

ALLOCATION DURING RETIREMENT: ADDING ANNUITIES TO THE MIX

By William Reichenstein

At its most basic level, the decision to annuitize involves the trade-off between longevity risk and the bequest motive—the major advantage of annuitization is the reduction in longevity risk, while the major disadvantage is that the life annuity has no remaining value at death.

A considerable amount of research has been devoted to the topic of asset allocation and the role it plays in retiree portfolios.

A retiree's portfolio is not quite the same as the portfolio of an individual saving for retirement, because typically a retiree is withdrawing from his portfolio. The focus of the research has been how various asset allocation strategies can affect those withdrawals—specifically, which mixes will ensure a withdrawal rate that is both high but also “sustainable” over the retiree's lifetime.

Until recently, most of the research has centered on the basic asset categories of cash, bonds and stock, and some of the more popular subcategories—for instance, small-cap stocks, value stocks, etc.

More recently, however, some researchers have taken a look at the impact annuities may have on asset allocation and the optimal withdrawal rate—and the results are intriguing.

This article builds on that research [if you want to read the original research articles, see the advanced reading list on page eight]. It has three goals:

- To explain what it means to annuitize an annuity,
- To explain the pros and cons of annuitization, and
- To discuss factors to consider if you are thinking about annuitizing part of your portfolio.

WHAT IS ANNUITIZATION?

Annuitization is the exchange of a lump sum of money for a stream of future payments.

Suppose Mary, age 66, has a bank CD that matures worth \$250,000. She could buy an immediate annuity—that is, she could buy an annuity and immediately exchange it for a promised payment of, say, \$1,600 a month for the rest of her life (a life annuity). Other payout options are possible. Some of these may include the ability to exchange the \$250,000 for smaller monthly income streams that:

- Pay her or her husband until the last dies (a joint and survivor life annuity);
- Pay her until she dies or, should she die before 15 years, pay her beneficiary for the remainder of the 15 years (a life with period certain guarantee annuity); or
- Pay her or her beneficiary for 20 years (a fixed period annuity, a fixed term annuity, or a period certain only annuity).

Two Phases of Annuities

An annuity is an insurance product. In general, it has two phases—the accumulation phase and the distribution phase. Suppose Jack, age 48, has \$100,000 that he wants to invest for retirement. He could invest the funds

William Reichenstein, CFA, holds the Pat and Thomas R. Powers Chair in Investment Management at Baylor University, Waco, Texas. He may be reached at Bill_Reichenstein@baylor.edu.

TABLE 1. THREE PORTFOLIOS WITH SIMILAR MIXES OF STOCKS AND FIXED INCOME

	\$1 Million Portfolio			Asset Allocation		
	Immediate Annuities*	Remaining Financial Assets			Stocks	Fixed Income
		Stocks	Bonds	Cash		
Balanced—No Annuities	\$0	\$400,000	\$400,000	\$200,000	40.0%	60.0%
Growth & 25% Annuities	\$250,000	\$450,000	\$225,000	\$75,000	45.0%	55.0%
Aggressive & 50% Annuities	\$500,000	\$425,000	\$75,000	\$0	42.5%	57.5%

Asset Allocation Excluding Annuities

Balanced: 40% stocks, 40% bonds, 20% cash

Growth: 60% stocks, 30% bonds, 10% cash

Aggressive: 85% stocks, 15% bonds, 0% cash

*Single-premium immediate fixed annuities.

today in an annuity and at his retirement it may be worth \$250,000—the original \$100,000 of principal plus \$150,000 of tax-deferred returns. This is the accumulation phase. [In the July 2003 *AAL Journal*, I examined annuities as accumulation vehicles in “Retirement Planning: Annuities and When They May Make Sense,” available at AAL.com.]

At retirement, Jack is ready to enter the distribution phase. Three of his choices include the following:

First, he annuitizes today by exchanging the \$250,000 for a life annuity that provides a guaranteed lifetime monthly income. Annuitization reduces longevity risk—the risk of outliving his assets. But, when he dies, there will be no remaining value for his beneficiaries.

Second, he delays annuitization until later. This option is discussed later in this article.

Third, he does not annuitize. In this case, he withdraws as much or as little of the funds as he wishes whenever he wishes. If he does not annuitize, he could exhaust the value of the assets before his death. But if funds remain after his death, they are available to his beneficiaries.

