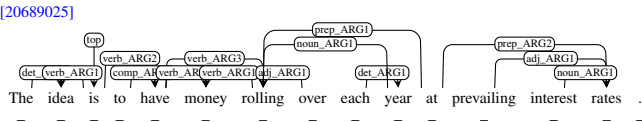
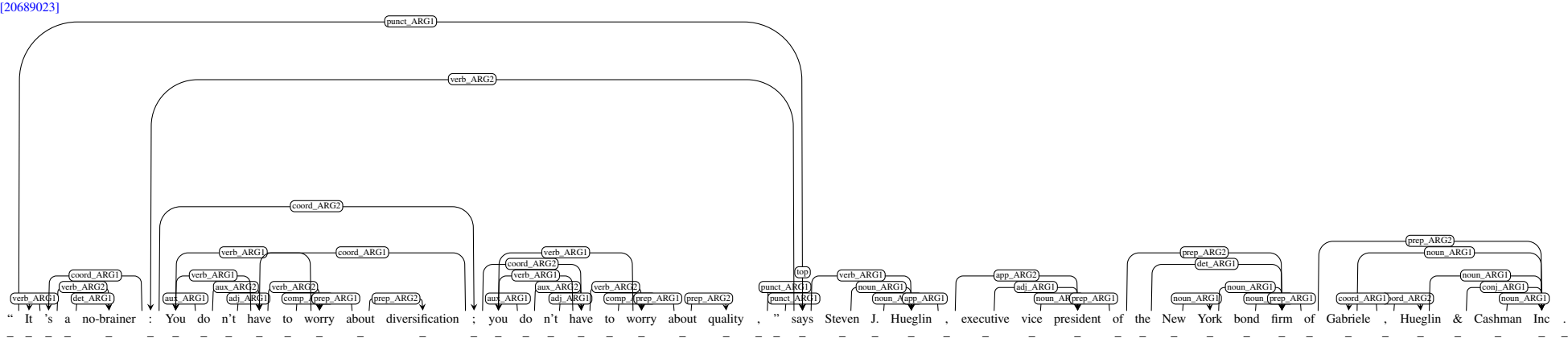
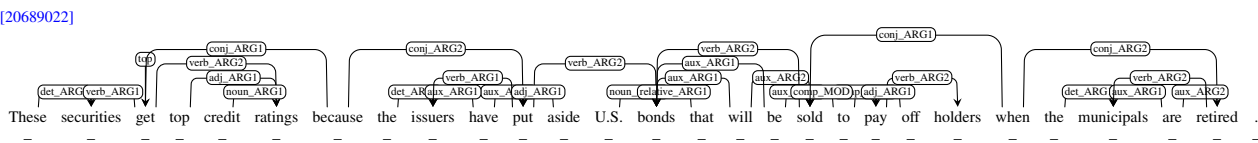
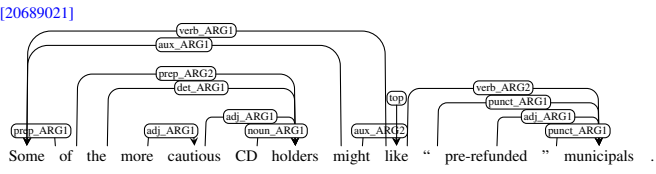
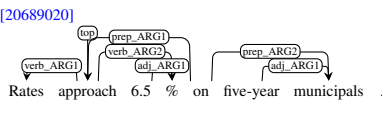
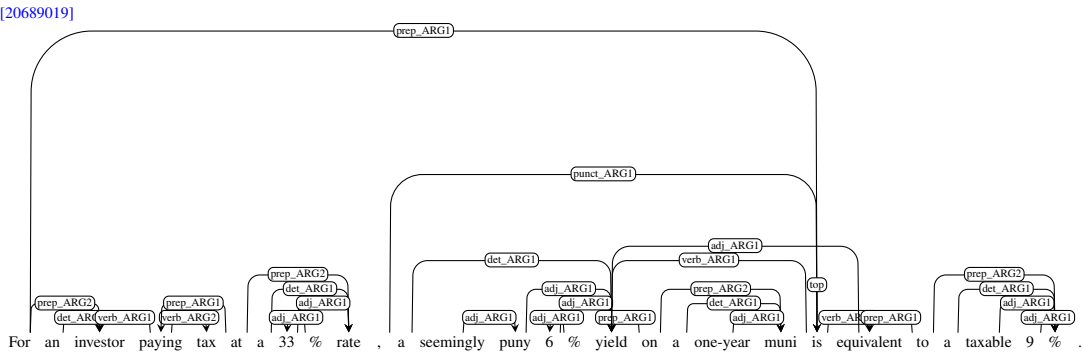
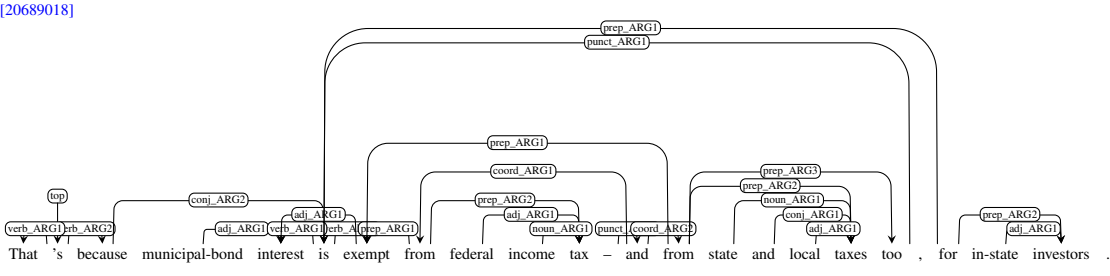
