

FORTUNE

— FINANCIAL STRATEGY FOR THE LAST STRETCH BEFORE RETIREMENT —



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During your income-earning years, you focus on saving and maximizing the growth of your investment returns. The goal is to attain the highest potential growth and return while preparing for risk and diversifying your portfolio. To help make your investment strategy successful, do your homework and have a licensed, experienced professional on your team.

Risk is always present in investing. Measurable risks, like liquidity, credit, inflationary, and market risks, are types of known risks that are considered normal and customary. Any combination of these types of risks causes what is known as volatility: the expected fluctuations of what your investments will go through in order to have the possibility of achieving the higher return.

Throughout your working and income-earning years, your investment plan should include discussion about “measured risk” on a continual basis, not just performance. It is imperative to understand these fundamentals and to avoid “unmeasured risk” (not transparent or evident), which can cause unexpected financial disruption.

In retirement, you may no longer be searching for the highest returns for a given level of risk. Instead, you could be trying to find a portfolio or product that can help generate a sustainable level of income while having a low probability of running out of money and avoiding the potential of “unmeasured risk.”

What’s the easiest way to get income for life? You purchase it. When you invest in the stock market, you’re buying speculation.

When you purchase a Fixed Index Annuity contract, you use a lump sum of money, called your principal, to create income for either a set period of time or for your life expectancy, which ensures you’re not speculating on a future outcome. FIAs help provide income when you’re nearing retirement or if you want to supplement your future income.

The longer you wait to take out the income, the higher the income payout would be. In some cases, the current and future distribution of an FIA can pay higher than current equity-driven, dividend-paying stocks and interest from bonds. After all, we’re talking about income distribution in retirement, with a secondary emphasis on accumulation of growth.

In your income planning requirements, consider allocating a portion of your savings to secure retirement income. With FIAs, you can help create a steadier income without exposing your money to the same volatility associated with stocks, bonds, or having 100% of your retirement money in the markets. The FIA offers growth of your principal by providing for a credited interest that is tied to a given index, specified within the FIA contract. Your principal is guaranteed by the financial strength and claims-paying ability of the issuing insurance company.

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Investment Advisory Services offered through TGA Capital Management.

International investments are subject to additional risks such as currency fluctuations, political instability and the potential for illiquid markets. Investing in emerging markets can accentuate these risks.

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Fixed Indexed Annuity guarantees rely on the financial strength and claims-paying ability of the issuing insurer. Any comments regarding safe and secure investments, and guaranteed income streams refer only to fixed insurance products. They do not refer, in any way to securities or investment advisory products. Fixed Insurance and Annuity product guarantees are subject to the claims-paying ability of the issuing company.