At its most basic level, then, the decision to annuitize involves the trade-off between longevity risk and bequest motive. The major advantage of annuitization is the reduction

in longevity risk, while the major disadvantage is that the life annuity has no remaining value at the annuity holder's death.

Most investors—perhaps 98%—prefer the flexibility of not annuitizing.

PROS & CONS OF ANNUITIZING: AN EXAMPLE

Betty, age 65, has just retired with financial assets worth \$1 million. Her goal is to withdraw \$45,000 the first year of retirement and an inflation-adjusted \$45,000 each year thereafter. She is considering three portfolios with similar mixes of stocks and fixed income that differ in their use of annuities.

Table 1 presents the three portfolios (which were structured to build on the prior research). The Balanced Portfolio does not buy an annuity. It invests the \$1 million in a financial portfolio consisting of 40% stocks, 40% bonds, and 20% cash.

The Growth & 25% Annuities Portfolio uses \$250,000 to buy a single-premium immediate annuity and invests the remaining \$750,000 in a portfolio of financial assets. (“Single-premium” means there is one premium payment. “Immediate” means the funds are annuitized—that is, exchanged for monthly payments that begin immediately or within a short period of time. The single-premium immediate annuity in this example pays a fixed amount each

month for the rest of her life.) The financial portfolio contains 60% stocks, 30% bonds, and 10% cash.

The Aggressive & 50% Annuities Portfolio uses \$500,000 to buy an immediate fixed annuity, and the remaining \$500,000 is invested in a financial portfolio consisting of 85% stocks and 15% bonds.

The immediate fixed annuity can be thought of as a “bond” in that it provides a fixed payment. In this case, this “bond” makes payments for the rest of Betty's life, but after her death there is no remaining principal. In this article, the term “extended portfolio” includes financial assets and annuities, while “financial portfolio” includes only the financial assets. When fixed annuities are considered bonds (as I believe they should be), the three extended portfolios contain similar mixes of stocks and fixed-income securities.

In this article, I examine the abilities of these three similar portfolios to meet Betty's retirement goal of providing a constant real (inflation-adjusted) income of \$45,000 a year for the rest of her life.

HISTORICAL EXPERIENCE

How would these portfolios have fared over various historical time periods?

Real-Time Returns

The top half of Table 2 presents the real-time experience of the three portfolios over one of the worst time periods for a withdrawal portfolio—year-end 1971 through year-end 2000.

In this example, each portfolio begins with \$1 million, but two of the portfolios, the Growth & 25% Annuities and the Aggressive & 50% Annuities, use part of the \$1 million to buy immediate fixed annuities. The example assumes Betty retired at the end of 1971 at age 65 and withdrew \$45,000 (in year-end 1971 dollars) at each year-end from 1971 through year-end 2000, a total of 30 withdrawals. If the extended portfolio fails to meet the \$45,000, her family makes up the difference. All values are inflation-adjusted to reflect year-end 1971 dollars. The portfolios' returns reflect the 1972 through 2000 historical returns on the S&P 500, five-year Treasury bonds, and one-month Treasury bills, less a 1% annual portfolio management fee. The immediate fixed annuities provide a 9% annual income, which reflects typical payout ratios available at low-cost insurance firms for this period.

The Balanced Portfolio began with \$1 million in the financial portfolio. After five years when Betty is 70 (and at the sixth withdrawal), its real value is \$657,000. At the 24th withdrawal when Betty is age 88, this portfolio contained a few dollars short of \$45,000. The negative \$270,000 after 30 years indicates that Betty's family must provide the last six years of \$45,000 real income to meet Betty's intended lifestyle.

The Growth & 25% Annuities Portfolio began with a \$750,000 financial portfolio and the \$250,000 immediate annuity. The annuity provides a fixed income of \$22,500 a year, but this payment does not increase with inflation. Since Betty wants to withdraw a constant real amount of \$45,000 each year, the financial portfolio must provide \$22,500 of the first withdrawal and

a larger amount in subsequent withdrawals. After five years (and six withdrawals), the financial portfolio is worth \$526,000. At the 27th withdrawal, the financial portfolio contained about \$44,000; it failed on the 27th withdrawal. Although the financial portfolio is depleted, the annuity continues to provide \$22,500 each year. Due to inflation, the \$22,500 is worth less than \$6,000 in 1971 dollars. The family must provide the additional funds. The negative \$97,000 after 30 years indicates that Betty's family must provide a cumulative \$97,000 in order to meet her intended lifestyle.