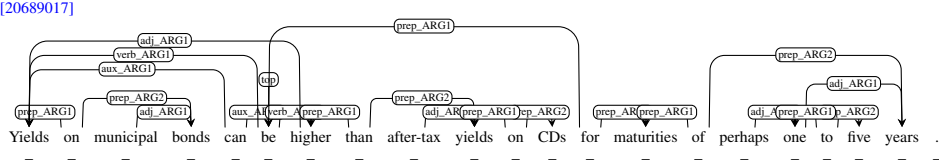
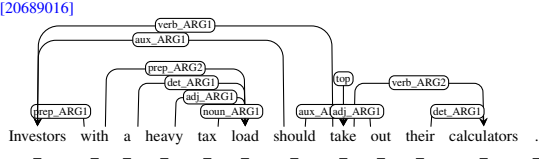
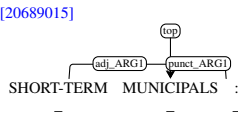
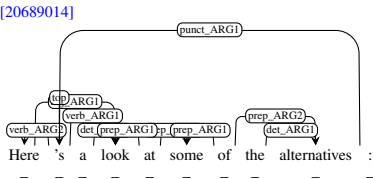
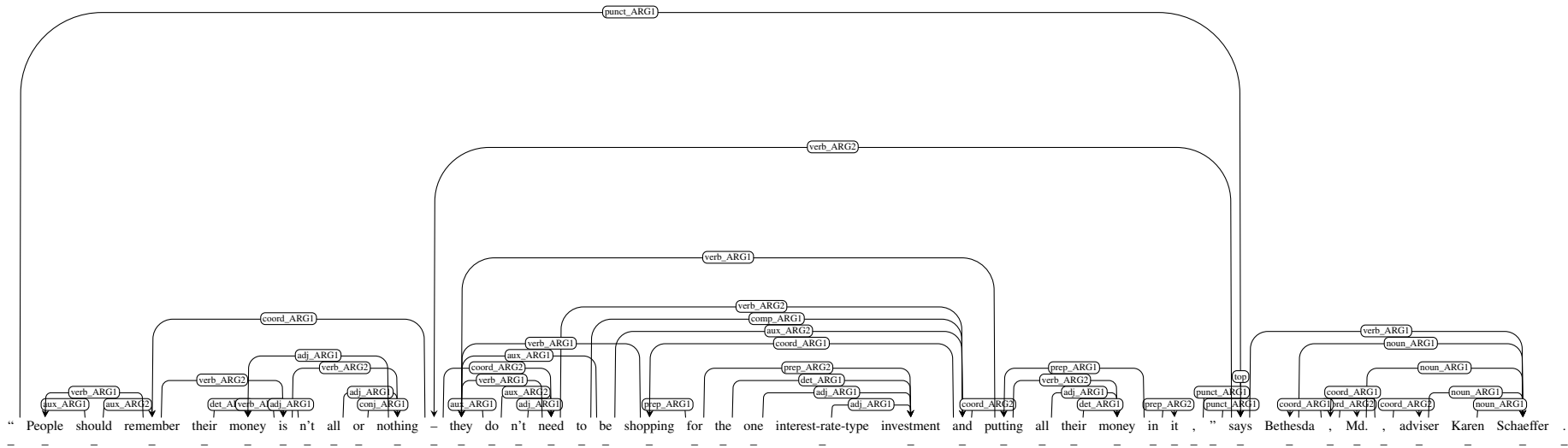
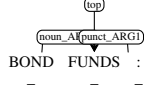


