

# PREPARE FOR THE ROAD AHEAD:

IS AN ANNUITY THE  
RIGHT INVESTMENT  
FOR YOU?



ANNUITIES & ALTERNATIVES



FOR THOSE OF YOU ASKING, WHAT ARE ANNUITIES AND ARE THERE OTHER ALTERNATIVES?

# A MESSAGE FROM OUR TEAM



## THE INVESTING WORLD HAS CHANGED DRAMATICALLY SINCE THE INTRODUCTION OF ANNUITIES



**Guidance:** Thank you for downloading this informative guide. We know how difficult it is to navigate the investment world. Each of you are unique and so are your financial goals. The road ahead will look different for each of you. This guide was prepared to help those of you who are considering annuities or looking for other alternatives.



**Parallels:** You may be asking what does cycling have to do with investing? Most people learn to ride a bike and we strongly believe that there are valuable lessons to be gleaned from the world of cycling that can be directly applied to investing and financial planning. The determination, discipline, preparation, care, and strategic decision-making required in cycling parallel the principles necessary for successful financial management.



**Goals:** As you explore the contents of this guide, you'll discover a range of investment options that can align with your unique financial aspirations. We're committed to helping you make well-informed choices that suit your financial journey. How confident are you at navigating the ever evolving investment landscape given the significant changes in the investing world?



