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Ask CAPTRUST Annuities Taking a Deeper Dive Webinar

Ashley Thomas: Hello, everyone. My name is Ashley Thomas, and I would like to welcome you to today's webinar, which is being presented by CAPTRUST. We are the independent financial advisory firm that works on your employer-sponsored retirement plan. And I'd like to let you know that you have access to not only these types of webinars, but you also have access to our financial advisors who are here to give you custom investment advice.

And today, you all, we are doing a part two from last year's conversation on annuities. We're taking a deeper dive. Now, before we hop into the actual presentation, I do just have to let you know that this is broad educational information. CAPTRUST does not offer tax, legal, or accounting advice. And I'm so excited to have John Lockwood back with us here today.

He's an advisor here at CAPTRUST with over 20 years of industry experience. He's married with three kids. He's an outdoor enthusiast, and he builds and races bicycles, and you'll learn more about John in his bio below at the bottom of your screen. John, thank you so much for joining me today.

John Lockwood: My pleasure, Ashley.

Thanks for having me, and hello, everyone. Good to be back with you again.

Ashley Thomas: Yes. You know, when we left the last conversation, we had a couple of questions around those annuities, so I'm so happy that we're able to do a part two. Uh, just as a note, if you did not have an opportunity to catch the conversation last year, it is linked in that handout section for you.

Uh, and so we're going to go ahead and jump right in. And John, to go ahead and kick off this conversation, can you go ahead and let us know what an annuity is and how they work? Let's go ahead and start there.

John Lockwood: Yeah, sure, Ashley. You know, um, an annuity is just simply an insurance contract, okay? And the reason someone would purchase an annuity is because they are gonna be looking for income.

So the real definition of an annuity is an exchange, right, of assets to income. Right? And that income stream, uh, typically has guarantees involved in it to provide predictability and stability, right, and hence the term insurance contract, right? You are engaging with an insurance company, and therefore, uh, they are underwriting that insurance to provide that income guarantee for life, and sometimes, uh, even longer, dependent upon how you structure that contract.

Ashley Thomas: Right. Now, if I'm understanding you correctly, John, when you say assets, let's say someone has, uh, that employer-sponsored retirement plan, and they wanted to remove, let's just say $100,000 from that account. They could turn that portion of their account into guaranteed income. Is that what you're saying?

John Lockwood: That's exactly right, Ashley. So, uh, essentially what we're, we're looking to do here with an annuity is specifically looking at a solution for an income need, right? Um, there's many different types of annuities, right, and we can get into some of those details. Uh, but again, very nuanced. Um, but I, I might as well just go into them.

Yes. Um, if, if we look at, uh, the broad universe of annuities, there's typically three different types of contracts. And, uh, regardless of the type of contract, there's gonna be two different payout options. So we'll talk a little bit about the types, uh, but just know that regardless of the type of annuity, uh, there is the ability to turn on income immediately, or you can defer that income for future needs.

So the example might be, "Hey, I'm retiring, and I need that income stream now." Okay, great. That would be an immediate income annuity versus, "You know, I've got a couple years until I retire, but I'm really looking to preserve a piece of my portfolio to provide that security of consistent guaranteed income.

I may elect to defer that income stream for a couple of years, or many years." So again, income now or income later is gonna be the income option. But the, the types of annuities would be a fixed annuity, which would provide a guaranteed rate of return during that deferral period. So in the example that you provided, if you handed over $100,000 of your portfolio and purchased an annuity during the deferral period, you may have a guaranteed accumulation rate of, let's say, 4% as an example.

So every year of deferral, that 100,000 of principal will earn that 4% interest annually On the other hand, folks may be willing, uh, to tolerate some risk in order to achieve a higher rate of growth during that deferral time, and those folks would be looking for something like a variable annuity where they have a little bit more flexibility, and they can choose what type of investment inter- uh, investment, uh, instrument, I'll call it, right?

So for example, you could say, "You know, I'm willing to invest into the market with all or some of my $100,000." And in the variable annuity, similar to a 401plan, you'll have a menu of options to choose from, and they'll be anywhere from no risk, like a money market fund, right, or to maximum risk, which would be something like a growth stock fund, international fund.