[20689001]



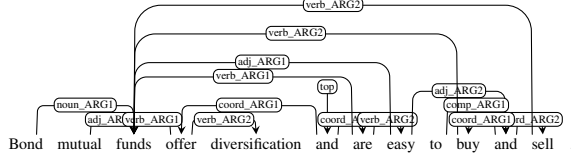


[20689026]



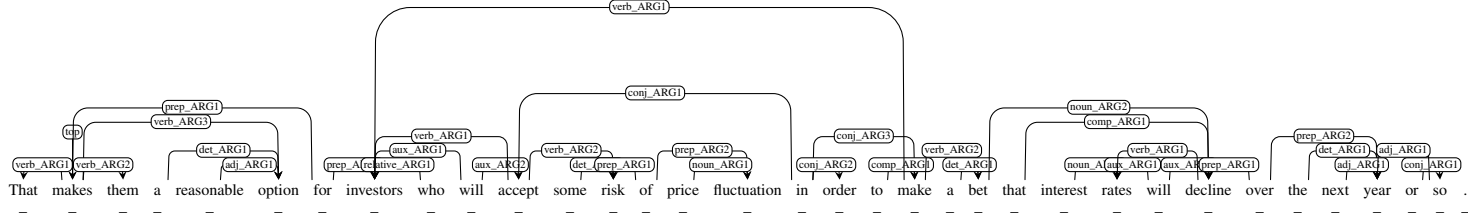
BOND FUNDS :

[20689027]



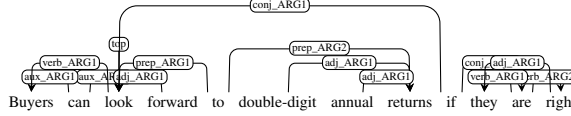
Bond mutual funds offer diversification and are easy to buy and sell .

[20689028]



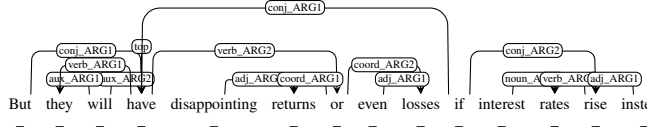
That makes them a reasonable option for investors who will accept some risk of price fluctuation in order to make a bet that interest rates will decline over the next year or so .

[20689029]



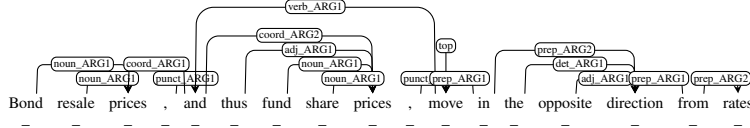
Buyers can look forward to double-digit annual returns if they are right .

[20689030]



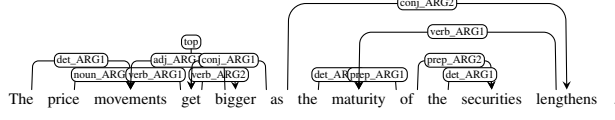
But they will have disappointing returns or even losses if interest rates rise instead .

[20689031]



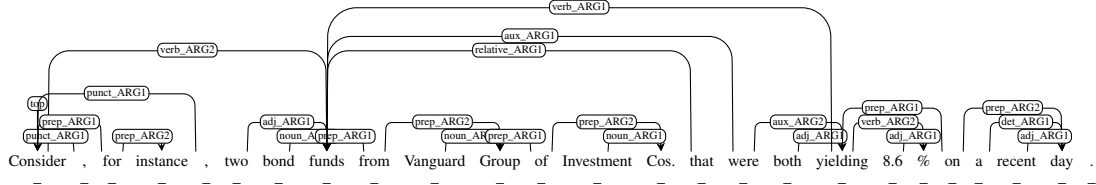
Bond resale prices , and thus fund share prices , move in the opposite direction from rates .

