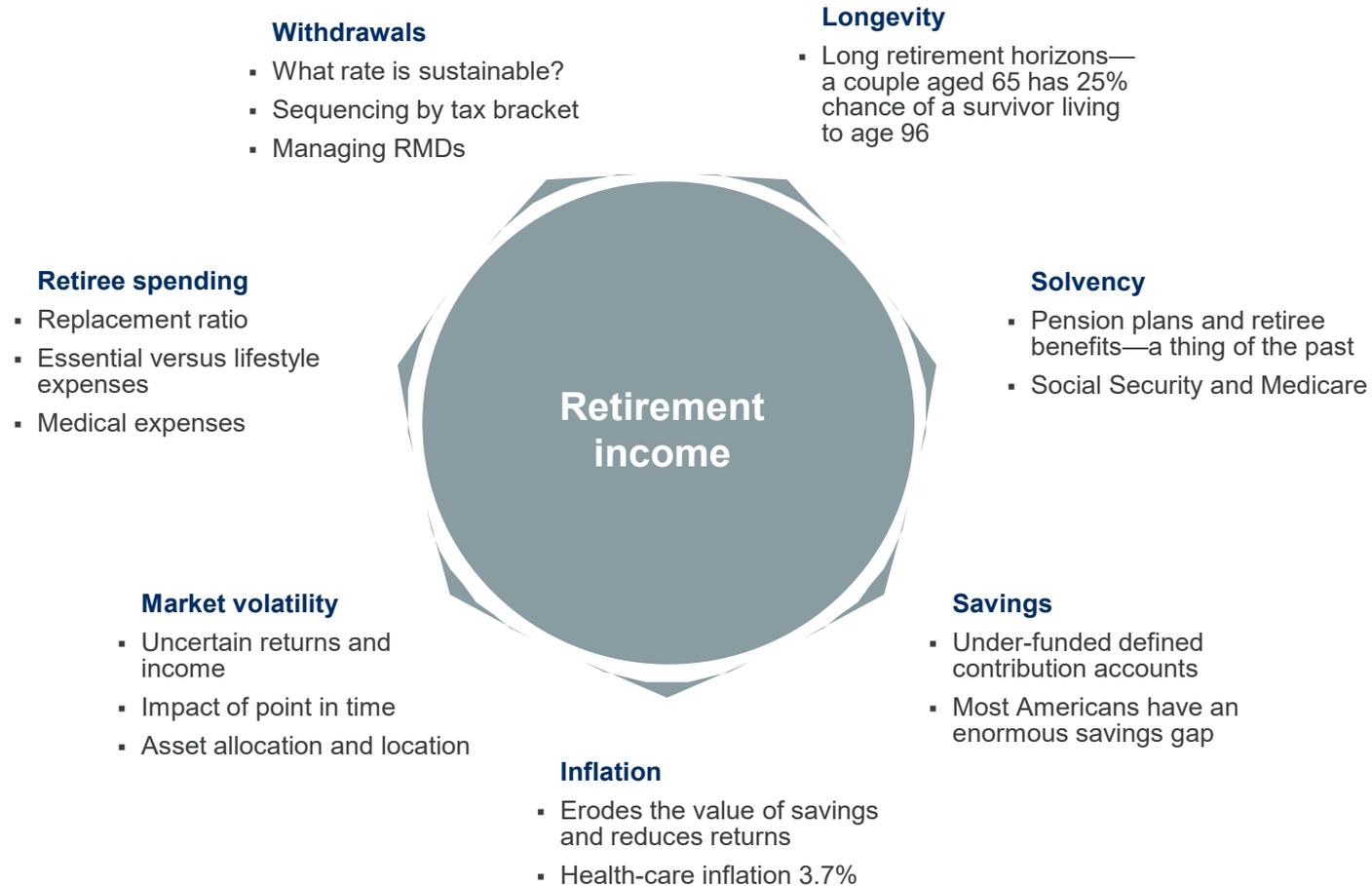


Market Risks Can't control the markets

- Uncertain returns and income
- Return sequence
- Asset allocation and location

PLANNING FOR RETIREMENT RECOGNIZING THE RISKS

RETIREEES FACE A NUMBER OF RISKS

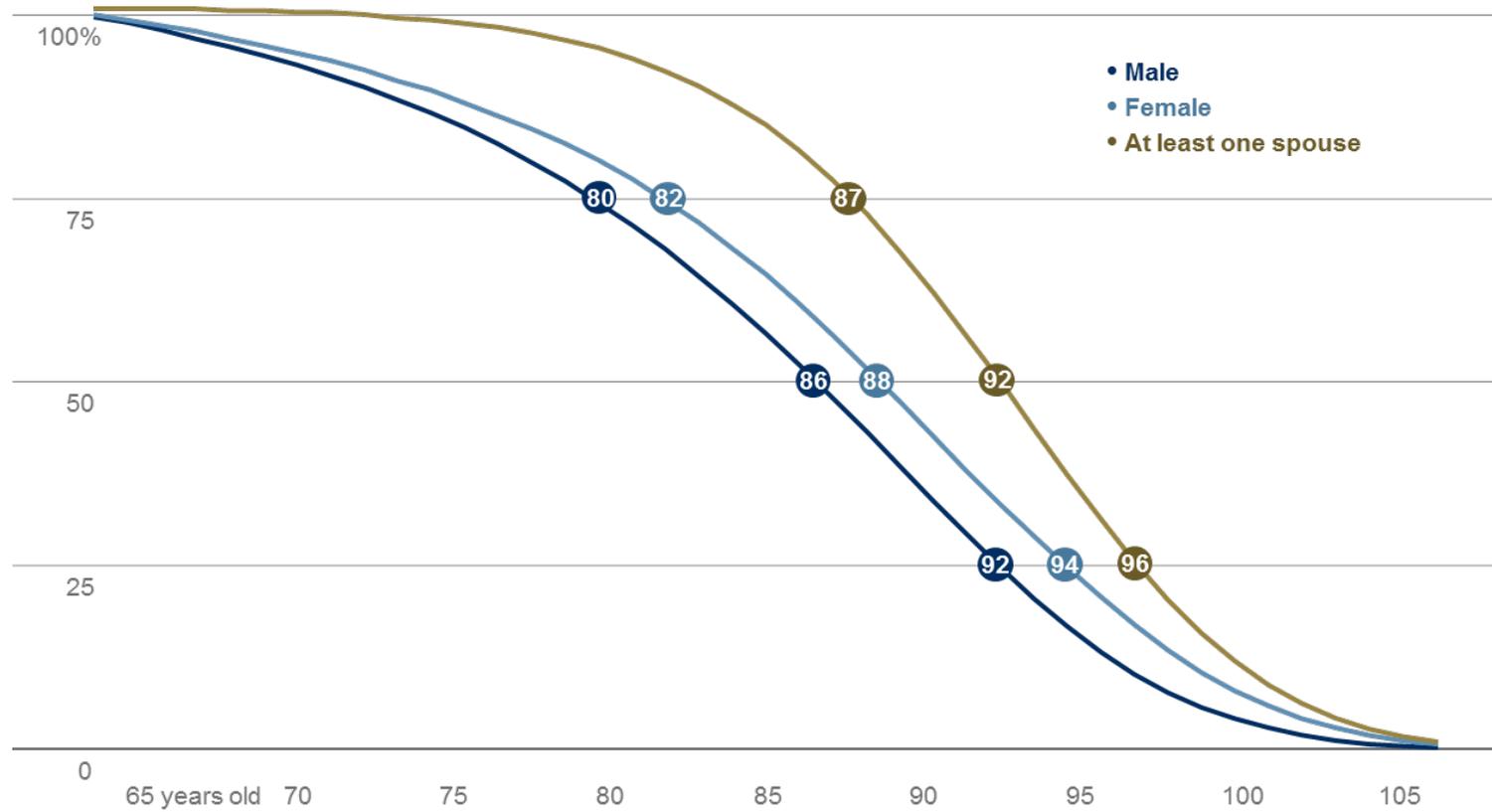


PLANNING FOR RETIREMENT RECOGNIZING THE RISKS

OUTLIVING YOUR MONEY

Retirees should plan for a long retirement; a couple aged 65 has an 85% chance that at least one of them will live past 85. Outliving your assets is a significant risk to address as you near retirement.

