The Real Benefits of Indexed Annuities

People often ask me, why should I put my money in an ***annuity*** (instead of investing in the stock market – mutual funds, stocks, etc.)? Well, the answer is very simple: throughout its duration, an ***annuity will do exactly what it is intended to do***: **never lose principal**, and also provide moderate gains – more than you will get with a CD at the bank, if you're thinking of that as an alternative. That is the traditional ***fixed*** annuity (which always comes with a **fixed** interest rate over the duration of the annuity), and especially in economic times like what we've had in the past few years, it is a big deal to have a financial product that can help you to at least ***avoid losing what you put in*** to begin with.

However, these days **Fixed *Indexed* Annuities** (FIA) can do more than just **preserve principal** and return moderate gains: they can actually ***out-perform*** the market (the so-called superior investments)! If you doubt that, consider this: On September 30, 1998, the S&P 500 opened at 1049.02. Fifteen years later, on September 30, 2013, the S&P 500 closed at 1681.55. That is a total gain of 60.3%, which translates into an annual of only 4.02%! In other words, $100,000.00 invested in a mutual fund that tracked the S&P over that period would have grown to approximately $160,000.00 ($160,300 to be exact). Wow, so that's the good news if you were in the market all that time? At least you didn't lose money, but is that really why someone invests in the market, to get a 4.02% return? That is barely keeping up with inflation, and we have not even talked about taxation on the gains yet!

Now, let's compare that to a *Fixed Indexed Annuity* over the same period of time, exemplified by one specific product from a leading insurance company, American Equity Investments Life Insurance Company. $100,000.00 deposited in this product on 09/30/1998 would have grown to $198,725.00 by 09/30/2013! That is $38,425.00 more than the growth of the S&P 500 investment! So how does the FIA's rate of return compare? Over the 15-year period under consideration, the total return was over 98.7%; that is an average of almost 6.6% annually, versus the annual average of 4.02% that the S&P 500 returned over the same period! (See chart on next page for graphic illustration.)

As you would see from the chart on page 2, even with four years during which the fixed indexed annuity had zero gains (when the green line on the chart was flat), it still came out far ahead of the S&P. So, are you ready to take a look at a Fixed Indexed Annuity – at least as a part of your investment portfolio, or are you going to continue sitting there and watch your assets erode away with market losses – or at best, eke out anemic returns year after year?

Call us now at 513-889-2134 or 614-707-1775 and let's explore some options together.

You can also visit us on the web at www.aakobbfinancialservices.com

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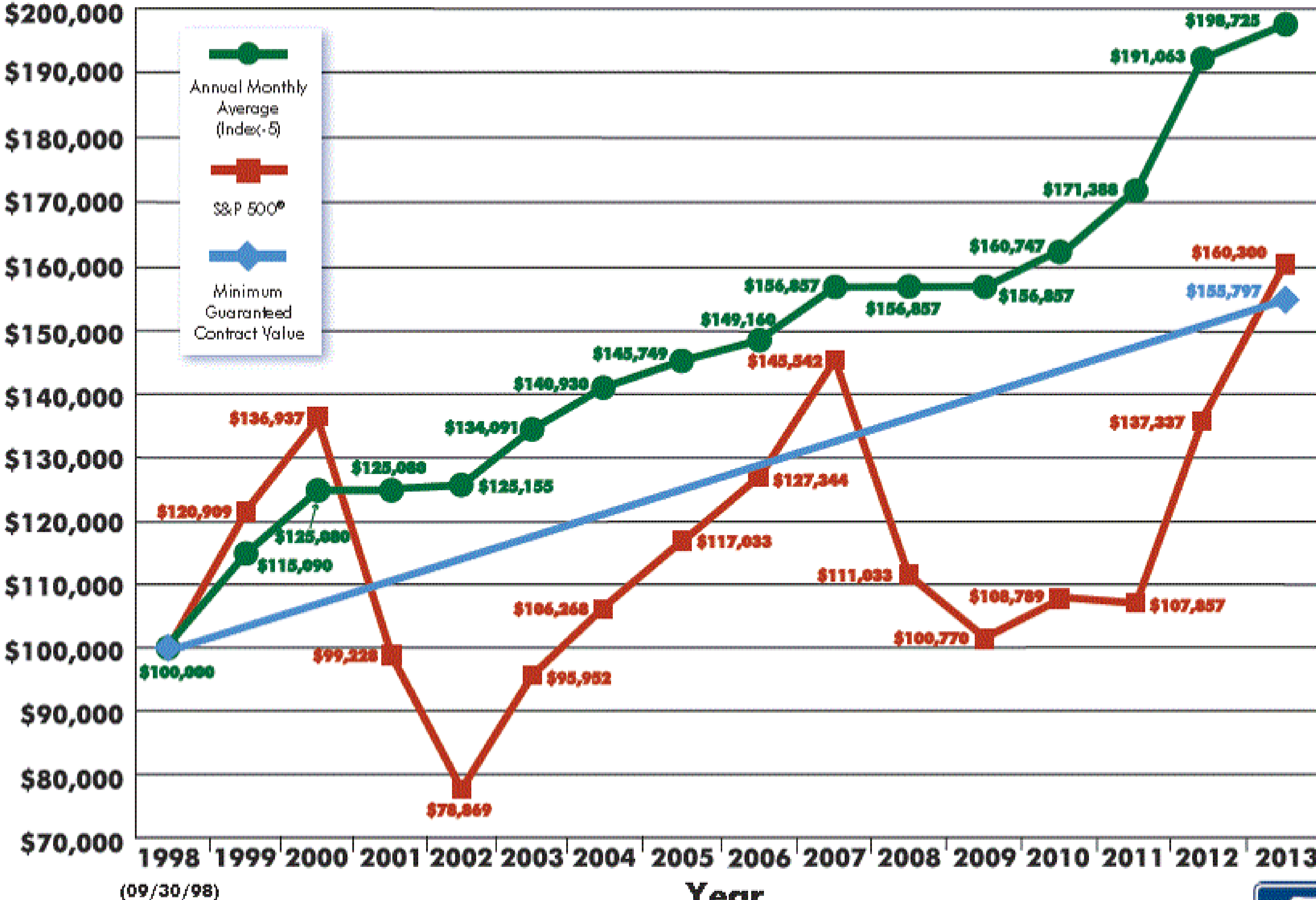
The "REAL BENEFITS" of Indexed Annuities with the Annual Reset Design

A history of American Equity's Index-5* (9/30/98 - 9/30/13)



*This graph is based on actual credited rates for the period shown on the Index-5 product which is no longer available for sale.

Past performance is not an indication of future results. Please call your American Equity Agent for new product information. Check out product disclosure for specific information.

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