The Aggressive & 50% Annuities Portfolio began with a \$500,000 financial portfolio and the \$500,000 immediate annuity. The annuity provides a fixed income of \$45,000 a year. This is all the income in the first year—there is no withdrawal from the financial portfolio. Since Betty needs to withdraw an inflation-adjusted \$45,000 each year, the financial portfolio must provide funds beginning with the second withdrawal, and it must provide

more funds each subsequent year. After five years, the financial portfolio is worth \$395,000. After the 30th withdrawal, it is worth \$136,000. The Aggressive & 50% Annuity Portfolio does not fail—that is, it provides the desired funds for the full 30-withdrawal period.

Table 2 provides many lessons.

First, the longer someone lives, the greater is the longevity risk, where this is defined as the probability that an extended portfolio will fail to provide a constant real income each year for the rest of your life.

Second, annuitization reduces longevity risk.

Third, even when an extended portfolio fails to provide the inflation-adjusted \$45,000 per year, the burden on the family is smaller with an annuity than without.

Fourth, Table 2 indicates the disadvantage of annuitization—if the annuitant (e.g., Betty) dies at age 80 or younger, the beneficiaries will likely receive a smaller inheritance.

Reverse-Time Returns

Nobel-laureate Paul Samuelson is fond of saying history provides one

TABLE 2. HISTORICAL PERFORMANCE OF THE THREE PORTFOLIOS: 1972 THROUGH 2000

Age	Withdrawal No.	Value of Financial Portfolio (\$ 000)		
		Balanced (No Annuities)	Growth & 25% Annuities	Aggressive & 50% Annuities
<i>Real-time 1972 through 2000</i>				
65	1	1,000	750	500
70	6	657	526	395
75	11	333	285	238
80	16	299	295	288
85	21	130	187	245
90	26	-90	28	175
94	30	-270	-97	136
<i>Reverse-Time 2000 through 1972</i>				
65	1	1,000	750	500
70	6	1,091	1,007	892
75	11	1,282	1,395	1,476
80	16	1,389	1,701	2,000
85	21	1,813	2,383	2,927
90	26	1,517	2,265	3,129
94	30	1,122	1,703	2,266

**TABLE 3. THE THREE PORTFOLIOS
& HISTORICAL FAILURE RATES AT 4.5% WITHDRAWAL***

Time Horizon	Balanced (No Annuities)	Growth & 25% Annuities	Aggressive & 50% Annuities
20 years	0.9%	0.4%	0.1%
25 years	8.1%	2.6%	0.9%
30 years	23.7%	7.8%	2.5%
35 years	41.1%	14.3%	5.0%
40 years	55.4%	21.2%	7.4%

Based on Monte Carlo simulations [from Ameriks, Veres and Warshawsky (2001)] using historical data from the years 1946 through 1999.

**Assumes a 4.5% withdrawal in the first year and inflation-adjusted equivalent amounts thereafter.*

observation, by which he means we have one sequence of returns and it is difficult to say whether future returns will turn out similar. To partially overcome this limitation, it is instructive to look at other possible return sequences. One such sequence is the same 1972 through 2000 returns but in reverse order. The bottom half of Table 2 presents the outcomes from these reverse-time returns.

All three portfolios would have provided the \$45,000 real income for 30 withdrawals and would have had funds to spare. To examine the advantages and disadvantages of annuitization, consider the values of the financial portfolios at Betty's death. Although Table 2 does not show all the details, with annuitization her beneficiaries would have received a smaller inheritance if she died before age 74 and a larger inheritance if she died after age 74.

The dramatic difference between the real-time returns and the reverse-time returns is due to the sequence of returns. The real-time returns had poor returns early, including the 1973-1974 bear market. By the time the strong 1990s returns occurred, the financial portfolios were too small to derive much benefit.

The reverse-time returns had the strong returns of the 1990s in the early years. The Aggressive & 50% Annuities financial portfolio grew especially fast since the annuity provided all of the income in the first year and virtually all of the

income in the early years. After 10 years, all three financial portfolios were similar in size. Meanwhile, the drag of the annual withdrawal was much less for Growth & 25% Annuities and the Aggressive & 50% Annuities due to their annuity income. Although the values of all three financial portfolios decreased between the 21st and 30th withdrawals, the portfolios still ended with large values.