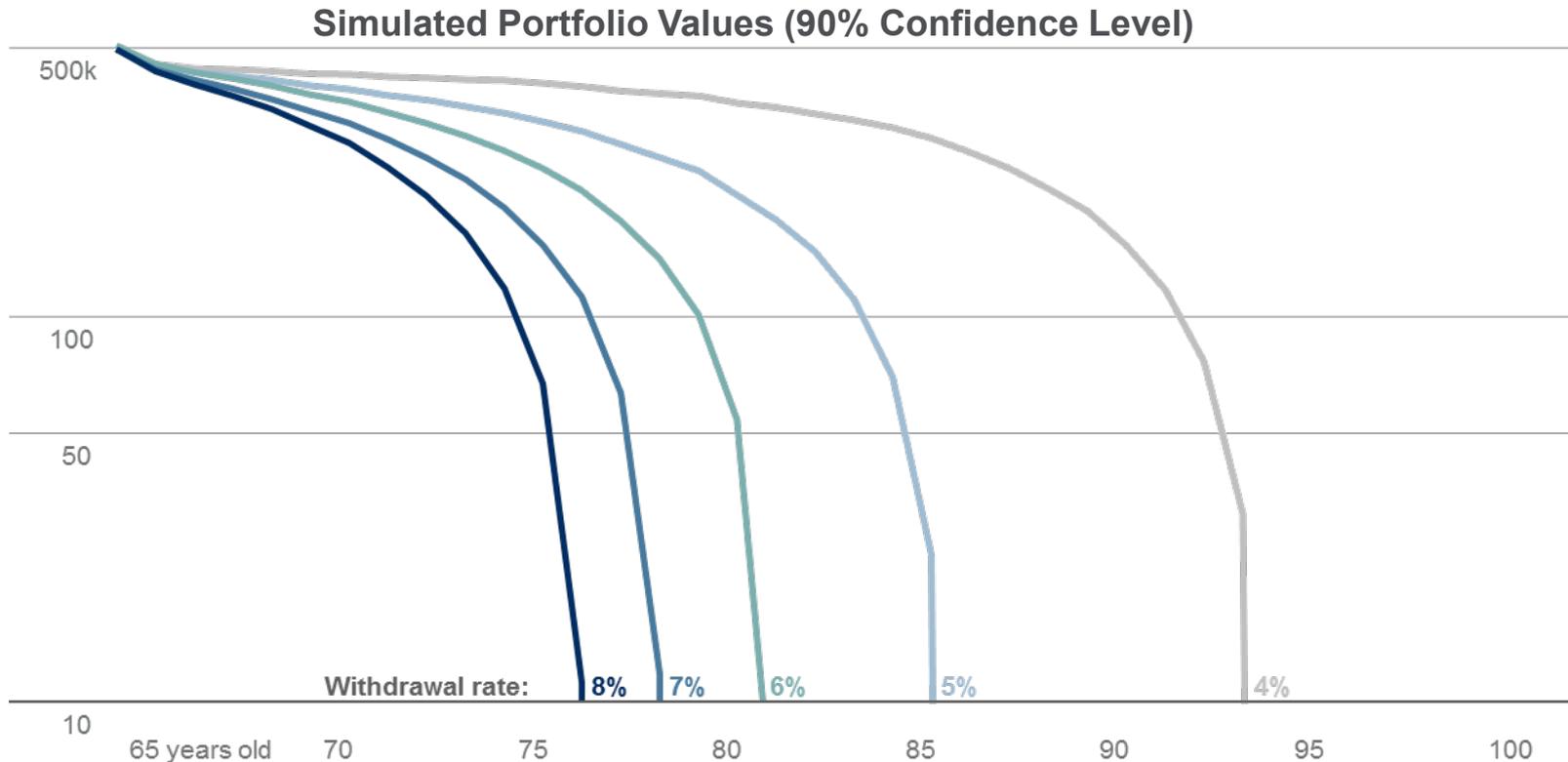
Probability of a 65-Year-Old Living to Various Ages



PLANNING FOR RETIREMENT RECOGNIZING THE RISKS

RUNNING OUT OF MONEY

You must strike a balance between income generation today and the need to grow your assets for the future. Structuring a spending policy that reflects a sustainable withdrawal rate is key.



An investment cannot be made directly in an index. · IMPORTANT: Projections generated by Morningstar regarding the likelihood of various investment outcomes using the Ibbotson Wealth Forecasting Engine are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. Licensed by Raymond James. • © 2014 Morningstar. All Rights Reserved.

See additional disclosures on next slide.

PLANNING FOR RETIREMENT RECOGNIZING THE RISKS

Discussion of Simulation Criteria and Methodology

This is for illustrative purposes only and not indicative of any investment.

This image looks at a hypothetical 50% stock/50% bond portfolio and the effect various inflation-adjusted withdrawal rates have on the end value of the portfolio over a long payout period. Each hypothetical portfolio has an initial starting value of \$500,000. It is assumed that a person retires at age 65 and withdraws an inflation-adjusted percentage of the initial portfolio wealth (\$500,000) each year beginning at age 66.

Annual investment expenses were assumed to be 0.88% for stock mutual funds and 0.74% for bond mutual funds. As illustrated, the higher the withdrawal rate, the greater the chance of potential shortfall. The lower the rate, the less likely an investor is to outlive their portfolio. Therefore, retirees who anticipate long payout periods may want to consider assuming lower withdrawal rates. The image was created using Monte Carlo parametric simulation that estimates the range of possible outcomes based on a set of assumptions including arithmetic mean (return), standard deviation (risk), and correlation for a set of asset classes. The inputs used are historical 1926–2009 figures. The risk and return of each asset class, cross-correlation, and annual average inflation over this time period follow. Stocks: risk 20.5%, return 11.8%; Bonds: risk 5.7%, return 5.5%; Correlation –0.01; Inflation: return 3.1%. Other investments not considered may have characteristics similar or superior to those being analyzed. The simulation is run 5,000 times, to give 5,000 possible 35-year scenarios. A 90% confidence level indicates that there is a 90% chance of the outcome being as shown or better. Higher confidence levels are chosen in order to view tougher market conditions. A limitation of the simulation model is that it assumes a constant inflation-adjusted rate of withdrawal, which may not be representative of actual retirement income needs. This type of simulation also assumes that the distribution of returns is normal. Should actual returns not follow this pattern, results may vary.

