

Where is the Best Place to Save for Retirement?

Making more money with less risk.

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Most people don't know where the best place to save for retirement may be. That's mainly because all of the traditional approaches have offsetting advantages and disadvantages. For instance, you can make more by investing in corporate bonds than you can from municipal bonds, but you pay more taxes. You can potentially make more with an aggressive growth mutual fund, but you significantly increase risk. An efficient market prices these offsets so that there is no clear winner.

However, a relatively new approach, produces a substantial advantage over the traditional approaches - so long as you concur with the principals on which it was built. Those principals are:

- 1) investors should use an indexed approach to avoid high management fees
- 2) downside protection is important
- 3) the market will be less robust going forward than it has been in the past
- 4) maximum tax efficiency should be attained.

		Annual	Total Retire.	Ultimate	Total
	Rate	A/T Income	Income	Bequest	Value
Bank CDS	5.00%	9,642	241,038	287,807	528,845
Corporate Bonds	6.00%	12,478	311,947	310,395	622,342
Municipal Bonds	4.00%	12,388	309,692	309,692	619,384
Mutual Funds	7.00%	21,713	542,821	378,272	921,093
Equity Index Annuities*	5.25%	17,734	443,358	378,131	821,489
Variable Annuities	6.00%	18,288	457,190	389,927	847,117
Equity Index Life*	5.25%	50,000	1,250,000	1,108,346	2,358,346

The above results compare the use of traditional approaches to our indexed life plan. For purposes of comparison we have assumed a 45 year old client saving \$10,000 a year for 20 years and then retiring. The client lives for 25 years post-retirement.

We look forward to discussing the mechanics behind this innovative approach to retirement planning that truly produces a potentially higher return with less risk and NO taxes!