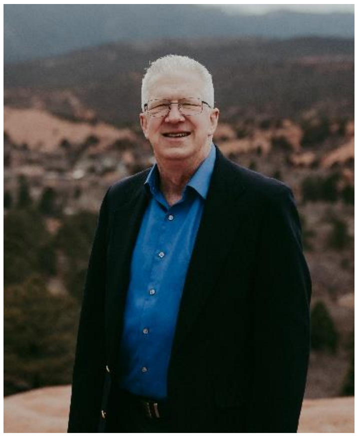

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Increasing the Security of your Income in Retirement

A diversified portfolio and source of protected monthly income are important considerations that may help the later phase of your life be as good as — if not better than — its opening acts.

Retirement can bring uncertainty and stress. Stocks, bonds, and real estate investments, all can fluctuate in value based on market performance - meaning they can't completely protect you against a loss or decrease of income.

If recent history has taught us anything, it's that financial and real estate markets are volatile. An untimely downturn can throw a major wrench into your retirement plans. A portfolio that's made up entirely of stocks, bonds, and real estate is a risky ~~prospect~~, especially as you enter retirement. That's not to say there isn't a place for these investment products in your portfolio, but by adding a stable source of lifetime income, you can have a monthly income stream to cover the basics.

Historically, pensions helped serve this purpose along with any Social Security benefits you were entitled to receive. These days fewer and fewer individuals have a pension, thus placing more strain on their Social Security benefits and their investment portfolios. An alternative that is becoming more popular is to create a private pension with a portion of your retirement portfolio. This has been shown when structured properly to greatly reduce the burden of generating income from the investment part of your portfolio including stocks, bonds and real estate. While there's a plethora of investment products out there designed to minimize the risks, only an annuity that creates a private pension can provide a guaranteed lifetime income stream.

A key factor to consider when setting up your portfolio for retirement is the sequence-of-returns risk. If you're forced to sell your investments in a down market to generate income, you will have to take a greater portion of your investments in future years to maintain your income. That, in turn, leaves you with less remaining money invested, reducing the amount you can earn in the future, creating a downward spiral.

There are a variety of ways to structure a private pension that can help reduce the sequence of return risk. This will substantially lower the risk of outliving your money. Remember, similar to other investment products, annuities have fees associated with them, and some types may limit the liquidity of your money. Be sure to consult with a financial professional about how an annuity might work for you. The combinations can seem endless and complex.

The goal when building any retirement portfolio is to figure out exactly how much money you're going to need to enjoy "retirementhood." But the inconvenient reality of not knowing how long you're going to live will make even the most freewheeling spenders a bit more fiscally stringent. So how do you consider a vacation or new Jacuzzi when you have no idea if you'll have enough money? An annuity can alleviate some of that uncertainty by allowing you to see exactly how much money you'll have each month so you can spend and enjoy retirement accordingly.

Retirement means something different to each induvial, but the common denominator is the desire to minimize the worry and maximize the pursuit of your dreams. Adding an annuity to your retirement portfolio can help you achieve precisely that. Consider sitting down with a financial professional to find out more and see if you have what you'll need to enjoy retirement.