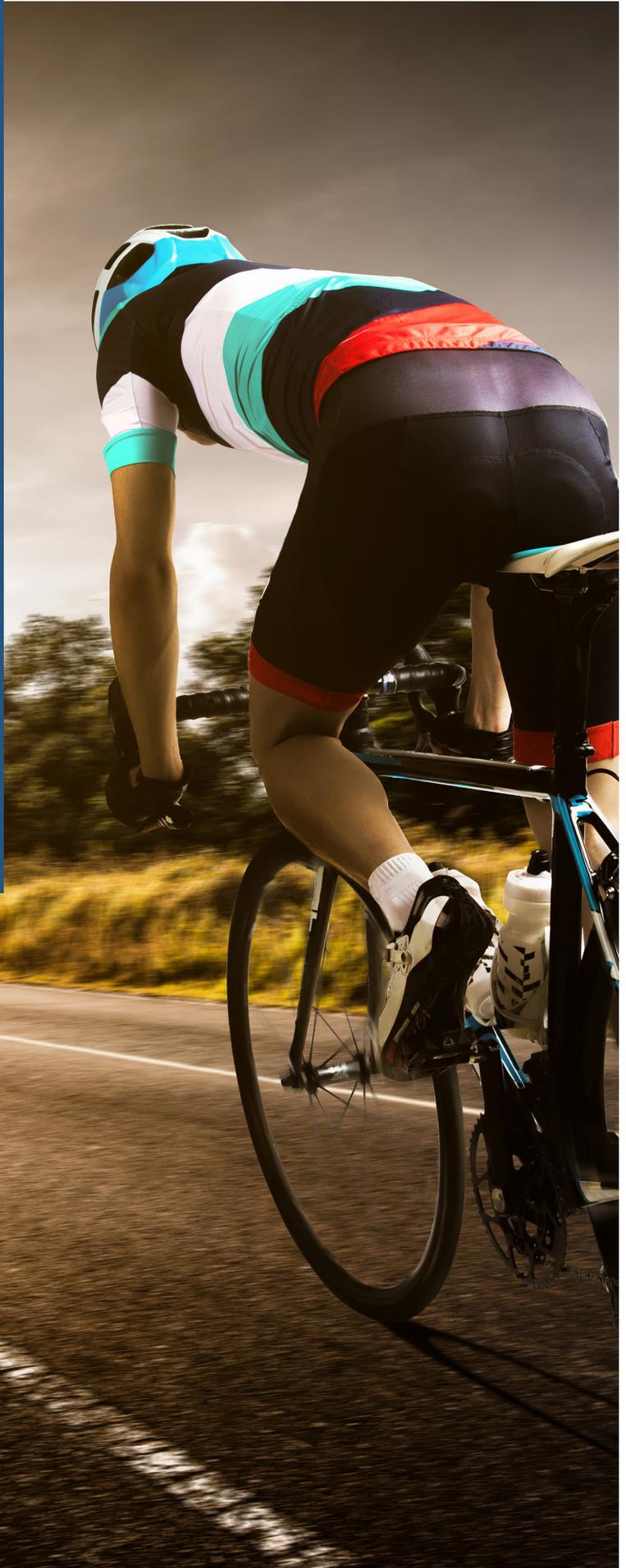


# PREPARE FOR THE ROAD AHEAD WITH CONNECT FINANCIAL

How confident are you at navigating the ever evolving investment landscape given the significant changes in the investing world?

# PREPARE FOR THE ROAD AHEAD

ALL ANNUITIES  
ARE ISSUED  
BY INSURANCE  
COMPANIES,  
THEREFORE PROPER  
DUE DILIGENCE  
IS ESSENTIAL  
WHEN CHOOSING  
AN APPROPRIATE  
COMPANY.



# 3 TYPES OF ANNUITIES

1

## VARIABLE ANNUITY:

Value determined by sub-account(s) invested in stocks and bonds.  
Admin fees, fund fees, and rider fees if applicable.  
No guarantees unless applicable rider is chosen or available.  
Gains are tied to sub-account(s) performance.  
Limited liquidity annually until maturity

2

## FIXED ANNUITY:

Usually, a guaranteed rate of interest for 1 year or longer, then the rate can change.  
Surrender charges if contract is cancelled premature or withdrawals exceed "free amount".  
Principal protected by insurance company.  
Limited liquidity annually until maturity.

3

## FIXED INDEXED ANNUITY:

Principal protected by insurance company.  
Surrender charges if contract is cancelled premature or withdrawals exceed "free amount".  
Insurance company can change rates/how interest is earned annually.  
Interest is determined by an Index such as the S&P500\* via a cap rate, participation rate or other various methods determined by the insurance company.

\*The Standard and Poor's 500, or simply the S&P 500, is a stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States. It is one of the most commonly followed equity indices.



# 4 COMMON CONCERNS

Is an annuity a poor investment choice?



The world of investments has seen significant changes since annuities were first introduced. People choose annuities for various reasons, with the primary one being to protect their initial investment, driven by a preference for comfort and stability.



While some annuities offer a guaranteed rate of return for the first year, there is no guarantee for the following years. Furthermore, certain types of annuities are not subject to a required minimum distribution but you must often wait 7-10 years for an annuity to mature.



Companies today have created similar investment strategies that can be more advantageous to you. Instead of waiting 7-10 years, you can invest in annuity alternatives for as short as 1 year, giving you greater access to your money. No more waiting and wondering what the insurance company is going to change on you after you've signed the contract.



With annuity alternatives, you can see what's happening day by day and diversify your money amongst many different strategies based on your goals and objectives that offer comfort and stability.



Many people choose annuities for principle protection. If principle protection is a high priority to you, other types of investment products also offer principal protection that are backed by investment banks such as JPMorgan or Morgan Stanley, for example.



At Connect Financial, we discuss your options and let you choose. Ask yourself, are you working with a salesman or a fiduciary advisor?

**Schedule a no obligation visit today to see how you can improve your retirement situation.**





## Not all Financial Advisors are Fiduciaries

1

### LACK OF LIQUIDITY

You may have to wait until you are 59.5 years old to withdraw from the annuity. The surrender charges associated with annuities decline over the length of the contract but are quite hefty in the beginning, making it very painful to withdraw large sums of your money or cancel. Some annuities do not offer any form of liquidity. In addition, withdrawals are cumbersome and slow! Ever asked for your “free withdrawal” and it’s taken weeks?

2

### ANNUAL INTEREST CHANGES

Certain annuities offer a guaranteed rate of return for the 1st year. However, it is crucial to consider the terms for the rest of the agreement. If the future offerings do not align with your preferences, there will be limited recourse available to you if the company significantly diminishes the potential earnings. In such a scenario, it may become challenging to exit the arrangement, even if an alternative investment could potentially yield better results.

