

**My financial adviser proposes a 2, 3, 4, 5, 6 year ladder of annuities from the attached sheet to achieve an average 5 percent return annually. I want no risk in my investments. I am 78 years old and retired. In the event of my death, the annuity pays my heirs as it would if I were alive. Your comments, please, about using this vehicle.**

**G.E.**

I think that's a good suggestion. Your financial adviser is using data collected and compiled by Danny Fisher in Dallas. You can see some of his data on his Web site, [www.mrannuity.com](http://www.mrannuity.com).

Mr. Fisher has kept a database on fixed-income annuity products for more than two decades. He regularly produces statistics on the range of interest rates available from insurance companies.

Quite often, the "spread" – the yield difference between an insurance company-based, CD-like annuity and a comparable-yield Treasury note – has been very small. But in the current angst-driven market, carefully selected CD-like annuity contracts offer a major yield advantage.

For instance, while your adviser will have little difficulty putting together a ladder of CD-like annuities with an average yield of 5 percent, a quick trip to [www.bloomberg.com](http://www.bloomberg.com) will tell you that a 2-year Treasury was recently yielding only 0.75 percent, while a 5-year Treasury was yielding only 1.49 percent. For retirees, that's like the difference between opening a can of Chef Boyardee at home and dinner out. Basically, your interest income will triple.

Please note, however, that this is *not* "no risk."

The only "no-risk" investment you can make is with our irresponsible and fundamentally bankrupt government because it has a license to print money when tax collections lag. There is some amount of risk to *any* other investment.

That means your adviser can earn his keep by paying attention to the financial strength of the insurance company offering the annuity contracts.

*Scott Burns was a Dallas Morning News columnist for 21 years. Today, he is a syndicated columnist and a principal of Plano-based investment firm AssetBuilder Inc. E-mail questions to [scott@scottburns.com](mailto:scott@scottburns.com).*