



The  
Annuity  
Link

# Fixed Index Annuities Pros & Cons

A Fixed Index Annuity (FIA) is a financial product that offers the potential for higher returns than traditional fixed annuities, linked to a market index like the S&P 500, without the risk of direct investment in the stock market.

## PROS

### Principal Protection

Initial investment is fully protected from market loss

### Potential for Higher Returns

Higher returns when compared to traditional fixed annuities

### Tax-Deferred Growth

Tax on earnings are not paid until money is withdrawn

### Lifetime Income Options

Ability to draw income for life with addition of a rider

### Avoidance of Market Volatility

Guaranteed floor so you never lose a dollar of premium

## Cons

### Capped Returns

Returns are capped in exchange for no losses in a down market

### Potential Rider Fees

Rider fees are optional to guarantee lifetime income

### Illiquidity

Investments are locked in for the term, other than free withdrawals

### Surrender Charges

Penalty for early withdrawal of funds above free amount

Contact Us



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