So in that variable annuity, you have the ability to have some control over the assets during that accumulation period. All right? Um, there's also what's called an indexed annuity, and the indexed annuity is almost like a hybrid between fixed and variable. More nuanced than any other product. Okay. But essentially, what you're doing is you're saying, "Hey, I want, uh, a little bit of both.

I want to have some downside protection, but I also want the opportunity for some upside growth." And remember, there's no such thing as having your cake and eating it too, right? So y- if you purchase downside protection, you are buying more insurance, right? So there's a cost for insurance, and this is something that's very important for folks to know.

One of the hidden fees of these types of annuities is that, remember, downside protection means limited upside, so you're essentially compressing those returns. And if we have the ability to insulate ourselves from market downturns, then we're not gonna capture all the upside. So that is an embedded cost, right?

The example would be if the S&P 500 returns 10% annualized returns over time, right, like maybe the last 100 years of that index- If one year the S&P 500 returns 20% to investors, like it has for the last three consecutive years, and you have an indexed annuity, you might have a 7% rate of return because you're capped.

Because during those market years where the S&P is down 20%, you'd be down zero, right? So again, very nuanced, but just know there's options as it relates to what type of instrument you choose to move those assets into an environment that will eventually, or even now, create income for you.

Ashley Thomas: Yeah. I, I appreciate that definition, John, just really going into those types of annuities because that's what we received a lot of questions about.

You know, people are wanting to know if they'll actually work for them and what their retirement objective is. And so, you know, when we're thinking about someone determining if an annuity is right for them, I, I really wanna touch on how they'll know that or how they'll know if an annuity will work, because will annuities work for everyone, John?

John Lockwood: Yeah. Simply and honestly, no. Okay. Annuities are not for everyone, and if someone tells you they are, you probably should run away. So the way that we think about this as a fiduciary advisor is that an annuity is just simply a tool in our toolbox, right? So our toolbox often has multiple drawers, and inside of...

and even a cabinet, and inside of each one of those drawers, there's different instruments. A great analogy is your kitchen, right? You don't cook every meal with the same utensil, right? Right. Or pan or pot, right? You have all of these compartments to choose from. So in our minds, the annuities is a, it's just another tool inside of the tool chest.

It's not right for every situation, right? And one thing that I kind of draw the analogy to is, you know- In our homes, right, we're all trying to create some comfort in maybe what we might call a living room, right? And most folks will have a, a chair or a couch, or maybe a chair and a couch, or multiple things to sit on and enjoy conversation with.

Well, you know, that piece of furniture is not the same for every person, right? Some people may prefer the chair, some people may prefer the couch, but my couch may not fit in your living room, right? It may not be your style of fabric that you enjoy. So I just think it's really important for folks to remember that these aren't, uh, one size fits all.

It really is a tailored solution for the right opportunity. So, you know, that could be right for someone who's seeking retirement income, and that income may be needed in addition to other streams of income such as Social Security or pensions. It, it may be right for someone who, quite frankly, is not wanting to have market risk inside of their income strategy, right?

Because as we know, the stock market changes on a minute-by-minute basis.

Ashley Thomas: Yes,

John Lockwood: it does. It does, right? Uh, even the housing market, right? So it's just important to know that these instruments can be used to protect folks, right, from market variability. Um, on the accumulation side of, of things, meaning on your journey of saving to retirement, if you're maxing out your 401, if you're funding those IRAs to the maximum extent, right, maximizing all of your tax benefits associated with that, an annuity could be a vehicle to consider to put additional savings into, again, to start building that reliable stream of income for retirement.

Um, folks who, you know, may need to, um, you know, supplement, um, fixed streams of income like a pension or Social Security that may not fully index with inflation, you might bolt on, right, this additional tool, right, to provide some additional income. So, you know, to summarize, no, not right for everybody, but there's certain characteristics in which we can identify as advisors or you can identify as an individual to say, "You know, that does interest me.

Let me explore it."

