Annuity Breakdown

RISE PRIVATE WEALTH ADVISORS

Every annuity is different, this breakdown is meant as a general guide only and is not a substitute for a complete understanding of how an annuity's terms work in conjunction with your financial objectives. Guarantees are based upon the claims paying ability of the issuing insurance company.

Investments = No Guarantee of Principal
Deposit = Guarantee of Principal

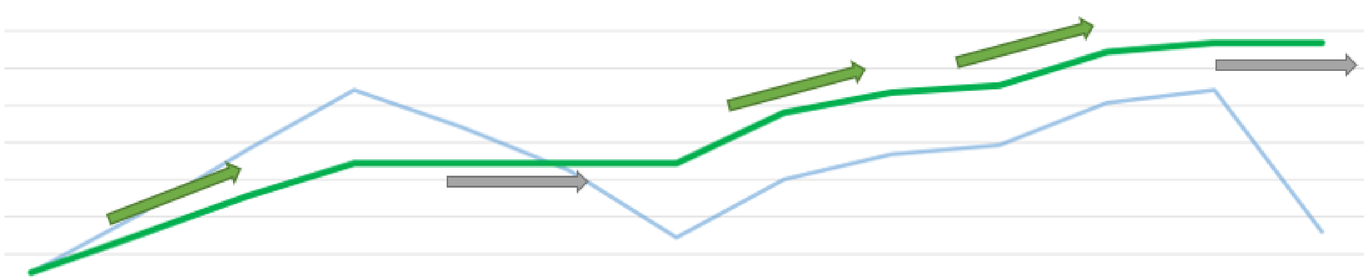
1) Immediate Annuity (Income) = Deposit & Principal Guarantee:
- Similar to a Pension - You have **no** Account Balance, only income.
- Also called "SPIA" or "DIA" or "Annuitization".
- Income is based on life expectancy & current interest rates.

2) Fixed Annuity (Protected Growth) = Deposit & Principal Guarantee:
- Similar to a CD - Fixed interest rate for a fixed number of years.
- Law requires the insurance company secure deposits with investment grade bonds.
- $1 for $1 in Legal Reserve to match liabilities.
- Reinsurance
- A state guaranty association is administered to protect policyholders in the event that an insurance company defaults on benefit payments or becomes insolvent. ***Tel. (602) 364-3863***

3) Variable Annuity (Risk-Growth) = Investment & No Principal Guarantee:
- A Variable Annuity is primarily invested in Mutual Funds ("Subaccounts"); when the markets are up you can get all of the ups. When the markets are down there is no floor so your principal can go all the way down.

- Mutual Funds are called "subaccounts" within a Variable Annuity – no difference from MFs.
- Fees often average 3%-4% per year whether the stock market is up, flat, or down.
- Guaranteed lifetime income = Annuitization; you lose control of your account balance to the insurance company.

4) Fixed-Index Annuity (No Risk Growth, Income) = Deposit & Principal Guarantee:
- A Fixed Index Annuity ***tracks*** a market index but is not invested at risk; when the markets are up you get some of the ups. When markets are down there is a **floor of 0%** so your principal can't go down.



- Market-linked gains without the risk of market losses.
- Optional Income Rider Guarantees = 1% to 10%
- Optional Income Rider Fees average 1% per year whether the market is up, flat, or down.
- Single or Joint, Guaranteed Lifetime Income without losing control of the account balance. No Annuitization
- "Terms = Small Print" are Index Crediting Strategies (3) – determine market-linked gain:
  1. Annual Cap
  2. Spread
  3. Participation