Diversify Your Portfolio with a Fixed Indexed Annuity

A Unique Combination of Growth Potential, Principal Protection, and Guaranteed Income

When it comes to building a strong, resilient portfolio, diversification is key. While the stock market has enjoyed above average gains over the last five years, the question to ask is what happens to a portfolio if equity markets slow or bond markets underperform? Many investors overlook a powerful tool that can add stability, income, and growth—growth is the key difference with the FIA.

How FIAs Help Diversify Portfolios

Market-Linked Growth Without Market Losses

FIAs offer the opportunity to earn interest tied to a market index, but with a guaranteed floor of 0% - meaning an account won't lose value due to market downturns. This can provide growth potential without exposing your money to market volatility.

Creating Balance

Traditional portfolios often rely heavily on stocks for growth and bonds for stability. However, in rising interest rate environments, bond values can decline. FIAs are not sensitive to interest rate changes, making them a good complement to both asset classes.

Principal Protection

Unlike stocks or mutual funds, FIAs protect your initial investment from market losses. In negative years, your balance will not decrease due to index performance.

Provides Guaranteed Income

Having a portion of your portfolio invested in a FIA provides a predictable guaranteed cash flow, which can be especially valuable in retirement when you are living on a fixed income.

Helps Manage Longevity Risk

A 65-year-old couple has a 45 percent chance one spouse will live to age 90.[1] Having a portion of your portfolio in a FIA ensures you don't outlive all your money. An annuity with a lifetime payout can provide income even if you live to 100.

A FIA may be a good fit if you:

- Want to diversify your portfolio and reduce overall investment risk
- Are age 55 or older and starting to plan for retirement
- Would like to protect a portion of your savings from market flucuations
- Are looking to secure guaranteed lifetime income to help cover essential living expenses

Incorporating a FIA into your portfolio can help reduce risk, provide guaranteed income, and improve long-term financial security

Speak to your financial advisor today to learn how to incorporate an annuity into your retirement strategy

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[1] https://humbledollar.com/2024/05/long-odds/