Ashley Thomas: Right. So it sounds like this is really intended to help with a problem that someone has identified in their retirement plan. So I, I think that brings us to a really simple question. You know, what problems are annuities designed to solve for? Hmm. Because people want to know, "Why would I get an annuity?

When would I get one? What am I supposed to do with these?" So John, can we dive into what these are really going to do for people?

John Lockwood: Yes, absolutely. I, I'm gonna c- like, draw back on this, uh, tool chest analogy. Okay. Right? So, you know, um, you know, again, y- whether you're in the kitchen or you're working on a, you know, a car, uh, e- every, you know, uh, tool, right, is going to solve a problem, right?

And that is, you know, how to stir boiling water, right? You're not gonna put your hand in a hot pot of water, you're gonna get a utensil out, right? So, um, the, the, the problem you're trying to solve is, "I wanna cook my pasta without injuring myself." Okay, cool. You know, go find the right tool. You know, in this case, for, you know, the retirement income, right...

And that's really, again, what a financial plan is. It's, it's designing a plan for you to be able to derive income for your entire lifetime. So a couple of things that, you know, you want to consider, um, as it relates to maybe some of these problems. Um, one problem that you may not even know you have is longevity risk, okay?

And that is outliving your assets or income. And there's a excellent statistic out there that says something along the lines of around 60% of married couples who are over the age of 60 will live beyond age 90. One of them will live beyond age 90. So, you know, if you're someone who's planning on retiring at 65, you might have a 25-year need for income, right?

So, uh, we wanna make sure those assets can sustain the spending levels that you need, and hence longevity risk is a problem that an annuity can help solve because it does have that feature of lifetime income, right? So you can't outlive it. Another risk that we have, uh, would be something like, uh, volatility, right?

And if you think about volatility, you often just think about your investment assets and again, the stock market, right? Well, the day you retire, your investment portfolio doesn't automatically go to cash. Right? You must continue to invest your assets through retirement, and the primary reason is inflation, right?

You have to overcome inflation. So that means your assets, and therefore your income, will be subjected to volatility associated with the type of instruments you own, right? So one of the ways that an annuity can be helpful is to remove that volatility from a piece of the portfolio. Okay. Another one that you may wanna look at is something that's, uh, you know, something that's very near and, and dear to, uh, our hearts as advisors, and that's helping our clients manage what we might call behavioral risk, right?

And that's just simply removing emotions from decision-making, right? And, and the, the reality is, is that our money is a very emotional thing, right? It's very near and dear to our heart. And the closer we get to retirement or the further we are in retirement, the more near and dear those assets become, right?

Because that's your livelihood, right? And so oftentimes people can make catastrophic mistakes in that window of transitioning to retirement, right? Or in retirement when markets go down. And if you think about it, we just, we live in a world of media, right? It's hitting us from every angle. And typically, it's not that great.

The- No ... the news is designed to grab your eyeball and look, right? And y- I relate that to as a train wreck, right? You sometimes can't help but to look at the accident on the side of the road, right? Uh, but the reality is, within a few minutes, you're gonna pass the accident and be right on your merry way.

So what we don't wanna do is we don't wanna get caught looking, right? We want to continue to keep our eyes forward and continue to plan for what's ahead. And that means we have to remove that emotional risk from our decision-making. So, and an annuity can be one of those tools that helps us stay on track and be less concerned about the day-to-day, whether, you know, that's market risk, you know, political risk, interest rate risk, right?

All of the... Inflation risk. All the things we're dealing with today.

Ashley Thomas: Yeah. You know, those are really great points, John. When I think about it, I think that these would be concerns that a lot of people have on their mind. You know, how long will I be in retirement? Will that money last me? And I know that's something that people wanted to know as well, because that brought up the concern for them, you know, are annuities actually a safe tool, as you've been calling it?

Are they a safe tool that people can use? You know, I know we're, we're about to go into, uh, how someone could really determine if an annuity belongs in their retirement plan. But I, I saw that overwhelming question, John, are annuities safe? You know, is, is that something that someone could really have peace of mind with if they do their research and really find that it's suitable for their retirement plan?

