

Conservative Investment Options Popular

(NAPSA)—With the stock market jittering and the baby boomer generation edging toward retirement, more and more investors are seeking secure places for their investments.

Consumers have long considered certificates of deposit (CDs) as safe havens for their money. CDs are federally insured by the FDIC and provide competitive interest rates when compared to savings accounts. But there are additional conservative investment options to consider. Financial advisors often discuss another kind of weatherproof investment with their clients, one that offers tax deferral and insurance protection—fixed annuities.

Like CDs, fixed annuities are conservative vehicles that offer competitive interest rates, typically with no up front sales charges. But unlike CDs, you won't receive an annual 1099 on the interest earned in a fixed annuity, giving you a higher potential return on your investment. Tax-deferral allows investors to accumulate interest without paying current taxes on the earnings. The power of compounding means your principal earns interest and your interest earns interest. That also means instead of losing money to taxes now, your money remains where it can continue to work for you.

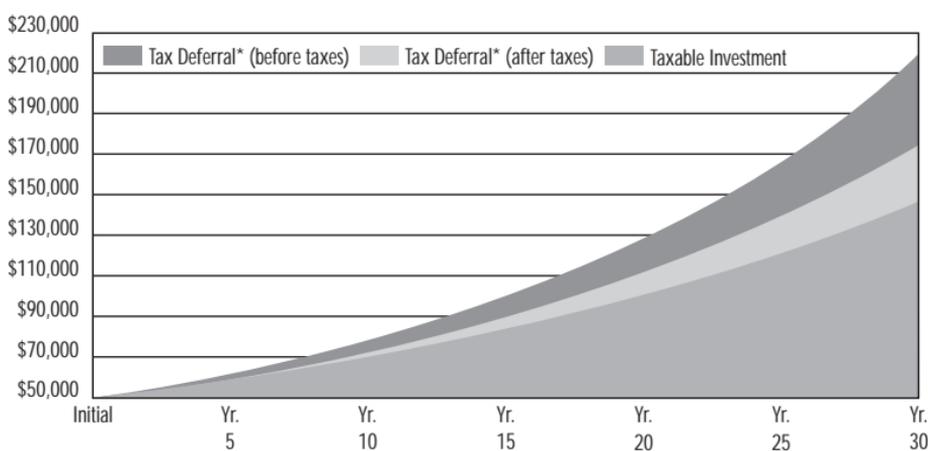
How Annuities Work

Annuities are designed specifically for retirement savings and are priced accordingly. If you withdraw money from an annuity prior to 59½, penalty taxes, income taxes and surrender charges may apply.

Once you decide to withdraw money from the annuity after age 59½, income taxes apply. But, you are more likely to be in a lower tax bracket when you retire. That translates to taxes consuming a much smaller portion of each dollar compared to when your income was higher. Simply put, taxes can have a dramatic impact on your earnings.

Another benefit of fixed annuities is the potential for life-long income. According to Duke University Sociology Professor Linda George, Ph.D., the number one fear of retired Americans is running out of income before running out of life. With CDs, and other taxable accounts, there is the potential of outliving your investments. As its name suggests, with a fixed annuity, you can choose to annuitize your payment options. This means you will have regular payments for as long as you live.

Before making any major financial decisions, investors should first meet with an investment professional. For more information about fixed annuities, visit www.nationwide.com. Fixed annuities underwritten by Nationwide Life Insurance Company.



Assumptions: 1) Initial investment of \$50,000. 2) Annual interest rate is 5% for each year. 3) 27.5% federal income taxes, which vary by individual. This hypothetical illustration is not meant to serve as a projection or prediction of any specific investment. This graph is not intended to indicate the actual performance of any investment vehicle.

*If withdrawals are made prior to age 59½, a 10% tax penalty may apply. This illustration does not include any early withdrawal charges, which may reduce the surrender value if reflected. Taxes are due upon distribution.

