Comparing Fixed Annuities and Bond Funds

Finding the right investment depends on what you're looking for.

There are so many investment options out there, and so many of them offer different advantages. Finding the investment that works for you really depends on your specific situation. Take two popular investment vehicles; fixed annuities and bond mutual funds. Both have their benefits, but their suitability depends on the type of investor.

Below are suitability charts that explore some things to consider when deciding between these two investment vehicles:

It is important to choose an investment that works with your comfort level as well as your individual retirement plans. A financial representative can assist you in choosing the investment option that may help you to reach your financial goals.

A fixed annuity might be the right choice if you...

- are looking for a guarantee of principal and interest[1]
- want to try to manage market volatility in your investment portfolio[2]
- are looking for a vehicle that allows interest earnings to accumulate tax deferred[3]
- desire a source of lifetime payments or other income options through annuitization (the process of converting an annuity into a stream of income payments)[3]
- wish to have death benefits paid directly to named beneficiaries

A bond fund might be the right choice if you...

- are looking for an investment vehicle that offers diversification
- are looking for portfolio management by investment professionals
- are looking for a potentially higher overall return at a higher risk (volatility)[2]
- want easier access to your account balance than a fixed annuity (liquidity)[4]
- want the flexibility of moving money to another fund in the family if your objectives or needs change[5]

1 Guarantees are based on the claims-paying ability of the issuing insurance company.

2 Past performance is no guarantee of future results.

3 Distributions taken prior to annuitization are generally considered to come from the gain in the contract first. If the contract is tax-qualified, generally all withdrawals are treated as distributions of gain. Withdrawals of gain are taxed as ordinary income and, if taken prior to age 59½ , may be subject to an additional 10% federal tax penalty.

4 Value of shares redeemed may be more or less than the original cost. Some funds may impose a deferred contingent sales charge.

5 Usually a taxable event.

Not FDIC, NCUA/NCUSIF Insured	Not insured by any federal government agency	Not a deposit	Not guaranteed by the bank or credit union	May go down in value

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