ANNUITIES

Just the facts

An annuity is a long-term, tax-deferred investment that is issued by an insurance company and purchased through a financial advisor. It may be designed to create a custom plan for each investor's unique needs, while helping protect* what matters most to them in retirement.

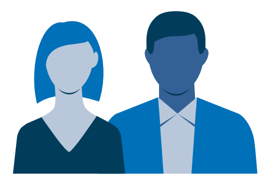
Annuities can provide:

Lifetime income

An annuity can provide you income for as long as you live through annuitization at no extra cost, or via an optional benefit rider available for an additional cost.

Legacy planning

An annuity can provide you the opportunity to create a living legacy by preserving funds for future generations in a tax-efficient manner.



Spousal opportunities

An annuity can be used to protect and preserve assets for a surviving spouse through death benefits and/or living benefits to sustain their ongoing lifestyle.

Annuitization is a one-time process of taking your annuity account and turning it into regular payments that will last for the rest of your life. The annuitized payments continue, regardless of how long you live, and even if the total payments exceed the original account value.

* All guarantees and protections are subject to the claims paying ability of the issuing insurance company.

Dispelling the myths: Straight talk about annuities

Myth: Annuities are too complex to fully understand.

Fact: Their complexity is mostly because they've been designed to be flexible, which is a good thing. There are multiple kinds of annuities; each has its own rules and limits. Your financial advisor can help explain them.

Myth: Annuities are not sophisticated enough for high-net-worth investors.

Fact: When surveyed, high-net-worth investors were the most likely group to purchase an annuity.[1]

Myth: One annuity is the same as any other.

Fact: Many options are available to you, in the form of riders, typically with an added cost. By making an annuity your own, you'll be on your way toward meeting your goals.

Myth: Annuities are only for retirees and older people.

Fact: Future retirees, more than current ones, are inclined to purchase an annuity that offers a lifetime guarantee.[1]

Myth: Annuities lack inflation-adjusted payout options.

Fact: Some annuities have a feature that allows you to change your income amount as needs change.

Myth: Once you begin your annuity, you'll no longer have access to your assets in case of emergency.

Fact: Most annuities allow you to take an annual penalty free withdrawal up to a certain percentage. You would not have full access to your entire assets until the surrender period is completed. Surrender periods vary by product.

Myth: Annuities are expensive.

Fact: Lower fees could mean no guarantee. With higher fees comes the potential for higher protection. While mutual funds may average 1.5 percent a year and an index may charge less than 0.5 percent a year, with annuities, investors pay for death benefit protection and for the guarantee that they won't outlive their income through optional riders or annuitization.

When you pay for an extra rider, you begin receiving the guarantees and death benefit protection not provided by other investment options.

1. Phoenix Marketing International and Cerulli Associates via Cerulli's U.S. Retail Investor Product Use 2013.

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