



MANNY NEGRON • LICENSED INSURANCE AGENT • GENWEALTH ADVISORY GROUP

"You've Worked Too Hard For It - Let Me Help You Protect It"

What Is Indexing, Anyway?

MAY 2017

If you have been following this newsletter for any period of time, or if you follow the financial industry you have probably come across the term, "indexing". Now I could write a 2,000-word document going over the intricate details of how it works, how the companies can afford to do it, all the different strategies and many other details like that. However, I am not trying to put you to sleep or confuse you. Instead, I am going to keep it simple and tell you everything you *need* to know.

So what is Indexing? Simply put, indexing is a strategy used to grow money you are putting away for your future. We call it indexing because the growth/interest you gain is tied to an index, not directly invested. Most commonly, they are tied to the S&P 500, but it could be the DOW, a foreign exchange or something else entirely. It all depends on what is offered by the issuing company. The cool thing is that because it is tied to an index, you capture the gains of the market, but you are protected from suffering its losses. The only thing that affects your growth is the cap rate of the product, the participation rate, or the spread. I will only be covering the most common strategy, the cap rate. So let's look at an example.

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Are You Afraid Of Outliving Your Money?

With all the advancements in medical technology, prescription drugs and health programs, our senior population is living longer and is in better health. With the increasing longevity of people who have already reached retirement age, many seniors are beginning to worry about outliving their money.

The Fear of Outliving your money can be a burden, in your retirement years. Because you don't know how long you'll live, it's hard to be sure your money will last as long as you need it to. If you withdraw too much of your nest egg, your future income can suffer or you may run out of money entirely. If you are too thrifty when it comes to spending your nest egg, your level of living may suffer. Immediate Annuities can remove some of these burdens, so you can concentrate better on enjoying your hard-earned retirement.

Immediate Annuities can provide a dependable stream of income payments guaranteed to continue for the rest of your life. They also offer a wide variety of options for different situations.

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Interesting Facts:

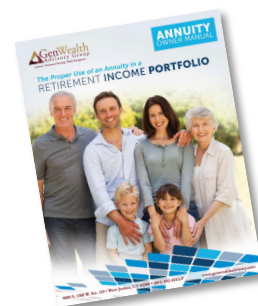
- Disney typically gives a character gloves for one of two reasons. The first is that the character is hiding something. The other started with Mickey, and it was so the audience can see his hands in front of his body.
- Pretzels were invented by an Italian monk who used them as treats to bribe kids to memorize scripture.
- There is a sport called "Archery Tag" it is basically dodge ball but with foam-tipped arrows.
- Night vision goggles are green because the human eye can differentiate more shades of green than any other color.

Tired Of Losing Money?

Now you can get stock market type returns without the stock market risks.

Plus, it offers tax-deferred interest and tax-free income at retirement.

Call us at 801-892-HELP to receive your complimentary copy of our Annuity Owner Manual.



Manny Negrón

Licensed Insurance Agent

GenWealth Advisory Group

**9089 S. 1300 W. Ste. 110
West Jordan, Utah 84088**

**801-892-HELP (office)
801-856-7995 Cell**

May Is Mental Health Awareness Month

And is a time for people to learn more about mental health conditions and seek out help for them.

According to the National Institute of Mental Health, mental health concerns affect 1 in 10 Americans today, but fewer than 25 percent of people with a diagnosable mental disorder seek treatment. Mental Health Awareness Month hopes to help increase the number of people who will talk to their doctor or a mental health professional about their concern.

Mental illness is a real and treatable set of conditions that includes major depression, bipolar disorder, panic attacks, generalized anxiety disorder, attention deficit hyperactivity disorder, and schizophrenia, among dozens of others. These disorders are serious enough to significantly impact a person's daily life functioning, whether at school, work or in their relationships with others.

The good news is that mental illness can be successfully treated in most people who seek out treatment.

What Is Indexing, Anyway? (continued)

Let's say you have an indexed product, and the cap on your product is 10%. So what that means is that whatever the market does, you get that percentage up to 10%, but remember, you are protected against all losses. We will compare it to regular investments with both investments starting at \$100,000.

Regular Investment	You Get:	Market Change	You Get:	Indexed Investment
\$117,000.00	17%	17%	10%	\$110,000.00
\$125,190.00	7%	7%	7%	\$117,700.00
\$100,152.00	-20%	-20%	0%	\$117,700.00
\$120,182.40	20%	20%	10%	\$129,470.00
\$134,604.29	12%	12%	10%	\$142,417.00

So after 5 years which would you rather have? But there's a problem with this example. In a regular investment you have fees, right? There are transaction and annual management fees that you don't have with an indexed investment! According to reports by Morningstar, they average around 3%. So if you add in the 3% fee each year... You will net 14%, 4%, -23%, 17%, and 9% respectively. This will bring your new total to \$119,487. Now how much better off are you? That is the power of indexing!

Are You Afraid Of Outliving Your Money? (continued)

Some of these options are:

- **Lifetime Income for You.** You can opt for income, guaranteed by the insurance company, for the rest of your life. Payments cease upon your death.
- **Lifetime Income with a Guaranteed Period.** You will receive income guaranteed by the insurance company for life. If you die before the guarantee period is over, your beneficiaries will receive the remaining number of payments.
- **Lifetime Income for 2.** You can opt for income guaranteed for the rest of your life and the life of another person, such as your spouse. Guaranteed income for two people is known as a joint and survivor option, which guarantees that income payments will continue for the life of the primary owner and a second person.

JUST NEED "YOUR STUFF" LOOKED AT?

Statements piling up? Unsure of what they all mean and how they're affecting your retirement portfolio? We're always happy to sit down and help you make sense of "your stuff".

Schedule a no-cost appointment today! CALL (801) 892-HELP