The Case AGAINST "Don't Put All Your Eggs in One Basket"

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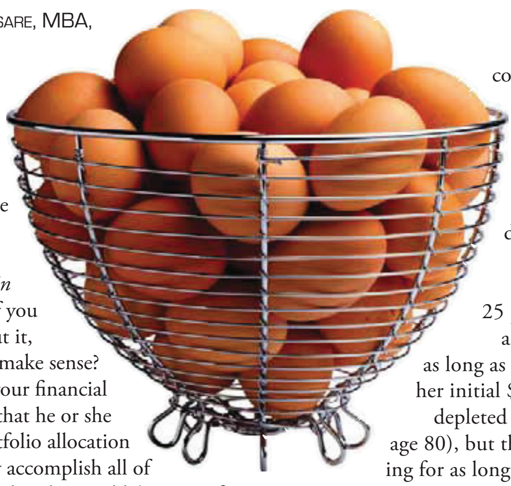

Most people would agree that perhaps the most prevalent cautionary phrase used in personal finance is: *Don't put all your eggs in one basket.* But if you really think about it, does this always make sense? For instance, if your financial advisor claimed that he or she knew which portfolio allocation would effectively accomplish all of your financial goals, why wouldn't you go for it? Why would any sane person want only a little bit of something—especially when we're talking money—that was assured to work really, really well?

Or…could it be that most conventional advisors understand perfectly well that the so-called diversified portfolios they propose are pure gambles: both unpredictable and with the potential to actually vanish at a moment's notice? So in reality, aren't they just being prudent by encouraging investors—that's YOU—not to put all their eggs in such unpredictable baskets?

About a year ago, we had the opportunity to make a recommendation to a then-63-year-old lady who wanted to ensure that the $200,000 she intended to leave for her only son and two grandchildren reached them intact. She wasn't willing to see even a penny more disappear after taking a major clobbering during the 2008 stock market upheaval. At the time we met, we were unaware that she had already consulted with two other financial professionals, both of whom recommended dividing up the said amount among various bond, money market, and "conservative, diversified" mutual funds—to prevent putting all her eggs in one basket.

Our Solution?

Use the $200,000 to purchase a contract that would pay her $11,880 annually beginning immediately and lasting as long as she lives, regardless of what happens with the stock market. Then, purchase a permanent life insurance policy with a no-lapse guarantee, through age 110—should she be fortunate enough to live that long—to guarantee an income-tax free death benefit of $400,000. Given her health status, the yearly guaranteed premium for that contract would be $5,598.

So here's a simple breakdown of the plan: She'll receive $11,880, which would net $8,910 after an estimated 25 percent tax ($2,970). This amount will keep flowing for as long as she lives! If you do the math, her initial $200,000 investment will be depleted in about 17 years (or around age 80), but those payments will keep coming for as long as she lives. And if it so happens that she dies before drawing the entire $200,000, her beneficiaries (son and grandchildren) will receive a check for the remainder. But let's say she only lives to age 88. She would have received $11,880 for 25 years, which amounts to $297,000. In addition, her family will still receive a $400,000 income-tax free check upon her death thanks to section 101 of the tax code.

You should realize that this lady still has $3,312 left (the difference between the net $8,910 yearly draw and the $5,598 insurance premium) to use however she pleases. Since both of her contracts are now guaranteed, there's no stock-market hoopla to lose any sleep over. Isn't this just beautiful—the very definition of peace of mind?

Can you confidently say that you're getting the best financial advice? Just like our client, you could resort to common sense, which means putting everything into the one basket that will actually work! Isn't it time you explored proven, practical, and legally sound strategies, instead of defaulting to the same old cookie-cutter approaches that keep failing millions of investors?

We invite you to either schedule a personal, private complimentary consultation with one of our experienced, licensed professionals and/or join us at our next educational workshop, to be held on Saturday, July 23, 2011, at 11:30 a.m. at the Holiday Inn that is right next door to Ikea in College Park. We promise *absolutely no-strings attached* whatsoever. You must make an appointment and/or reserve your workshop seat at (301) 949-4449 or LaserFG.com. ✤

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