John Lockwood: Yeah. I, I think it's so... It, it's such a great question, right? Because, you know, security is really in the eye of the beholder, right? But the reality is, there's no perfect solution, right? Again, this is one tool in the toolbox. It's not the tool. It's not the only tool. Which means that, you know, you, you can't use a, uh, Phillips screwdriver to unscrew a straight slot bolt, right?

It just doesn't screw. It just doesn't work, right? Or it's gonna damage, right, the hardware if you try to use it inappropriately. So some of the things that you wanna be aware of as it relates to annuities and this, you know, security word is that- Y- y- you're exchanging something, right? If you're, if you're going to get a guarantee or if you're going to buy peace of mind, there is a cost associated with it, right?

So we're not trying to fool anyone here, right? There are costs of insurance, right? I mean, think about the auto insurance that you pay. Every month, you're handing over a couple hundred dollars, maybe more, to an insurance company, right, to drive down the road safely, knowing that if you're in an accident, y- y- your assets are protected, right?

But how many years goes by where maybe you don't have a claim, right? And that's all premium expense, right? This is no different, right? You are paying for insurance, and if you're not paying for it in reduced market returns, again, you're just saying, "Hey, I just want a guaranteed rate of return, safety, security, predictable income," w- you might have inflation risk, right?

Meaning, as we're experiencing today, whether that's energy to charge your vehicle or it's gas to power the motor, right, inflation is a real thing, and we're paying more than we were two years ago. And five years from now, we'll pay more for energy and food and shelter. So one of those, you know, maybe risks associated with an annuity is that it may not keep up with inflation, right?

And that's why, again, it's so important that the decision is rooted inside of a financial plan because if we look at our options, yeah, we need income, but we also need liquidity, right? Because life's gonna happen, right? We're gonna have the medical bill. We're going to need to, uh, you know, replace the vehicle.

We're gonna need to potentially buy the new couch at some point, right? Um, all of these things that would demand more of kind of a, a lump sum type of payment, you're gonna need some liquidity, right? So the annuity would have what we call liquidity risk because once you turn the income on, there's no going back, right?

There's also the inflation. We talked about that. You wanna have some growth in the portfolio, okay? You gotta take a little risk to make sure the assets can grow above the rate of inflation, so that is another risk characteristic associated with it. What's, what's my growth? What's my growth strategy, right?

Another one here, it's a huge one, is legacy, right? Where do you want the assets to go if you're not here tomorrow? And an annuity can have some limitations, all right? And again, so nuanced, and I might be going down a- another little rabbit hole here for a moment. But- It's okay, Chad ... you can buy-- Thank you.

You can buy an annuity with what we call qualified assets. That would be like IRAs, Roth IRAs, 401s, right? Those tax-qualified accounts, right? So those are called qualified annuities. You're funding it with a qualified asset. Those assets have beneficiaries, whether it's your 401, IRA, Roth IRA, or IRA annuity.

So you can name the beneficiary, and when you pass away, the beneficiary would have access to the beneficial interest that remains in that instrument, okay? That doesn't mean every single annuity is gonna have a death benefit. It just means that you're not giving up that option if you were to fund an annuity with a qualified asset.

However, we also have non-qualified assets, right? And you think about that is the money in your bank account, right? That money can be put in a high-yield savings account, which earns interest, right? And guess what? We're taxed on that interest, right? Unlike the IRA. We can go out and buy some ETFs or some stocks outside of our qualified retirement accounts.

Typically, these are called, like, brokerage accounts, right? So you could fund the annuity with those assets, okay? But a non-qualified annuity has different features for the beneficiary, okay? And this is what's really important to know about a non-qualified annuity. Let's say you put the $100,000 in the annuity, and you chose to defer it, okay?

And it grew to two hundred thousand, right? So you have 100,000 unrealized gain. Well, if you pass away and the value is two hundred thousand, your beneficiary is going to pay ordinary income tax on that gain, right? Which is vastly different from if they were to inherit your brokerage account, right?

Because the non-annuity assets that are also non-qualified would get a step-up in basis in today's world. So there is a cost of insurance, right? Yes. So again, another little nuance, but it's just really important that we're educated, right? That we're getting advised appropriately, that there is a lot that goes into these types of contracts.

