

A Disasterous (Really Lost) Decade for the Average Equity Investor

A comparison spreadsheet of investing in a K of C annuity (any type) as compared to the various commonly used stock equity indexes

Each column shows an identical \$100,000 investment made bacy on 1/1/2000, over 11 years ago.

NASDAQ Index - a basket of technology and small business stocks often used for indexes called "emerging equity or small cap equity" funds.

DJIA Index - a group of 30 very large cap stocks that have familiar names to almost every investor - often used as a "big cap growth" fund.

S&P 500 Index - a group of 500 common name mid and large cap stocks and the most commonly used index for equity investments as it represents 80% of the market

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	KC Annuity Flexible Annuity 100,000		Stock Market NASDAQ \$100,000	(typical hot tip result)	Stock Market DJIA \$100,000	(typical pro result)	Stock Market S&P 500 \$100,000	(typical 401K portfolio)
Date Range	Net %	Net Value	Net %	Net Value	Net %	Net Value	Net %	Net Value
1. 1/1/2000 - 12/31/2000	6.60%	\$106,600.00	-36.84%	\$63,160.00	-6.16%	\$93,840.00	-10.14%	\$89,860.00
2. 1/1/2001 - 12/31/2001	5.65%	\$112,622.90	-32.65%	\$42,538.26	-7.11%	\$87,167.98	-13.04%	\$78,142.26
3. 1/1/2002 - 12/31/2002	5.45%	\$118,760.44	-37.58%	\$26,552.38	-16.76%	\$72,558.63	-23.37%	\$59,880.41
4. 1/1/2003 - 12/31/2003	4.65%	\$124,283.21	49.12%	\$39,594.91	25.32%	\$90,930.48	26.38%	\$75,676.86
5. 1/1/2004 - 12/31/2004	4.25%	\$129,565.24	10.44%	\$43,728.62	3.15%	\$93,794.79	8.99%	\$82,480.21
6. 1/1/2005 - 12/31/2005	3.93%	\$134,657.15	1.49%	\$44,380.18	-0.61%	\$93,222.64	3.00%	\$84,954.62
7. 1/1/2006 - 12/31/2006	4.05%	\$140,110.76	6.79%	\$47,393.59	16.29%	\$108,408.61	13.62%	\$96,525.44
8. 1/1/2007 - 12/31/2007	4.21%	\$146,009.42	18.67%	\$56,241.97	6.43%	\$115,379.28	3.53%	\$99,932.79
9. 1/1/2008 - 12/31/2008	4.16%	\$152,083.41	-40.54%	\$33,441.48	-33.84%	\$76,334.93	-38.49%	\$61,468.66
10. 1/1/2009 - 12/31/2009	3.85%	\$157,938.88	43.89%	\$48,118.95	18.82%	\$90,701.16	23.45%	\$75,883.06
11. 1/1/2010-12/31/2010	3.75%	\$163,119.39	16.91%	\$56,255.86	11.02%	\$100,696.42	12.78%	\$85,580.92
12. 1/1/2011-5/27/2011	1.46 (YTD)%	\$165,498.00	5.47%	\$59,333.20	6.11%	\$106,848.97	5.94%	\$90,664.43
Current Values		<u>\$165,498.00</u>		<u>\$59,333.20</u>		<u>\$106,848.97</u>		<u>\$90,664.43</u>
Avg. Annual gain or loss nearly 11 1/2 years!		5.72%		-3.55%		0.60%		-0.82%
		65.50%		-40.67%		6.85%		-9.34%

KC beats S&P 500

(6 out of 11 past years)

factor in inflation and these decade long losses are actually worse!!

Fact One: KC annuities offer you decent income that is either tax deferrred or tax free, and with no fees, administrative charges or surprises.

Fact Two: Past performance is no guarantee of future performance but the slow, boring and steady usually wins the race in the long run. See above.

Fact Three: Annuities can be structured to accept money from 401K's, bank CD's, any investment regular IRA or Roth IRA, SEP's, or just regular money.

Fact Four: Are you expecting a quick economic boom and recovery, or a long difficult recovery similar to the 1930's or 1970's / 1980's?

Fact Five: If you are nearing or in retirement, your opportunities to earn back what you have already lost are becoming quite limited indeed.

Fact Six: While hindsight is 20/20, would you rather have the KC 65+% gain in the past 11.45 years, or the -41%, +7% or -9% results - well??

Fact Seven: To have your equities catch back up to the KC annuity 10 years from now, you'd have to earn over 13% annually - a very big goal indeed!!

Fact Eight: If you KNOW you can make over 13% without risk in equity investments in the next decade to catch up, please tell me about it too !!

Fact Nine: Current KC annuity rates range from 3.0% to 3.5%, which while historically low, are still three times or more the average area CD rates.

Fact Ten: Current CD rates for one year in this area are WELL BELOW 1% and less than 2% for even a five year CD - why accept these insulting rates??