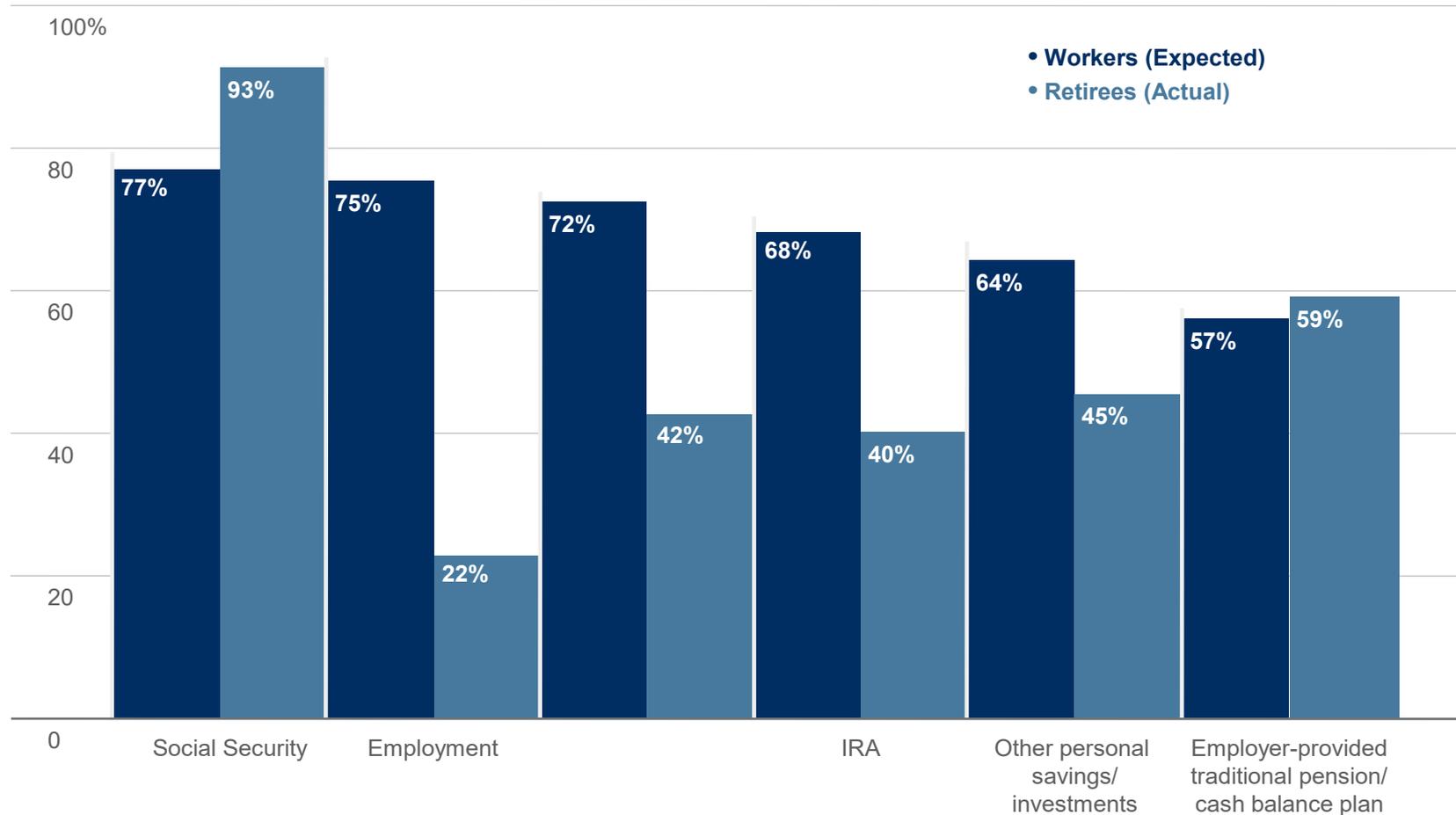
Government bonds are guaranteed by the full faith and credit of the United States government as to the timely payment of principal and interest, while returns and principal invested in stocks are not guaranteed.

About the data: Stocks are represented by the Standard & Poor's 500®, which is an unmanaged group of securities and considered to be representative of the stock market in general. Bonds are represented by the five-year U.S. government bond, inflation by the Consumer Price Index and mutual fund expenses from Morningstar. An investment cannot be made directly in an index. The data assumes reinvestment of income and does not account for taxes or transaction costs.

PLANNING FOR RETIREMENT RECOGNIZING THE RISKS

THINGS COST MORE OVER TIME

With today's longer life spans, personal savings are expected to play a larger role in retirement



Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment.