Ashley Thomas: Yeah. I, I appreciate you going into that, John, because that was another question. You know, people wanted to know, especially with your last comment about once that annuity turns on, we're not turning it off. And so people are wanting to know, you know, what happens to that spouse or those children that might be there.

Is the annuity still a right fit? And so, you know, I, I, I really appreciate you bringing that up because this means that maybe we're not getting the answer completely from the webinar today, but now we're starting to think about the things that we need to have in mind as we're reviewing this with our financial advisor, as we're reviewing our financial plan to make sure that it actually fits.

Because again, it might not work for you. You know, based on the last webinar, John, I think a simple example of what an annuity might look like will help everyone because they really wanted to know how this would go into their expenses. So, uh, you know- Yeah ... John, can you tell us how we can kind of look through some of these expenses that we're looking at- Yeah

and how that annuity would help supplement?

John Lockwood: Sure. Yeah. And this is, um, this is, this is gonna be, I think, an, an easier way to kind of illustrate, right, where an annuity can fit inside of a well-thought-out financial plan, right? So, um, what we're looking at here, uh, is an individual, hypothetical example here, obviously, right, of someone who has roughly, you know, we'll just call it $6,000 of monthly expenses, right?

And it's really important to break out those expenses. Um, I just simply call it the have tos- ... and the want tos, right? And the have tos, more technically speaking, would be your non-discretionary expenses, right? These are things you have to pay for, right? We have to put a roof over our head. We've got to pay the energy bill.

We've gotta keep some food in the fridge, right? We've gotta pay our taxes. We have to have some insurances, right? There's some basic needs we have with technology, right, such as internet access. So y- these things could be categorized as the have tos, right? And then there's the want tos, right? We want to travel.

We want to go have breakfast, lunch, and dinner, and coffee with our friends and family. We

Ashley Thomas: want to enjoy retirement.

John Lockwood: We, we want to enjoy the fruits of our labor, right?

Ashley Thomas: Yeah.

John Lockwood: But those are not have tos, right? So it's really important to decipher parts of the budget, right? Because you have to then build your retirement strategy to make sure the have tos are taken care of.

So when the markets don't cooperate with our vision for retirement We may not necessarily have to continue to spend assets in areas that wouldn't be appropriate, right? So simply stated, the non-discretionaries, the have-tos need to be funded properly. And so on part of this illustration, we're gonna look at the income streams that are going to pay for these expenses, right?

Because again, that's what the retirement plan does. It develops a cash flow plan, right? And so if you look here, you'll see income such as Social Security, right? Pension income, maybe there's a rental property. So those are your consistent streams of income, right? But if you do the math, it's two thousand dollars in this example, but our needs, our have-tos are three thousand a month, right?

So now we have a gap, and the annuity can be used to fill that gap of making sure you have enough money to cover your obligations without overbuying the annuity. Right? Without overfunding, without sacrificing the things that the annuity doesn't cover, such as inflation protection, liquidity, and maybe some legacy aspects.

So here you'll see there's a annuity that's gonna provide a thousand dollars a monthly income to make sure this individual has their needs covered. Then they can allow their other assets, we'll call them four oh one Ks, IRAs, brokerage, th- the rest of the piles. Right now, those assets can go to work in the markets, taking on some level of risk to overcome inflation, right?

To provide liquidity, to have more efficient estate transfer So again, not an all or none decision, it's just breaking it down to say this would be a prudent way to consider, right, how an annuity might fit into someone's plan if they have this need.

Ashley Thomas: Right. And you know, the, the one thing that I really love that you brought up here, John, is the B word, budget.

Okay? A lot of people don't like it, but it's a really... It's so foundational. You know, I like to tell my plans, my participants, that's a skill. Knowing that number is going to carry you, and it gives you the confidence that you're making the right decisions. We have to know our numbers. This is why we've included a little budgeting worksheet in the handout section for you, so that knowing those numbers- Yes

you're able to make those perfect decis- decisions for you. And as you have to pivot, because you should have a relationship with your budget, you can adjust as you need to. But as you've said, John, that annuity is just shoring things up and making sure that they're actually getting their need tos handled.

