



Money Matters Newsletter

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The Savings Product of the 21st Century

By Robert L. Wenske, CSA

In the October, 1996 Money Matters Newsletter, I wrote an article titled “The Savings Product of the 1990s”. This article predicted the savings advantages of the equity-indexed annuity, which was new to the marketplace. I also predicted the downturn in the economy and stock investments that we experienced that began in the fall of 1999. My prediction proved to be true. I advised my clients to start converting their stock and mutual fund investments to safer investments due to what I believed to be the eminent downturn in the economy. Those who did as I suggested did not lose any of their investment funds, while those who didn’t, lost up to 50% of their savings. The upturn in the economy that began in the fourth quarter of 2003 has not been sufficient to offset these losses.

Exactly what is an equity-indexed annuity?

Wouldn’t it be fantastic if there were a saving product that has the long-term strength and growth of the stock market with no threat of losing your principal? There is such a product. It’s called the equity indexed tax deferred annuity and it is sweeping the investment community.

Approved in Texas almost ten years ago the equity indexed tax deferred annuity is tied to the performance of the stock market as measured by the DOW or the S & P 500 index. Each term, you are guaranteed to lock in a significant portion of any increase in the Index, without suffering any of the losses should it go down.

Generally regarded as the standard for broad stock market performance the S & P Composite Price Index represents over 70% of the total domestic U.S. equity market capitalization.

All equity products experience fluctuations in their value from day-to-day. Measuring the value of the index based solely on one future point in time exposes you to the possibility of having the point occur in a down cycle, with little or no gain credited to the contract. This contract reduces that risk by taking the Index value of the day prior to each monthly anniversary and averaging those values for the entire contract year.

Security

In addition you will never lose principal due to adverse market conditions, and never lose any of the gains credited in prior years.

Furthermore, this plan contains a 100% guarantee that no equity account can give you. Even if the S & P 500 Index or the DOW is flat or declines for the entire contract term it will be worth no less than 114% of your original premium at the end of the term (assuming no prior withdrawals).

The Stock Market

Over the last twenty years, the stock market as represented by the DOW and S & P 500 Index has outperformed Bonds, Treasury Bills, and Inflation.

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Equity Indexed Tax Deferred Annuity

STOCK MARKET PERFORMANCE

Locks in the rewards of the stock market without the risk of negative returns.

SAFETY

100 % GUARANTEE of your original principal when held full term.

TAX ADVANTAGE

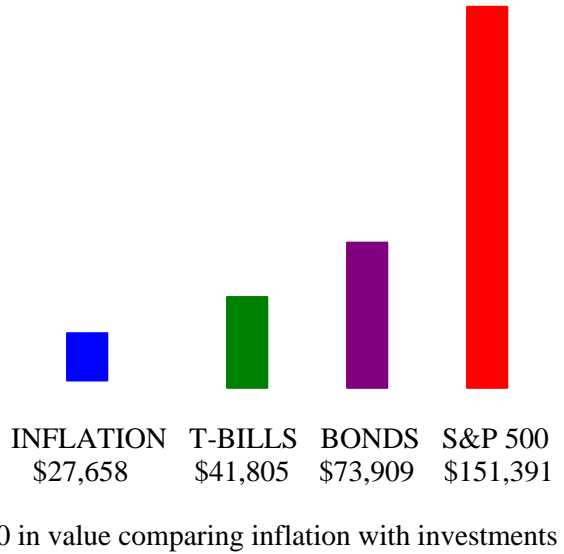
Earnings grow tax-deferred.

NO LIMITS

No limits to restrict your upside growth potential in the first term.

NO INITIAL SALES CHARGE

100% of your money goes to work for you right away.



The key to successful market gains is time, not timing. The longer your money remains in the stock market, the greater your opportunity for positive returns.

If you have savings accounts, C.D.s, Money Market accounts, or are dissatisfied with your current investments and like growth of the stock market without the risk, you should look into this exciting product. For more information about equity-indexed tax deferred annuities feel free to call or e-mail me today.

LIVING TRUST ADVANTAGES

The Living Trust is often viewed as preferable alternatives to the Simple Will. Some of the perceived advantages of the living Trust are as follows:



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Estate and Financial Planner and Insurance specialist - 34 yrs. experience, lifelong San Antonio resident. Founder of Robert Wenske Agency in 1982 and Health Insurance Services in 1984 and Wenco Financial Advisors, Inc. He has conducted numerous seminars throughout central and south Texas since 1993. Associated with: Texas Senior Services LLP, Mario Rodriguez, Tax Specialist and Ret. I.R.S. auditor, Steve and Marlene Hudnall Financial and Ins. Specialist, and Donald Smith, Board certified estate planning attorney, Reed Greene, M.P.A., J.D., Attorney

1. Privacy. A Living Trust is more private. Under state law, a will is admitted to Probate after the will maker dies, so that the will can be administered. As a result, the will becomes part of the court records that can be inspected by the public upon request, whereas, a Living Trust is private and only the trustee and beneficiaries know the contents.
2. Reduced Probate Cost. With a Living Trust there is no probate cost because the need to go through the probate process has been eliminated.
3. Conservatorship or Living Probate. A Living Trust offers a mechanism for allowing another person or entity to manage all or some of your assets if you are unable to do so. Thus, a Living Trust may serve as an alternative to a conservatorship that can be more expensive than probate.
4. Estate Taxes. A couple can pass up to \$3,000,000 to their heirs free of estate taxes with as A-B living trust, whereas, with a simple will any amount over \$1,500,000 is subject to estate taxes.

Beware of Trust "Mills"

Beware of the salesman that comes to your home pressuring you to "buy" their Living Trust package. They are usually not qualified to advise anyone on what estate plan a person should have and are motivated by selling a high commission product.

Attorneys general in California, Pennsylvania, and Washington have issued warnings to consumers about so-called "trust mills." The Attorney General in Pennsylvania filed civil suit against 16 persons, alleging that they deceived seniors into purchasing trusts that were not in their best interests or were unnecessary.

Here at Wenco Financial Advisors our team of attorneys, tax specialist, and other qualified advisors must approve all recommendations. If we can be of service in all areas of financial and estate planning feel free to let us know. It does not cost a thing but your time.

For a Free no-obligation Financial and Estate analysis call or write:

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