SOURCE: Employee Benefit Research Institute, 2013 Retirement Confidence Survey. Licensed by Raymond James.

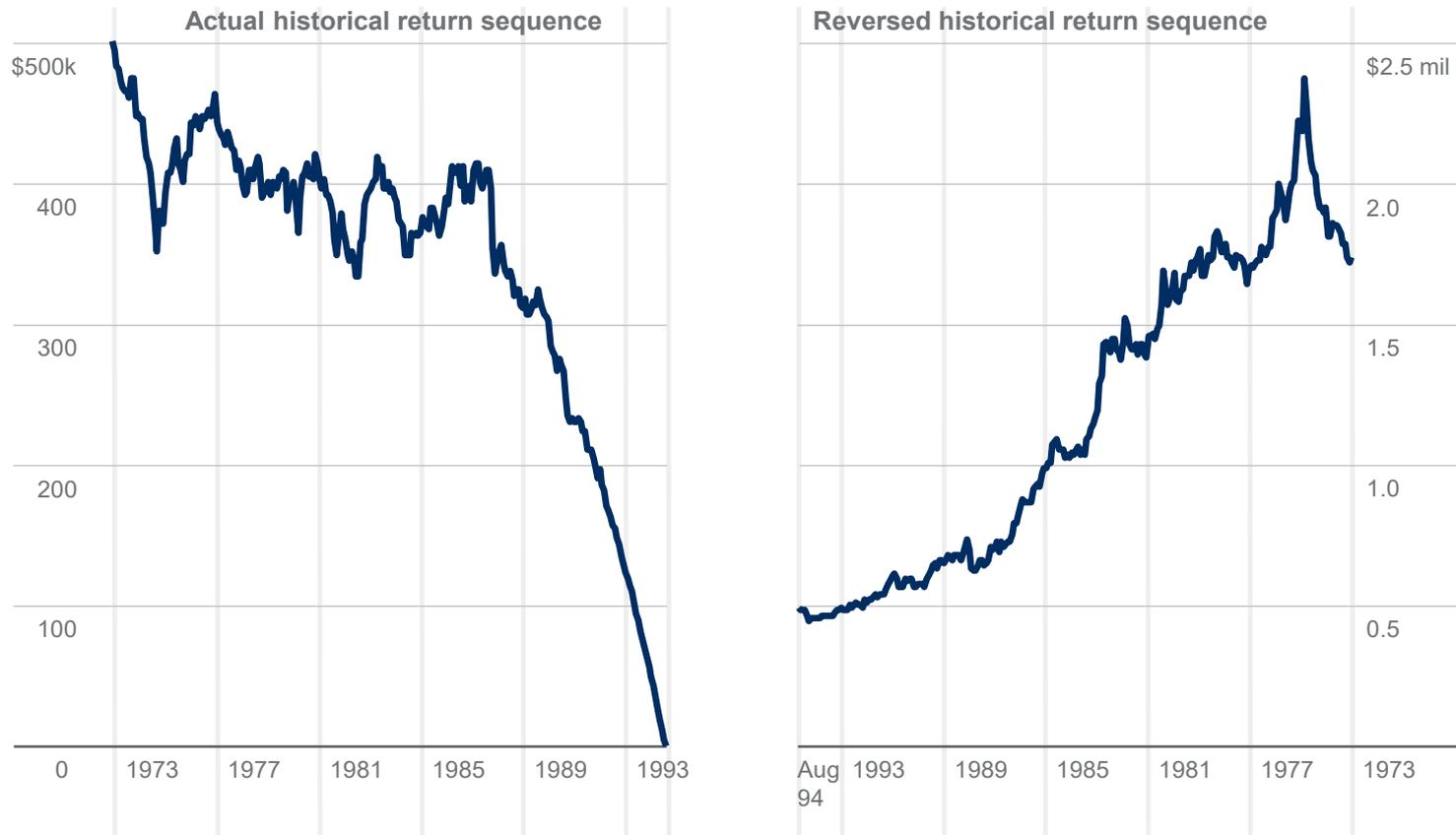
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PLANNING FOR RETIREMENT RECOGNIZING THE RISKS

CAN'T CONTROL THE MARKETS

A consecutive sequence of poor market returns can negatively impact the sustainability of your retirement assets and withdrawals, particularly during the early years of your retirement.