The lesson from the reverse-time returns is that, not only does the average return matter, but the sequence of returns also matters. Although a 4.5% spending rate appears conservative (given the much higher average returns), it proved too generous for the investor with the Balanced Portfolio who retired just before the 1973-1974 bear market. Investors who retired in 2000 or early 2001 have likely found that their portfolio values have fallen sharply. They may need to reduce their withdrawal rate so they will not exhaust their assets during their lifetimes.

Monte Carlo Simulations

The real-time and reverse-time returns provide two sequences of returns. In reality, there are infinite possible future sequences of returns. We do not know whether the future will look like the real-time returns, the reverse-time returns, or substantially different from either sequence. To partially overcome this uncertainty, one study (by Profs. John Ameriks, Robert Veres, and Mark J.

Warshawsky in the *Journal of Financial Planning*) simulated 10,000 possible sequences of future 50-year returns. For each simulation, they used random monthly returns and inflation data from the 1946-1999 historical time period. They assumed the immediate fixed annuity provides a 9.08% annual income to a 65-year-old retiree. They then recorded the results for each portfolio after 20, 25, 30, 35, 40, 45, and 50 years.

Table 3 reports the "failure rates" of this study—that is, the probability that Betty will not be able to maintain a \$45,000 a year real income for the rest of her life.

- The Balanced Portfolio, with no immediate annuity, failed 8.1% of the time after 25 years, 23.7% after 30 years, and 41.1% after 35 years.
- The Growth & 25% Annuities Portfolio (with a \$250,000 immediate annuity) failed 2.6% of the time after 25 years, 7.8% after 30 years, and 14.3% after 35 years.
- The Aggressive & 50% Annuities Portfolio (with a \$500,000 immediate annuity) failed 0.9% of the time after 25 years, 2.5% after 30 years, and 5.0% after 35 years.

Since the portfolios have similar stock exposures, the decrease in failure rates is primarily attributable to the benefits of annuitization.

If Betty knew she would only live 20 more years, which is the approximate life expectancy for a 65-year-old female, there is little chance of her running out of money with any of these three portfolios.

However, she may live longer. If she lives to age 95, her failure rate is 23.7% if she selects the Balanced Portfolio, 7.8% with the Growth & 25% Annuities Portfolio, and 2.5% with the Aggressive & 50% Annuities Portfolio.

Why Annuities Decrease Failure

There are two reasons for these dramatic decreases in failure rate. First, annuitization provides a natural hedge against longevity risk; by design, the longer someone lives,

the higher the annuity's total return.

Second, annuitization allows someone to receive more income from bonds than would be available without annuitization.

Suppose long-term interest rates are 5.5%, and a 65-year-old single female buys \$100,000 of new-issue bonds. If she does not annuitize, the only way she can be sure of not outliving the bonds' value is to live on the \$5,500 a year in interest income; she never consumes the principal.

In contrast, if she sells the bonds and buys an immediate fixed annuity, the \$100,000 may provide \$7,932 a year for the rest of her life. This higher amount reflects the fact that, after her death, the annuity has no remaining principal.

Could she create a do-it-yourself annuity? No—if she withdrew this amount without buying an immediate annuity, the funds would be exhausted after about 20 years. Due to pooling of risk, an insurance firm can guarantee her \$7,932 a year for the rest of her life. In essence, the insurance firm uses funds remaining from those who die sooner than expected to pay those who live longer than expected.

This second reason is much misunderstood. So, we illustrate it with another example. The probability that an 81-year-old female will die within a year is 5%. Suppose 20 81-year-old women agree to invest \$100 at 5% but only those living in one year will share the remains. On average, the \$2,100 will be split among the 19 survivors for a payoff of \$110.53 each. Each survivor could have only earned \$5 by herself. But the insurance structure allowed each survivor to earn an extra \$5.53 because they share in the deceased's funds. This illustrates why the payoff from the annuity is higher. Also, it explains why the myth that "the insurance firm keeps the rest" is misleading.

TODAY VERSUS HISTORY

The prior section presented results

based on historical returns. How useful are these results for someone considering an immediate annuity today?

The answer to that depends upon:

- Whether future average real returns on stocks, bonds, and bills will be similar to these past historical returns, and
- Whether the 9.08% income from the fixed annuity is appropriate for today's investors.

I suspect future real returns will be worse than these historical averages. And, due to today's lower interest rates, as of late September a 66-year-old female could get a yield of 5.58% on a fixed immediate annuity from TIAA-CREF, a leading firm in the industry—considerably below the 9.08% yield assumed in the study. Consequently, I suspect the precise estimates of default risk are too low.

