Tax-advantaged retirement savings

Investing vehicles

Tax-advantaged retirement savings

Traditional variable annuities (VAs) have long served as a tax-smart retirement savings option. But, in today's market environment, a renewed emphasis has been placed on **investment-only variable annuities (IOVAs)**, which seek to keep costs low while harnessing the power of tax deferral.

Why IOVAs?

An investment-only variable annuity (IOVA) is an annuity that seeks to provide investors with a simple way to set aside taxable assets in a tax-deferred vehicle focused on investment. Unlike most traditional variable annuities, often there are no additional riders to guarantee a specific death benefit or income stream. It is simply a tax-deferred account similar to a 401(k) or IRA, which you can access without penalty as early as age 59½.[1] Investments in an IOVA involve fees and charges, including but not limited to sales charges, investment management fees and administrative expenses.

Who may potentially benefit from investment-only variable annuities?

- High income earners in the highest tax bracket with a large portion of investable assets in taxable accounts.
- Income earners expecting to be in a lower tax bracket after retirement.
- Investors at least 10 years away from retirement seeking to maximize the benefit of tax deferral.
- Those who have maxed out their 401(k) or IRA contributions and seek additional tax deferral.
- Investors with significant exposure to tax-inefficient investments.

Is an IOVA for you?
If any of these statements sound like you, you're an excellent candidate.

Growth and preservation of assets, not current income, is your primary investment objective

Retirement is more than 10 years away

Optimistic about future market performance

Wealth is largely held in taxable accounts

Taxes in retirement are expected to be lower than today

Higher marginal income tax rates relative to others

Broad investment options

Most IOVAs offer a wide range of underlying funds, with many non-correlated asset classes and alternative strategies like those favored by hedge funds and institutional investors. As most IOVAs do not have an insurance component, the combination of lower fees and a broad mix of funds in a tax-deferred wrapper may help retirement investors build more long-term wealth.

Why IOVAs? Because Americans are looking for ways to bolster their retirement savings.[2]

82%

82% of American workers feel it is very important to have enough money to live comfortably until the end of their life.

50%

Half of U.S. workers with retirement savings feel they do not have control over their financial health.

85%

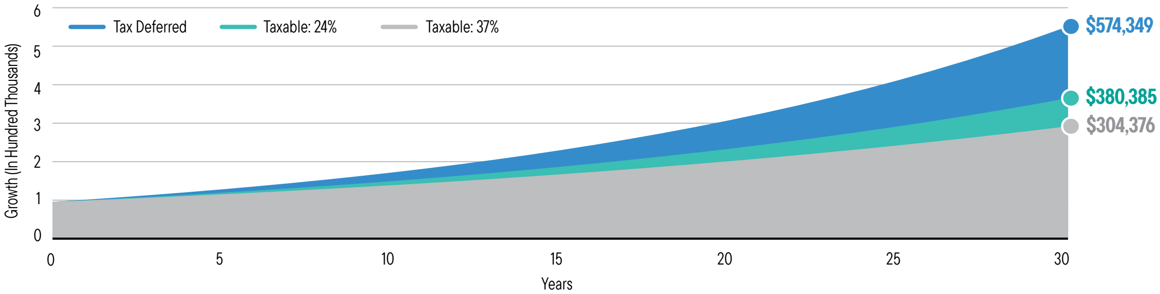
A strong majority of U.S. workers say they would be interested in a deferred annuity as a benefit.

Investments in a variable annuity are subject to market risks, including loss of principal.

See how far $100,000 can go

Tax Deferral Can Have a Substantial Impact on Portfolio Value ($)[3]

Growth of $100,000



Did you know?
81% of American Workers are more focused on becoming financially independent than on traditional retirement.[2]

	1-Year	5-Year	10-Year	15-Year	20-Year	30-Year	Redemption Value Based on 24% Tax Rate	Redemption Value Based on 37% Tax Rate
Tax Deferred ($)	106,000	133,823	179,085	239,656	320,714	574,349	460,505	398,840
Taxable: 24% ($)	104,560	124,762	155,923	194,867	243,538	380,385	—	—
Taxable: 37% ($)	103,780	120,384	144,923	174,464	210,026	304,376	—	—

A smart addition to tax-deferred retirement savings

If you haven't sought tax-deferred retirement vehicles beyond a 401(k) and IRA, you're potentially forfeiting thousands of dollars to taxes every year—and hundreds of thousands over your lifetime.

An IOVA could help you reach your retirement savings potential if:

1 | You've "maxed out" your annual contribution to other tax-deferred retirement savings vehicles such as 401(k), IRA, pension, etc.

2 | You don't qualify for other retirement vehicles such as a Roth IRA.

What should I know before investing?
All investments involve risk, including possible loss of principal. Equity investments generally provide an opportunity for more capital appreciation than fixed income investments, but they are subject to greater **market fluctuations. Fixed income** securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls.
Past performance is no guarantee of future results.

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VARIABLE ANNUITIES ARE SOLD BY PROSPECTUS ONLY. AN INVESTOR SHOULD CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES OF THE INSURANCE CONTRACT AND THE UNDERLYING PORTFOLIO CAREFULLY BEFORE INVESTING. THE PROSPECTUSES CONTAIN THIS AND OTHER IMPORTANT INFORMATION ABOUT THE INSURANCE CONTRACT AND THE UNDERLYING PORTFOLIO. AN INVESTOR SHOULD READ THE PROSPECTUSES CAREFULLY BEFORE INVESTING.

Variable annuities are long-term, tax-deferred investment vehicles designed for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Withdrawals made prior to age 59½ are subject to a 10% IRS penalty charge and/or surrender charges. Investments in a variable annuity are subject to market risks, including loss of principal. Guarantees are based on the claims-paying ability of the insurer. **Variable annuities are sold by prospectus only.** Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

Diversification does not guarantee a profit or protect against loss.

1. A 401(k) plan is a company-sponsored retirement account to which employees can contribute income, while employers may match contributions. Individual retirement accounts (IRAs) are retirement savings accounts. Both have annual contribution limits and provide tax benefits for contributions if conditions are met. Conversely, IOVAs are a type of annuity with eligibility and requirements subject to insurance contract details. The value of each of these vehicles is dependent on the performance of underlying portfolios and that value grows tax deferred.
2. Franklin Templeton. "Voice of the American Worker Survey: 2023 Key Findings."
3. Source: Franklin Templeton. Shows a compounded annual hypothetical 6% growth over 30 years, with and without taxes. Taxes assumed at 24% and 37% rates. This is a hypothetical example only and does not represent any specific investment product. Actual investments may include fees, charges and other expenses that would affect an investment's return. It assumes no distributions are made during these periods. However, lower maximum tax rates are capital gains and dividends would make the investment return for the taxable investment more favorable. Changes in tax rates and tax treatment of investment earnings may impact the comparative results. Actual returns will vary. Withdrawals of earnings from a tax-deferred account will be subject to ordinary income tax, and early withdrawals can be subject to an additional 10% IRS penalty charge and/or surrender charges tax. Investment return and principal value will fluctuate, and when redeemed, securities may be worth more or less than the original cost.

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