Sequence of Returns Matters



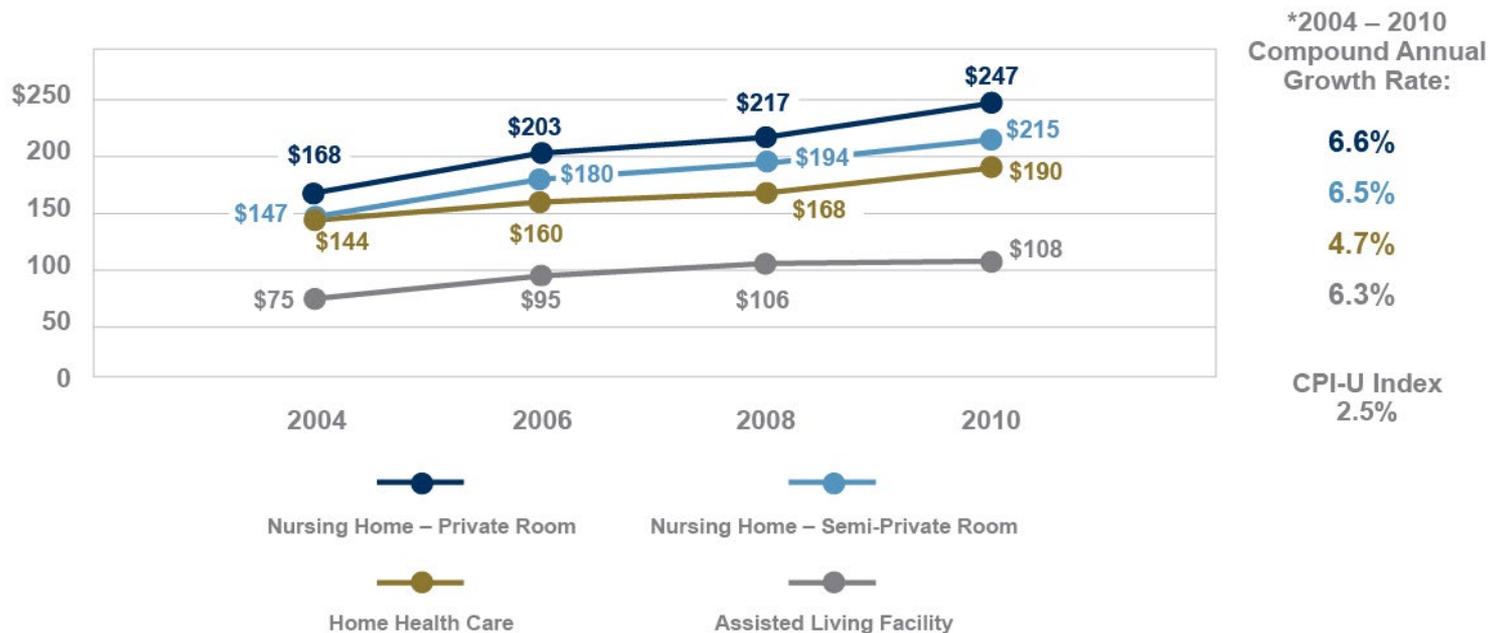
Past performance is no guarantee of future results. • An investment cannot be made directly in an index. Hypothetical value of \$500,000 invested at the beginning of 1973 and August 1994. Assumes inflation-adjusted withdrawal rate of 5%. Portfolio: 50% large-company stocks/50% intermediate-term bonds. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. Licensed by Raymond James. • © 2014 Morningstar. All Rights Reserved.

PLANNING FOR RETIREMENT RECOGNIZING THE RISKS

“WHAT IF ...”

You face the risk of many unforeseen costs throughout a lengthy retirement. Some unknowns are easier to protect against than others. As the rising costs of long-term care help to illustrate, it's important to consider which unknowns you can protect against and take action early on.

Average Daily Rates by Type of Care
 Trend Data (2004 – 2010)



Source: Prudential, 2010

PLANNING FOR RETIREMENT CONSOLIDATION STRATEGIES

One of the easiest ways to facilitate an income distribution plan is first to consolidate as many investment income resources as possible into a centralized location.