[20689032]



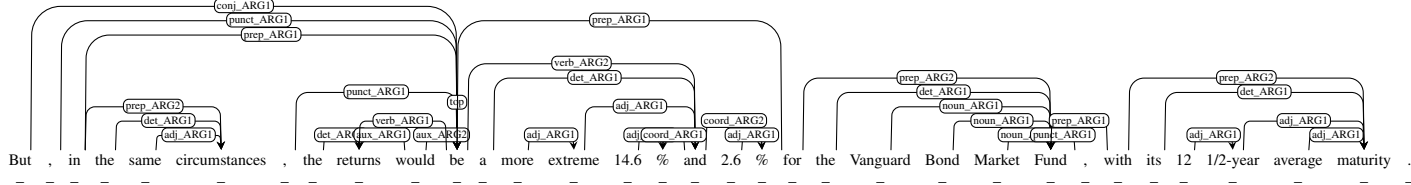
The price movements get bigger as the maturity of the securities lengthens .

[20689033]



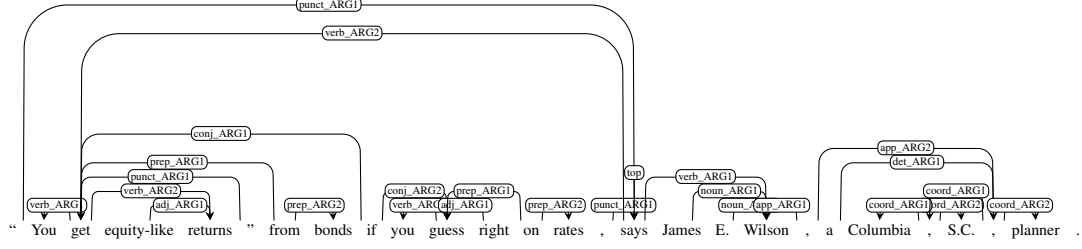
Consider , for instance , two bond funds from Vanguard Group of Investment Cos. that were both yielding 8.6 % on a recent day .

[20689035]



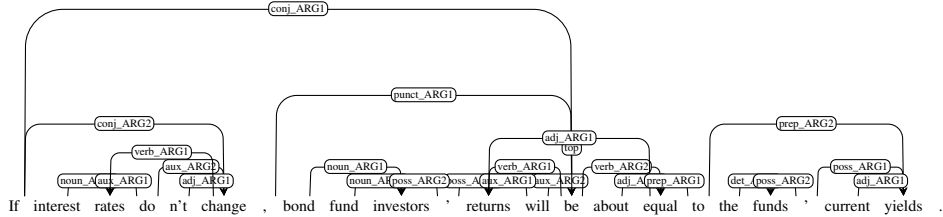
But , in the same circumstances , the returns would be a more extreme 14.6 % and 2.6 % for the Vanguard Bond Market Fund , with its 12 1/2-year average maturity .

[20689036]



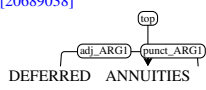
“ You get equity-like returns ” from bonds if you guess right on rates , says James E. Wilson , a Columbia , S.C. , planner .

[20689037]



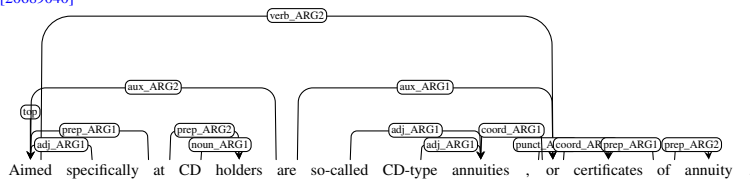
If interest rates do n't change , bond fund investors , returns will be about equal to the funds , current yields .

[20689038]



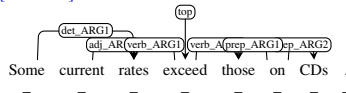
DEFERRED ANNUITIES :

[20689040]



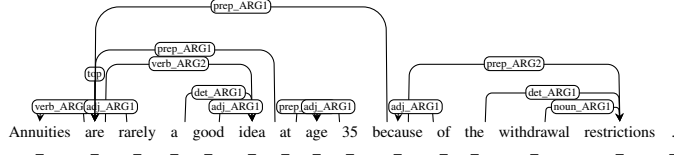
Aimed specifically at CD holders are so-called CD-type annuities , or certificates of annuity .