Nevertheless, the simulations shed light on the likely merits of annuitization. If future real returns will be lower, as many scholars predict, a 4% withdrawal rate may be advisable today. Nevertheless, annuitizing part of your portfolio should continue to enhance your chances of maintaining a desired standard of living for the rest of your life.

SHOULD YOU ANNUITIZE?

Not everyone will want to annuitize part of his or her retirement wealth. Each individual should consider their own unique personal factors. Three of the most important factors are:

- **Your life prospects:** Based on your family history and lifestyle (smoker or non-smoker, exercise and eating habits, etc.), are you likely to live a long time? If not, annuitization seldom makes sense.
- **The presence of family (or someone else) that will provide any needed additional funds:** What is your personal trade-off between your desire to bequest wealth and your desire to have sufficient funds

during your lifetime? And, if your nest egg runs low, do you have a family (or someone else) that will provide the additional funds?

- **The amount of retirement income from Social Security and employee pensions:** Suppose Betty, in addition to her \$1 million of financial assets, will also receive a substantial monthly income from Social Security and a company pension. Then much of her wealth—defined broadly to include the value of retirement income—is already annuitized. That is, Social Security and employee pensions are like life annuities in that they provide a lifetime income. If she already has substantial retirement income, then she may not wish to annuitize any of the \$1 million.

The annuity makes most sense if Betty has long life prospects, little bequest motive, no children or else children who are either unwilling or unable to help finance her retirement needs, and little retirement income from Social Security and employee pensions.

When Should You Annuitize?

In one of the studies, Moshe Milevsky, a leading annuity scholar, addressed the question of *when* someone should annuitize.

There are three reasons to consider delaying annuitization, especially today.

- The first concerns today's low long-term interest rates. If long-term rates will soon be higher, then it pays to delay.
- The second is that annuitization is an irreversible decision. As with any irreversible decision, you should delay the decision unless you are confident that it makes sense for you.
- The third reason concerns insurance costs. To understand the logic, return to the example where the 81-year-old women pooled their funds. The higher payoff was due to the 19 survivors splitting the \$105 of the deceased's funds.

Advanced Reading

Here are the major academic articles that have covered annuities in retirement investing:

John Ameriks, Robert Veres, and Mark J. Warshawsky, "Making Retirement Income Last a Lifetime," *Journal of Financial Planning*, December 2001, pp. 60-76. www.fpanet.org/journal

Peng Chen and Moshe Milevsky, "Merging Asset Allocation and Longevity Insurance: An Optimal Perspective on Payout Annuities," *Journal of Financial Planning*, June 2003, pp. 64-72. www.fpanet.org/journal

Moshe Milevsky, "Optimal Annuitization Policies: Analysis of the Options," *North American Actuarial Journal*, vol. 5, no. 1, January 2001, pp. 57-69. http://www.soa.org/bookstore/naaj_archive.html

But if the insurance firm charges more than \$105 for all 20 original participants, then the participants should delay annuitization, since they would be better off investing their own funds and avoiding the insurance costs.

Due to these three reasons, Prof. Milevsky recommends that people delay annuitization until about age 75 to 80.

Selecting an Annuity Contract

After careful consideration, you decide that you want to annuitize part of your portfolio—what's next?

You still have four decisions to make:

- You must decide when to annuitize,
- You must decide which insurance firm to buy from,
- You must decide which payout option to select, and
- You must decide whether you want a fixed annuity or a variable annuity.

When?

For example, you may wish to delay annuitization until, say, age 75 to 80. If already that age, you may wish to delay annuitization until long-term interest rates rise.

Which Insurance Company?

The next decision is the choice of

insurance firm. The insurance firm guarantees the lifetime income. If the insurance firm goes bankrupt, the guarantee is worthless. I would only consider an annuity if the insurance firm carries top ratings from A.M. Best, Moody's, and Standard & Poor's. Specifically, I would prefer an insurance firm with ratings of A++ or A+ from A.M. Best; Aaa, Aa1, or Aa2 from Moody's; and AAA, AA+, or AA from Standard & Poor's. Retirees are not in position to bear credit risk on a substantial portion of their assets.

Free credit ratings are available from A.M. Best through customer service at 908-439-2200 or www.ambest.com, from Moody's at 212-553-0377 or www.moody.com; and from Standard & Poor's at 212-438-2400 or www.standardandpoors.com.