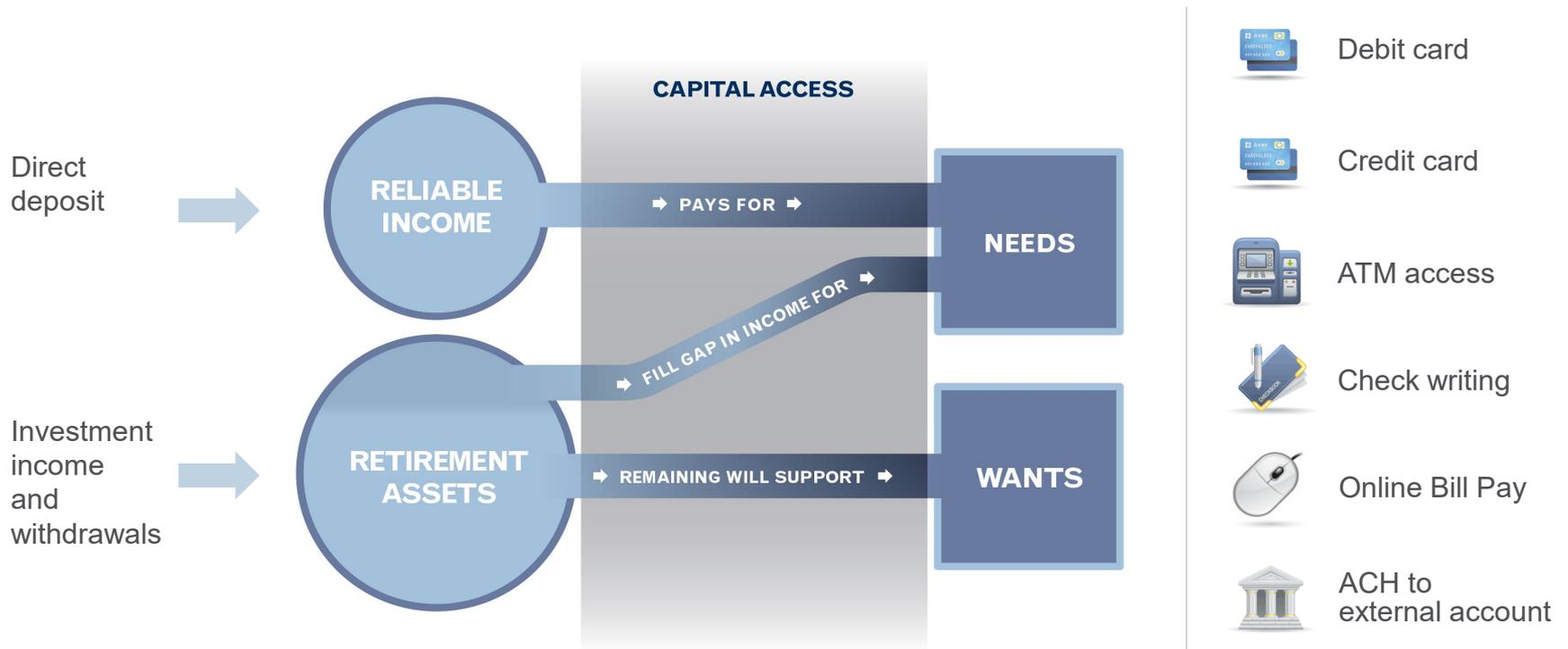
Factors to consider:

- **Guidance** – Work with your own advisor to position assets within your overall portfolio
- **Choices** – Wider investment selection to attempt to grow wealth and secure income
- **Taxes** – Pay now or later
- **Estate planning** – More options for beneficiaries
- **Monitoring** – Easier to track and manage your asset allocation and risk exposure
- **Fees** – Potentially reduce redundant administrative fees

Consolidation enables you to see your investment “big picture” and develop a holistic income distribution plan – tapping assets in a logical order to minimize taxes and maximize ongoing growth opportunities.

PLANNING FOR RETIREMENT MANAGING CASH FLOWS

Cash management is an important factor in implementing a retirement income strategy and monitoring progress.



Consolidating direct deposits and withdrawal activities through a Capital Access account improves our ability to monitor your progress against your goals and make adjustments to our strategy as necessary.

PLANNING FOR RETIREMENT OTHER KEY DECISIONS

In order to implement your retirement framework, we will analyze key decisions with you to improve the overall effectiveness of your plan. Some key questions we will address:

Which assets should I hold in my tax-deferred accounts versus my taxable accounts?



Which accounts should I withdraw income from first?



Should I roll over my 401(k) into an IRA?



Whom should I designate as beneficiaries for my IRA or qualified plans?



Is a Roth IRA conversion right for me?



What tax decisions do I face when I leave my employer?

THE RAYMOND JAMES ADVANTAGE



The decision to hire a professional financial team should take into account the quality and professionalism of the firm that stands behind it.

In choosing to do business with our team, you are also doing business with Raymond James.

It is important that you understand how our team's relationship with Raymond James benefits you by providing us the tools and resources to execute our mission to serve clients to the best of our abilities.

OVERVIEW THE RAYMOND JAMES ADVANTAGE

Why Raymond James?

THE FIRM HAS AN INDIVIDUAL CLIENT FOCUS

Raymond James is a firm with its roots in the business of providing financial guidance and planning to individual investors and families. This remains the firm's primary business today. Raymond James has been a leader in the industry with client-focused decision-making since the company's founding in 1962.

FULL RESOURCES OF A LARGE, MULTINATIONAL FINANCIAL SERVICES FIRM

Raymond James is one of the largest financial services firms in the United States, with the scale and resources to support a wide array of products and services. With more than 10,000 associates worldwide and \$458 billion in client assets*, the company's business includes investments brokerage, professional asset management, insurance solutions, trust services, investment banking, and private and commercial banking.

A CULTURE OF INDEPENDENCE AND OBJECTIVITY

As financial advisors, we are given flexibility and independence to serve our clients without a corporate "push" of proprietary products. We have access to one of the widest platforms of product choices and account types in our industry with access to over 300 mutual fund families, 51 money managers and 34 insurance carriers.