3

### PRINCIPLE PROTECTION

Certain annuities provide principle protection, although this feature is not universal across all annuity types. It’s important to note that principle protection does not necessarily encompass adjustments for the rise in living costs, such as inflation.

4

### IS MY ADVISOR A SALESMAN OR A FIDUCIARY?

Registered Investment Advisors (RIAs) and Certified Financial Planners (CFP<sup>®</sup>) are legally required to follow fiduciary standards. This means they put the client’s best interest above their own. Not all financial advisors are fiduciaries. A fiduciary should be discussing your investment options and let you choose what’s best for you, not what pays the highest commission to them.

# ANNUITY ALTERNATIVES

## INVEST SMARTER

## ARE YOU WORKING WITH A FIDUCIARY?



Instead of waiting 7-10 years for an annuity to reach its maturity date, you can choose an annuity alternative with a 1 year investment, some with principle protection. No more waiting and wondering what the insurance company is going to change on you after you've signed the contract.



With annuity alternatives you gain transparency into your investments allowing you to track and understand how your investment is performing and evolving.



Imagine earning a consistent flat interest rate on some investments, contingent upon the stock markets maintaining specific thresholds. This

approach offers the potential for steady returns while safeguarding against significant market declines. These options and more are available to you when you work together with a fiduciary.



Collaborating with a fiduciary offers several advantages. Firstly, fiduciaries provide a higher level of trust and transparency. Secondly, their impartial advice ensures that recommendations are tailored to your unique goals, minimizing conflicts of interest.



Lastly, working with a fiduciary can lead to more informed financial decisions and a greater sense of security in your financial planning. Wouldn't it be nice to have an advisor that's on your side?



# BENEFITS

1

Better liquidity options

2

Principal protection available

3

No lengthy contract terms

4

No surrender charges

5

More easily diversify among different alternatives

6

Access your money much quicker compared to annuities

7

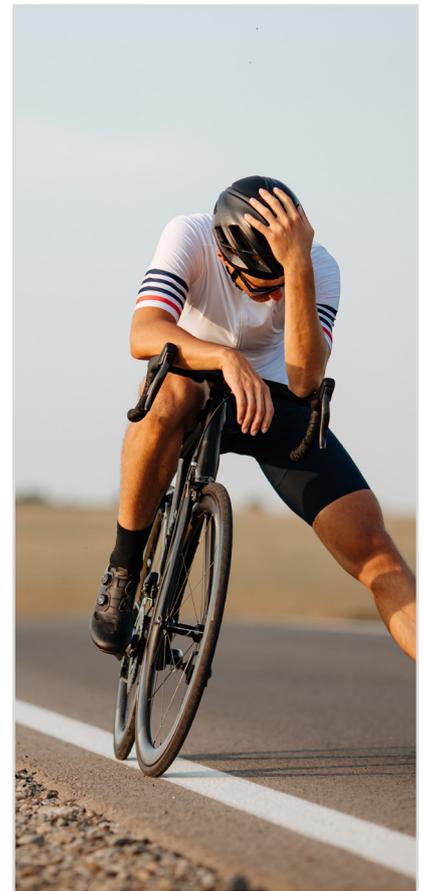
New investment opportunities emerging frequently

8

Take advantage of a variety of choices available



Please be aware that the investments mentioned in this brochure are not FDIC insured, and as such, they do not benefit from the protection offered by the Federal Deposit Insurance Corporation.



**DON'T BE ONE OF THE THOUSANDS THAT MAKE THIS MISTAKE EVERY YEAR!**

It is well worth your time to make sure you don't make the same mistakes thousands of other investors, like you, make every year by jumping into an annuity without the guidance of a fiduciary.

You can schedule a free consultation today to learn more about annuities and their alternatives. Find out what works best for you and your unique financial goals.



**CONNECT**  
· FINANCIAL ·

1594 N 160 W Ste 110 Logan, Utah 84341

Phone: 435-713-4220

E-mail: [info@connectfinancial.biz](mailto:info@connectfinancial.biz)

[WWW.CONNECTFINANCIAL.BIZ](http://WWW.CONNECTFINANCIAL.BIZ)