ANNUITIES

What is an Annuity?

An annuity is a long-term, tax-deferred investment designed for retirement that may fluctuate in value. Annuities allow clients to have a retirement income that works for them. The stream of cash flows over periodic intervals for a fixed or contingent period, often for the recipient's life. Like a traditional life insurance policy, annuity contracts are issued directly by the insurance company (carrier) to the purchasing client.

Key Features of Annuities

- Tax deferral
- Principal protection
- Guaranteed lifetime income option
- Open-ended income instrument
- Provides options for 'annuitization'
- Wide variety of choices for client
- Death benefit
- Avoidance of probate

Why Invest in an Annuity?

Annuities provide a stream of periodic income payments over the annuitant's life or a set number of years. Annuities can offer a measure of protection against market downturns, may provide a guaranteed investment return, and grow tax-sheltered until the annuitant decides to withdraw the money.

Who are the Typical Investors in Annuities?

Typical investors of annuities are those looking for a steady stream of income through retirement as well as those individuals seeking financial security in a tax-deferred solution.

Not FDIC Insured	Not Bank Guaranteed	Not a Bank Deposit
May Lose Value	Not Insured by any Federal Government Agency	

Navian Capital

www.naviancapital.com

What are the Risks of Annuities?

Company Default Risk: The guarantees made by the insurance company are only as good as the claims paying ability of the company itself. The investor should conduct proper due diligence to understand the financial strength of the life insurance company before entering into an agreement. Annuities are not FDIC or NCUA insured, bank guaranteed or guaranteed by any governmental agency.

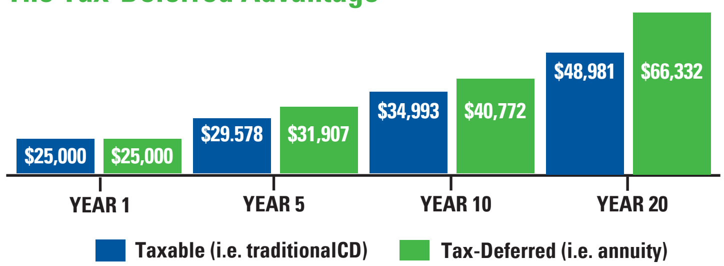
Early Withdrawal/Liquidity: Fees may apply if you withdraw money before the end of the surrender period. These charges can be quite high and heavily reduce payout. Annuities are designed for retirement purposes and should not be used as 'emergency funds.' In addition, withdrawals on an annuity, made before the age of 59 $\frac{1}{2}$ are subject to a 10% tax penalty.

Interest Rates: Funds invested may not be available to reinvest in a financial product that may later offer a higher rate.

Additional Considerations

Investors should consult with qualified tax, estate, and financial professionals before investing. Please see the back of this page for additional considerations. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Investment returns and principal value will fluctuate so that the value when redeemed may be worth more or less than the original value. Depending on the type of annuity (i.e. fixed, indexed, variable), you will experience varying degrees of investment risk.

The Tax-Deferred Advantage



The graph above shows how tax deferral would affect a hypothetical $25,000 account before any withdrawals, during a 5, 10, and 20-year "accumulation phase." This example assumes an average interest rate of 5%, a federal income tax rate of 28%, and a state tax rate of 5% (for an effective tax rate of 31.6%). This example is hypothetical and in no way relates to the actual performance of the annuity or any other product. Because the tax-deferred account is taxable upon withdrawal, the money that otherwise would be paid in taxes can continue to accrue interest.

About Navian Capital
Navian Capital is a distributor of structured products and annuity solutions to both bank and independent B/Ds as well as RIAs. We see our clients through the development, implementation, and marketing of proprietary and nationally-issued investment solutions. Established in 2005, Navian Capital is headquartered in Cincinnati, Ohio, with locations in New York, Boston, Naples, Louisville, Seattle, and Los Angeles.

Guarantees are backed by the financial strength and claims paying ability of the carrier.
Like all financial products, annuities carry certain risks including investment risk, interest rate risk, inflation risk, as well as risk associated with the respective contract. Any guarantees made by the insurance company are backed solely by the financial company and not by any governmental or regulatory agency. Investors should read and consider these documents carefully before investing. Prior to investing, always consult your financial advisor to understand the investment structure in detail. Principal and the return on investment may fluctuate with the market and the contract may be less than the original investment. Variable annuities may lose value and are subject to investment risks, including the loss of principal.

The information cannot be used or relied upon for the purpose of avoiding IRS penalties. This material is not intended to provide tax, accounting or legal advice. As with all matters of a tax or legal nature, you should consult your tax or legal counsel for advice.

Taxable distributions (including certain deemed distributions) are subject to ordinary income taxes, and if made prior to age 59 ½ may also be subject to a 10% federal income tax penalty. Distributions received from a non-qualified contract are taxable to the extent of the income on the contract and to the extent of untaxed investment income on the funds used to purchase the contract. Payments from IRAs are taxable in accordance with the normal rules surrounding taxation of payments from an IRA. Early surrender charges may also apply. Withdrawals may reduce the death benefit and any optional guaranteed amounts in an amount more than the actual withdrawal.

Products and features are subject to state variations and availability. Read the contract for complete details.