CONSISTENT LEADERSHIP AND INDEPENDENCE

Chairman Tom James has fostered a culture of consistent leadership and independent thinking that enables firm employees and financial advisors to act in the best interests of clients and be innovative in our solutions to meet their needs. That leadership drove the firm to achieve 105 consecutive quarters of profitability as of April 2014.**

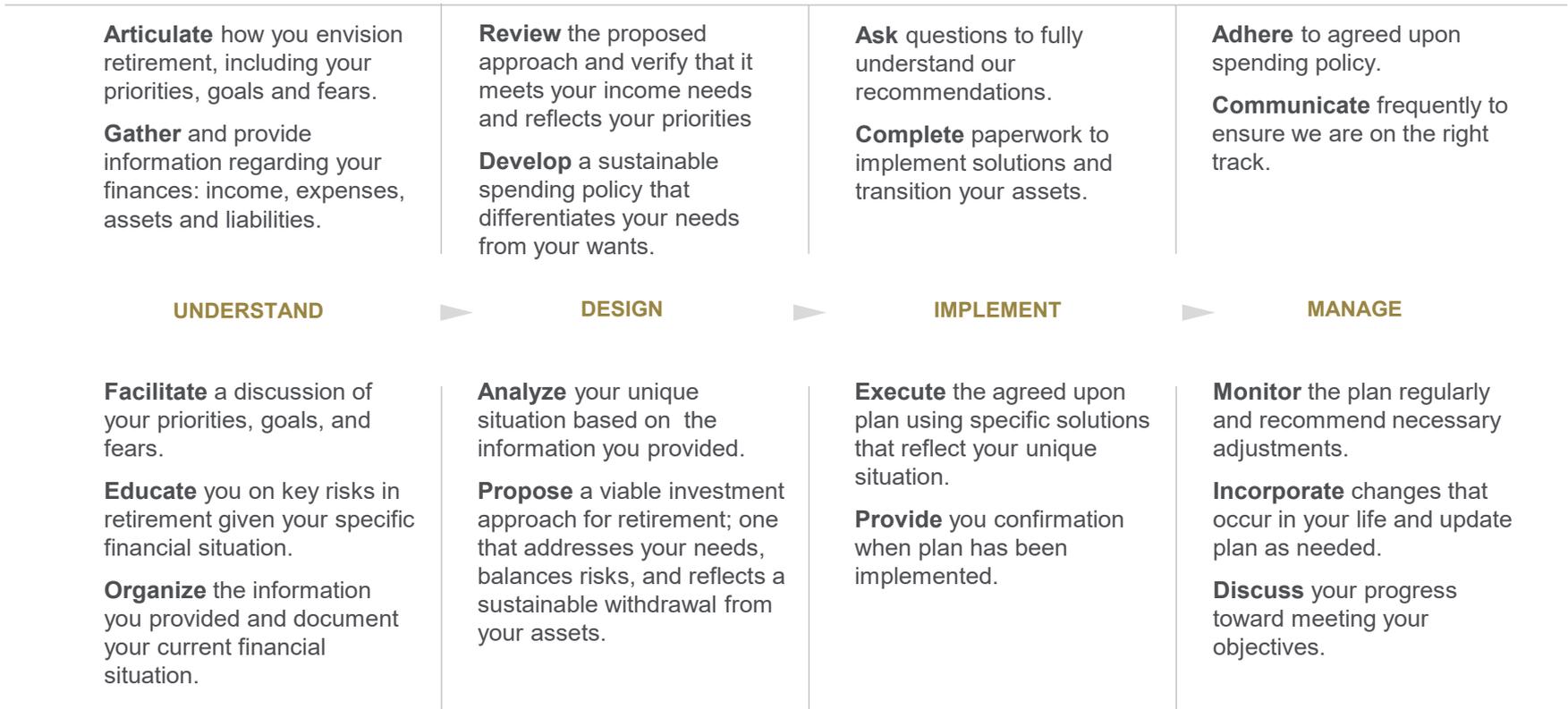
Raymond James' culture and extensive resources enable us to serve our clients effectively with their best interests as our top priority.

Raymond James was the first financial services firm to create a Client Bill of Rights and Responsibilities in 1994. Today, our industry has recognized this document as a best practice and many firms have followed its example.

PLANNING FOR RETIREMENT OUR COLLABORATIVE PROCESS

Planning your retirement is an ongoing process, even after you stop working. Here's how we'll work together.

YOUR ROLE



OUR ROLE

PLANNING FOR RETIREMENT NEXT STEPS

In order to begin the process, we'll take action in the following ways:

- Confirm retirement priorities
- Collect relevant data
- Quantify needs and wants
- Analyze existing assets and predicted sources of income
- Implement plan
- Continually monitor portfolio and manage plan



For Our Next Meeting

- Complete and bring the “Your Financial Inventory” worksheet
- Gather and bring documents on the provided checklist