And so I think this is a, a great time to really talk about that annuity versus retirement account because sometimes I think in these conversations people feel that it's either an annuity or it's that employer sponsored retirement account, and not necessarily a combination or using these two in tandem.

John Lockwood: Yeah. Yeah, I think it's great because, you know, i- in our minds, it's an and, right? We're gonna do this and this and this and this right there. There's several strategies to execute on a retirement plan, right? But I just wanna reemphasize that the numbers that you provide, one, to yourself and to your advisor, is the most important piece.

Because we can forecast, we can strategize, but if the numbers aren't true, then the recommendation isn't going to work, right? So that is the one thing that we really have to take ownership over is how much do I actually spend? And the way to do that is to go to your credit card statements, right? To go to your checking account, and you aggregate all of the spend.

Yes. And you go, "Okay, here's how much I spent in 2025. Here's how much I spent in 2024. Here's how much I spent in 2023." And you really wanna create a three to five-year average, right? Because some years you get those big expenses, right? Like the HVAC unit going out, right? Or the car repair, or, you know, the dental work.

You know, all of those, like, big expenses that can hit us. So to go back to your question, Ashley, you know, if you think about, you know, retirement assets, right, the annuity can be a piece of it, right? And there are some benefits such as peace of mind, right? Consistency, right? Uh, removing emotions, right, from the decision.

It can be very beneficial because what you're doing is you're transferring all of those risks to the insurance company for a cost. Right? Right.

Ashley Thomas: Reminder.

John Lockwood: So on the other side, right, what you're doing is you're saying, "Okay, now with these other assets, I'm gonna accomplish my liquidity needs," right? So this is talking about the IRAs, 401Ks, the non-annuities.

I have liquidity daily in these types of instruments, right? I may have some tax deferral

I may have market growth above inflation, real rates of return, right? That's your gross return that shows up on your statement, but you subtract inflation to get the real rate of return, and that's what's so important for retirees, real rates of return. That's growth, right? So you're not gonna get a lot of that inside of most of these annuity contracts, right?

And then again, we wanna look at that, uh, non-annuity asset to say, "What are the estate needs," right? "And what are my objectives?" And based on those objectives, right, your advisor can really craft a customized plan to say, "Well, y- you don't need an annuity at all." Or, "You know what? It might help improve your probability of retirement success if we have some guaranteed income."

Ashley Thomas: Yeah.

John Lockwood: That removes the volatility

Ashley Thomas: That's, that's really great information, John, and I, I hope everyone is hearing that. There's no specific answer to this. It's really about that honest assessment on where you are, and you really can use these two things to, I know that I need to make sure that those needs are taken care of, but I can still leverage all of these other assets to come up with a plan that's going to help me.

And so, you know, when, when are we considering annuities? I know another question that came up was, what age should I be looking at that? Now, from what you've said, that could depend on what someone has as their needs for their retirement plan. Uh, so John, can you kind of take us through some of these things?

John Lockwood: Yes. Yeah, and I think the other component that we haven't really spent a lot of time talking about today is someone's tolerance for risk, right? Because what you'll see here on the screen is that, you know, you may want to consider an annuity when you're nearing retirement, and again, you're at that stage to where you're getting pretty close to turning those assets into income, right?

And capital preservation, right, or security, right, or reducing volatility becomes a higher priority, right? So that always comes back to tolerance for risk, and it also comes back to asset location. So we would say that, you know, as kind of a general rule of thumb is, you know, folks who are, you know, early in their accumulation journey, right, you're under the age of 50, right, you may not need to look very hard at an annuity.

You need to look harder at growing your assets above inflation, right? Because you have time in the market, which is the key to building a balance sheet, is participating and having time for those assets to participate through the ups and downs of the market, which will deliver the average long-term rates of return, right?

So if you're really early in the retirement journey, probably not need to spend too much time on this. If you're nearing retirement, certainly want to understand does it fit, does it work, how much, and when?

Ashley Thomas: Yeah. Wow. I think, I think that takes us to the next part perfectly, John. You know, when won't an annuity work for someone?