Which Payout Option?

Another decision is the choice of payout options, some of which were discussed at the beginning of this article. Since the objective of annuitization is to reduce longevity risk, I would recommend a life annuity for singles and a joint life annuity for married couples (with at least 75% and probably 100% benefits to the survivor).

In practice, most annuitants select

a life annuity with a period certain guarantee, which provides a lower monthly payment than the life annuity. Most annuitants are willing to receive the lower payment in return for the guarantee that their beneficiaries will receive something if they die early. However, if they die early, their financial portfolio will likely provide that something. The higher payment from the life annuity provides better protection against longevity risk.

Fixed or Variable?

The final decision is the choice between a fixed annuity and a variable annuity. Let us return to the example with Betty. The fixed annuity promises a fixed-dollar amount each month. Through time, inflation erodes the purchasing value of this fixed payment. For example, since consumer prices more than quadrupled in the 30 years since 1971, the fixed-annuity payment lost more than 75% of its purchasing power. If Betty buys a variable annuity, once a year her monthly income will rise and fall with the prior year's market returns of the underlying mutual funds. On average, income from a variable annuity invested in a broad stock mutual fund would have risen more than sufficiently to offset the rising cost of living. Consequently, instead of buying a fixed annuity, she might consider splitting the funds between an immediate fixed annuity and an immediate variable annuity.

One study (by Peng Chen and Moshe Milevsky) looked at this issue. Their recommendation is that if your overall asset allocation calls for, say, 55% bonds and 45% stocks, then you should maintain this weight in your annuities and your financial portfolio. For example, in the Growth & 25% Annuities Portfolio, Betty has a 55% bonds/45% stock asset mix when the portfolio is extended to include the annuity. If she were to maintain this mix in a variable annuity, she would split the \$250,000 annuity into a \$137,500 fixed annuity and

\$112,500 variable annuity (that contains a broad stock mutual fund) and split the \$750,000 financial portfolio into \$412,500 bonds and \$337,500 stocks.

CONCLUSIONS

An annuity can be used to accumulate wealth for retirement or to finance retirement needs. My article in the July issue discussed annuities as an accumulation vehicle, while this article examines annuities as distribution vehicles.

When annuitized, a sum of money can be exchanged for a lifetime monthly income that cannot be outlived.

This article discusses the pros and

cons of annuitizing part of your portfolio to provide a lifetime income stream, by examining the ability of three portfolios to satisfy a 65-year-old female's lifetime retirement income needs. Two of the portfolios included annuities, and when the annuities are considered bonds in an extended portfolio, all three portfolios contain similar mixes of stocks and bonds. Based on historical returns, the failure rate probabilities for each portfolio were determined. It was found that, in general, the larger the portion of the portfolio that is annuitized, the smaller is the failure rate. However, if the annuitant dies relatively young, there will likely be less in the financial portfolio for the beneficiary.

Of course, these are historical results that do not necessarily reflect today's market prospects. Nonetheless, the research demonstrates the classic trade-off of annuitization:

- Annuitization can greatly decrease longevity risk, the risk that the individual will exhaust his resources before death, but
- It may also decrease the amount of wealth available to beneficiaries.

Annuitization reduces longevity risk because, by design, it naturally pays off more the longer the annuitant lives. In addition, due to the annuity's pooling-of-risk structure, survivors can receive higher payouts from an annuity than from their own investments. ♦

Introducing the *Stock Superstars Report*

An effective way to create a diversified, low-risk portfolio by tapping into the strategies of well-known stock pickers.

Charter Subscription Now Available for \$149

For 25 years, AAll has reported on hundreds of investment techniques and closely monitored what works and why. Our longevity and ability to distill stock strategies into actionable advice makes us uniquely qualified to present the SSR investment advisory to the members of AAll.

With your registration at www.Stocksuperstars.com, you'll receive:

- Our Monthly SSR Newsletter
- Weekly Stock Superstars Reports
- The SSR User's Guide
- Friday E-mail alerts outlining recommended buy and sell activity
- Monthly printed newsletter

SSR Return

Stock Superstars	+31.7%
Wilshire 5000	-4.5%

The Stock Superstars Report has outperformed the overall market by an impressive 36.2 percentage points since inception!

Subscribe today! The portfolio rules are simple, provide low turnover, and should take less than 15 minutes of your time per week to follow.

\$149 annual subscription

www.stocksuperstars.com