

CHOOSING AN ANNUITY THAT'S RIGHT FOR YOU



Martin L. Hearn
Registered Representative
Hearn Wealth Management LLC

1661 International Drive, Suite 400, Memphis, Tn 38120
martin@hearnwm.com | 901.473.9379
www.hearnwm.com

No two people heading into retirement have the same set of needs, preferences, or goals. That's why there are different types of annuities from which you can choose. Adding an annuity to your overall retirement portfolio can provide you with a number of valuable benefits, including protected lifetime income.

There are basically three different types of annuities you need to be aware of: 1) Fixed Annuities, 2) Index Annuities, and 3) Variable Annuities. The chart below provides a quick overview of each type to help you better understand them and whether they might work for your situation. With each, you can choose when to begin receiving income. You may have a need to begin receiving income right away or soon after purchase, or you may decide to begin receiving income later, in which case payments typically begin 12 months or more after purchase, on a date you determine.

Like other investment or savings products, it's important to understand that there are fees and expenses associated with owning an annuity, and that they are not right for every situation. Annuities offer protected lifetime income, but that guarantee is dependent upon the financial strength of the insurance company. It's a good idea to speak with a financial professional who can guide you before making any decisions.

TYPE OF ANNUITY: FIXED

Designed for people who are looking to save money and the ability to draw protected income from their annuity for retirement.

HOW IT WORKS

A Fixed Annuity provides a fixed interest rate that offers a high level of predictability, along with flexible payment choices including the option for lifetime income.

FEATURES

- Rate of interest is guaranteed for a specific period of time.
- Protection from market downturns.
- A choice of payment options, including protected lifetime income for as long as you live.
- Income can begin immediately or be deferred to a later date.
- You may not have to pay taxes on any interest earned until money is withdrawn.
- Access to your funds at any time, possibly subject to charges.

CONSIDERATIONS

- There may be charges and a tax penalty for early withdrawals.

TYPE OF ANNUITY: INDEX

Designed for people who want to take advantage of potential gains in the stock market while still having some level of protection against losses.

HOW IT WORKS

With an Index Annuity, the interest you receive is linked, in part, to the performance of a market index, such as the Standard & Poor's 500 Index. When the index increases, you'll receive interest – based on what's specified in your annuity contract. If the index declines, you won't receive interest, but the principal of your annuity will not be affected.

FEATURES

- The potential to grow based in part on the performance of a market index.
- Protection from market downturns since the value of the annuity is not affected by negative index returns. You are not

directly invested in any security or index.

- You may not have to pay taxes on any interest earned until money is withdrawn.
- A choice of payment options, including protected lifetime income for as long as you live.
- Income can begin immediately or be deferred to a later date.
- Standard or enhanced death benefit features are available.

CONSIDERATIONS

- There may be charges and a tax penalty for early withdrawals.
- In a down market, your annuity may not earn interest.

TYPE OF ANNUITY: VARIABLE

Designed for people who want to take advantage of both income protection and growth in their retirement savings and are willing to take more risk with their money in exchange for the potential for a higher rate of return.

HOW IT WORKS

With a Variable Annuity, your rate of return is tied to professionally managed funds, similar to a mutual fund, made up of a combination of stocks, bonds and other investments. The value of your annuity

can move up or down depending on the performance of the underlying funds selected. With a variable annuity, you can benefit when the investments go up, but lose money if they go down. You can, however, purchase features that protect your principal if the market goes down.

FEATURES

- Potential to benefit from market increases.
- Professional money management with a choice of investment options.
- You may not have to pay taxes on any interest or earnings until money is withdrawn.
- Optional features that protect your retirement income from market volatility and provide protected lifetime income for as long as you live.
- Income can begin immediately or be deferred to a later date.
- Standard or enhanced death benefit features are available.

CONSIDERATIONS

- You could lose some or all of your principal.
- There may be charges and a tax penalty for early withdrawals.

Annuities are long-term investments designed for retirement purposes. The value of variable annuities is subject to market risk and will fluctuate. Product guarantees are subject to the claims-paying ability of the issuing insurance company.

Earnings, when withdrawn, are subject to federal and/or state income tax, including a 10% tax penalty for withdrawals before age 59½.

Some income guarantees offered with annuities take the form of optional riders and carry charges in addition to the fees and charges associated with annuity products.

There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses. Investments in annuity contracts may not be suitable for all investors.

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Martin Hearn RFC Investment Advisor Representative DBA Hearn Wealth Management LLC