

RETIREMENT PLANNING Toolbox

Presley Financial
817-249-1414

www.LouisPresley.com
Louis@LouisPresley.com



Consistency pays off

During the bull market of the 1980's and 1990's, financial advisors enjoyed saying that the S&P 500® never experienced a 5-year consecutive down period. Unfortunately, that cannot be said anymore. A recent Wharton study suggests, "The Fixed Index Annuity may be considered a separate asset class," when compared to taxable bond funds and fixed annuities.¹

Fixed Index Annuity (FIA) product design is unique. By locking in all gains during each reset period and eliminating the possibility of negative returns, risk-averse investors can attain attractive returns.² **FIA's averaged 5.54% annualized returns for all five-year holding periods from 1997 – 2009**, according to an update of the Wharton study by Jack Marrion in the Index Compendium.³

1 Source: Wharton Financial Institutions Center, October 5, 2009, Jack Marrion, Geoffrey VanderPal, David F. Babel

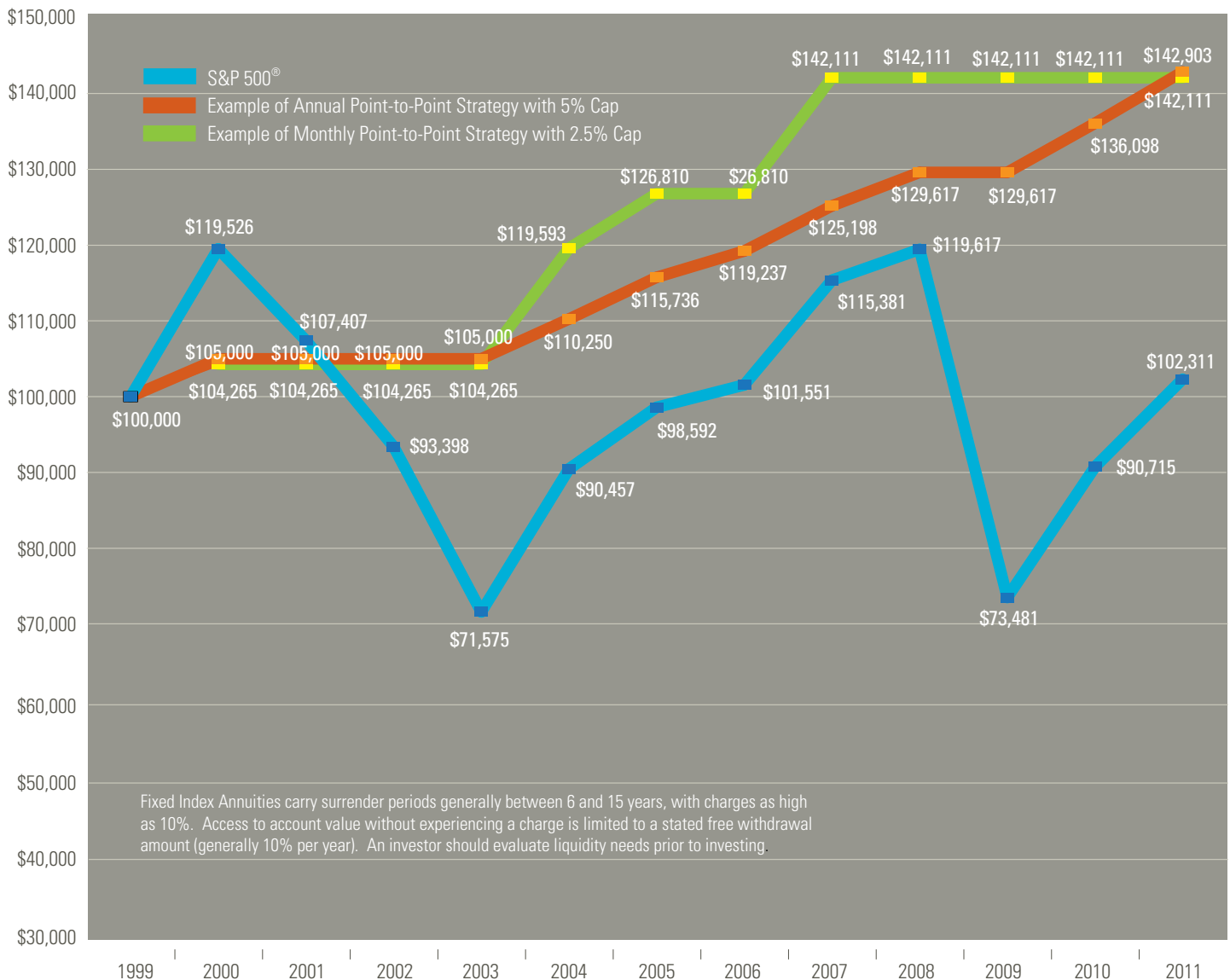
2 Subject to terms, conditions, and surrender charges and based on the underwriting insurance company's ability to pay claims

3 Source: Jack Marrion, Advantage Compendium Ltd., 2007-2009

RETIREMENT PLANNING Toolbox

A guarantee with a fresh start

In the story of the *Tortoise and the Hare*, the tortoise did not win because he set land speed records. Rather, he just plodded along — not giving up ground like the hare did. In the investment realm, we're not looking for the tortoise to give us startling results. We are looking for reasonable, consistent returns, without the loss of principal. No naps for our hard-shelled friend.



Source: Wharton Financial Institutions Center – Personal Finance: Real World Index Annuity Returns

Interest credits are based upon the entire percentage change in the index during the 1-year term, determined by dividing the ending anniversary value by the prior anniversary value, not to exceed a predetermined annual cap rate. (example of 5% cap rate above). At the end of the 1-year term, a new annual cap rate is declared for the next 1-year term. The rate used to determine interest credits for the 1-year monthly cap index strategy is equal to the sum of each month's percentage change in the value of the S&P 500® Index over a one-year index term period, where the Index percentage change each month is subject to a cap rate. The index percentage change can be positive, negative or zero, but the interest credited at the end of a one-year term period can never be less than zero.