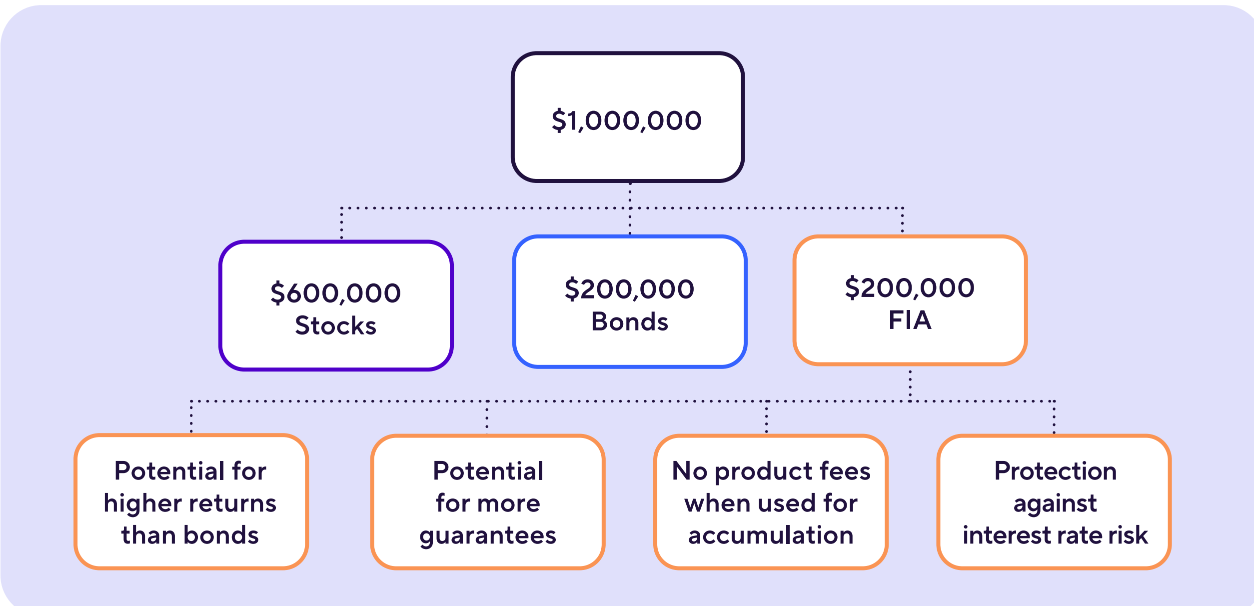
Adding a fixed index annuity may enhance returns and reduce risk

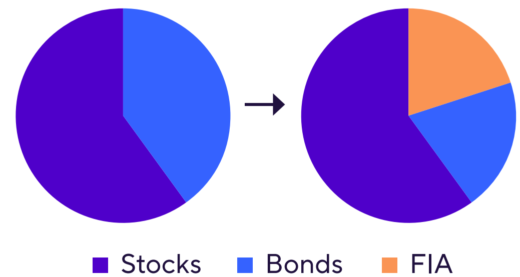
Feel the power® of a fixed income alternative

The Power Series of Index Annuities®

With higher interest rates, rising inflation and increasing geopolitical risks, a traditional 60/40 stock and bond portfolio may not offer the growth and income clients need to fund their expenses and maintain the lifestyles they want in retirement. Replacing a portion of the fixed income assets with **a fixed index annuity** (FIA) may provide more accumulation and income potential, along with greater protection against market downturns and interest rate risk. In fact, a recent study found that an FIA-enhanced portfolio may outperform a traditional 60/40 stock and bond portfolio 73%-96% of the time, depending whether or not a lifetime income benefit is selected.[1]

Key advantages of a FIA-enhanced portfolio





Supplementing your clients' fixed income assets with an FIA may help them retire with:

- More growth potential
- More income and beneficiary guarantees[2]
- More diversification and greater protection of principal and income from interest rate risk[3]

Note: This example is hypothetical and does not reflect an actual case. It is only intended to show how a split allocation between stocks, bonds and a fixed index annuity might work. Please keep in mind, only securities licensed individuals can discuss certain financial strategies with clients. All annuity contract guarantees are backed by the issuing insurance company, not Corebridge.

[1] Source: Richard A. Brink and Brian Hanna, "The Fixed Index Annuity: A New Core for Retirement Saving?" AllianceBernstein (AB) White Paper, June 2023. The 60/40 Portfolio represents 60% S&P 500 and 40% Bloomberg Barclays US Aggregate Bond Index. The FIA Enhanced Portfolio represents 60% S&P 500, 20% Bloomberg Barclays US Aggregate Bond Index and 20% fixed index annuity with S&P 500 index interest account and a 10% index rate cap (accumulation). During the income stage, the fixed index annuity includes a guaranteed lifetime income rider with a 7% index rate cap and 1.1% annual fee. Based on hypothetical scenarios with return distributions from 5,000 simulations of future returns from Journey Guide retirement-planning software over a 10-year period starting December 31, 2022, followed by an additional 30 years of retirement income withdrawals. Individual results will vary.

[2] This is a broad reference to the income and death benefits of an annuity, including annuitization and optional riders.

[3] FIAs are not directly impacted by interest rates. Unlike bond prices, annuity values don't typically decline if interest rates go up, or increase if interest rates fall. Instead, FIA values are linked to the performance of an equity or hybrid index. As a result, FIAs can provide greater protection against interest rate risk, compared to other fixed income assets.

5 critical questions to ask to help you determine if an FIA is right for your client

1. **Is your client looking for higher yields?** FIAs can provide higher income than many fixed income instruments, with the added benefit of tax deferral.
2. **Are your clients concerned about rising interest rates?** FIAs can protect principal and provide consistent income, even in a rising rate environment.
3. **Did your clients suffer losses from bond market declines in 2022?** Adding an FIA can help reduce risk in volatile times.
4. **Do your clients want guaranteed income for life?** FIAs offer lifetime income through annuitization at no cost or through optional features for an annual fee. These optional features provide additional benefits, such as continued access to account value while receiving lifetime income.
5. **How much are clients paying for their current fixed income assets?** When used for accumulation only, FIAs typically have no explicit fees, potentially improving portfolio returns.

Help clients build a brighter future with the power of a fixed income alternative.
Contact your Corebridge representative today for more information.

Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company. They provide the potential for interest to be credited based in part on the performance of the specified index, without the risk of loss of premium due to market downturns or fluctuations. Index annuities may not be appropriate for all individuals. Withdrawals may be subject to federal and/or state income taxes. An additional 10% federal tax may apply if clients make withdrawals or surrender their annuity before age 59½. Clients should consult a tax advisor regarding their specific situation.

Interest earned will never be less than zero in flat or down markets. Annuitization is a process that permanently converts an annuity contract to income payments that can be guaranteed for life. Once clients annuitize a contract, they will no longer have access to their principal.

Diversification does not ensure a profit or protect against market loss. Different investments such as bonds and stocks have different objectives, risk tolerance levels and time horizons than index annuities. Clients should consult their financial professional or agent regarding their individual situation when comparing these various instruments to annuities. Bonds and bond funds are subject to interest rate risks. If held to maturity, bonds can provide a fixed rate of return and a fixed principal value, while bond funds will fluctuate in value and may be worth more or less than the original investment when redeemed. U.S. government bonds and Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. Interest from Treasury bills and U.S. government bonds is exempt from state and local income taxes but may be subject to federal income tax. Stocks are subject to market risk, including the possible loss of principal. Earnings from stocks and bonds are taxable annually, while earnings from an annuity are not taxed until withdrawn.

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