John Lockwood: Yeah. Yeah.

Ashley Thomas: You know- I

John Lockwood: think that's

Ashley Thomas: great ... because we fleshed that out a little.

John Lockwood: So primarily, uh, I would say if somebody has their income needs, right, those non-discretionaries, right, the have tos, if those are covered, then you're probably good. Right. Also, if you just have a really high need for liquidity Annuity is probably not the right thing, right?

Because remember, you're engaging an insurance contract, and the first definition was an exchange of capital for income, right? That, that, that money is now tied up, not liquid,

Ashley Thomas: right?

John Lockwood: And don't get fooled. Some of the annuities out there will say, "Oh yeah, it's liquid. You, you can have access to it." Right? But there's a severe cost to that, right?

Which means your income is going to be reduced dramatically, right? So again, there's no, no kind of free lunch here. Um, that person who, regardless of age, is really primarily concerned with growing the assets

Insurance is expensive

Ashley Thomas: It is

John Lockwood: So that means it will reduce your rate of return because it's a cost, right? For folks who have a strong legacy focus, meaning maybe I don't need as much, quote-unquote, "guaranteed income," certain income, right? But I really just want to be mindful of leaving an inheritance.

Ashley Thomas: Okay.

John Lockwood: Then let's understand the pros and cons of the legacy part of an annuity, and they are not going to be as strong as non-annuity instruments, right? Because again, there's a insurance component to that.

Ashley Thomas: Yeah.

John Lockwood: So I, I think, you know, in just kind of looking at the slide here, I think we probably covered these.

Um, anything you feel like maybe we could touch more on, Ashley?

Ashley Thomas: No, John. You know, honestly, we're, we're almost at the end of the time together. Okay. Wow. And so, you know, for me, I, I, I know. It w- it went by so fast, you know? But I, I, I feel like what, what really you're emphasizing is that an annuity might work, and even with all of the things that we've considered, you still want to make sure that you know your numbers, that you're evaluating things to make sure that it works for you.

And luckily, you know, with CAPTRUST at work, your employer-sponsored benefit, you're able to have these conversations with us. You know, John, as we are winding down these last few moments, you all, this is our Ask CAPTRUST. It's a shorter webinar. We've informed this presentation based on the questions you submitted with your registration.

What's one final piece of advice you'd offer everyone to consider around retirement and annuities?

John Lockwood: Yes. Uh, first and foremost, make sure you get a second set of eyes on any annuity contract you're considering, okay? Because in this world of financial advice, there are fiduciaries and there are non-fiduciary advisors, okay?

So it's really important to understand if you're being presented with an annuity as a solution, right, have somebody else look at it. Make sure that you're getting unbiased information That will help you determine, am I being sold something, or is this person really acting in my best interest?

Ashley Thomas: Yes. Yes.

That is phenomenal, John, because part of that benefit with CAPTRUST is that we are fiduciaries. This is not something that we get to do optionally. It is a requirement that we are acting not only in the best interest of your plan, but in your best interest as a plan participant. John, thank you so much for coming on and having this conversation.

Uh, I can see from the reactions that everyone has enjoyed this so much. Listen, one thing that I want to point out is that there is an annuity reflection worksheet in your handout section. John and I went through that to make sure that you could think about the things that are important for your life to consider if an annuity is a great fit for you.

Listen, CAPTRUST would love to be able to have a conversation with you. I know that retirement and thinking about all of these things can be overwhelming, but you're so capable, and we're so happy to have a conversation with you and make sure that you understand your options. So please don't hesitate to reach out to our advice desk.

You can reach us by phone. That number is one-eight hundred-nine-six-seven-nine-nine-four-eight, or you can go onto our website, captrustatwork.com, and schedule that appointment by clicking on that button in the upper right-hand corner. We're so grateful that you could join us this afternoon, and we hope that you have an amazing rest of your day, a phenomenal rest of your week.

And until we talk to you next time, please take care and stay safe. Thank you so much, everyone, and thank you, John. Have a great day.

John Lockwood: Thank you

all. Take care.