[20689042]



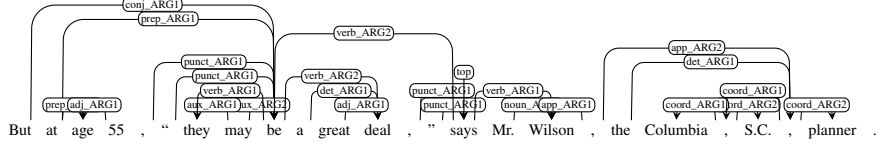
Some current rates exceed those on CDs .

[20689044]

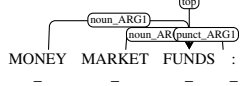


Annuities are rarely a good idea at age 35 because of the withdrawal restrictions .

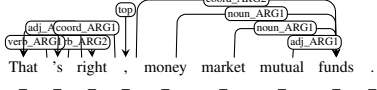
[20689045]



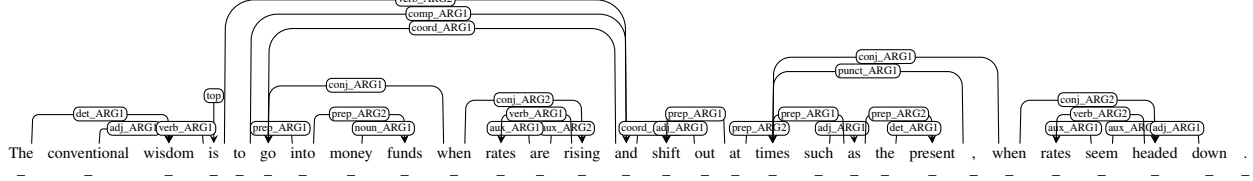
[20689046]



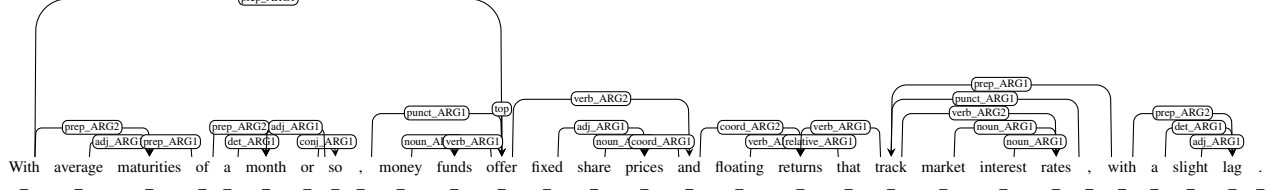
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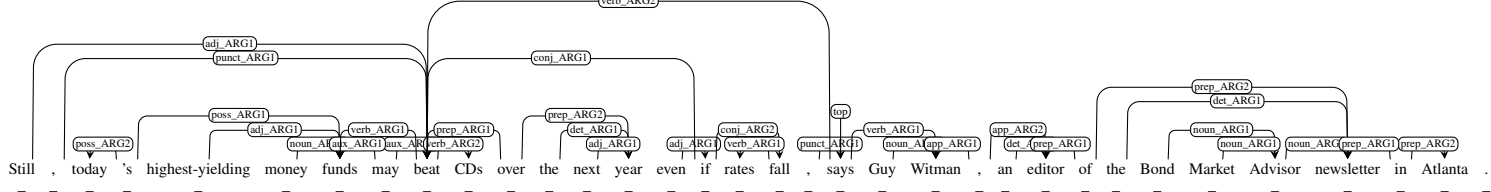
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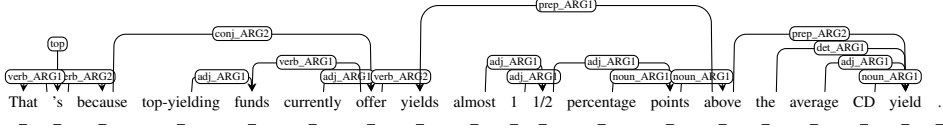
[20689049]



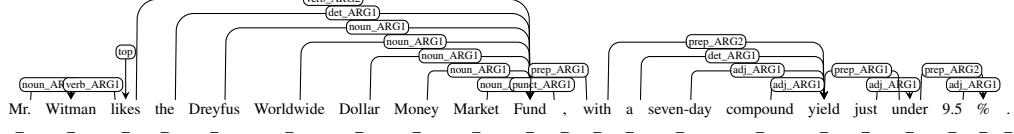
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[20689051]



[20689052]



[20689053]

