



Fidelity National Financial

Investor Update

Summer 2026

Disclaimer

This presentation contains forward-looking statements that involve a number of risks and uncertainties. Statements that are not historical facts, including statements regarding our expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to: changes in general economic, business, political crisis, war and pandemic conditions, including ongoing geopolitical conflicts; consumer spending; government spending; the volatility and strength of the capital markets; investor and consumer confidence; foreign currency exchange rates; commodity prices; inflation levels; changes in trade policy; tariffs and trade sanctions on goods; trade wars; supply chain disruptions; weakness or adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding or a weak U.S. economy; our potential inability to find suitable acquisition candidates; our dependence on distributions from our title insurance underwriters as a main source of cash flow; significant competition that F&G and our operating subsidiaries face; compliance with extensive government regulation of our operating subsidiaries, including regulation of title insurance and services and privacy and data protection laws; systems damage, failures, interruptions, cyberattacks and intrusions, or unauthorized data disclosures; and other risks detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of FNF's Form 10-K and other filings with the Securities and Exchange Commission.

Non-GAAP Financial Measures

Generally Accepted Accounting Principles (GAAP) is the term used to refer to the standard framework of guidelines for financial accounting. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements. In addition to reporting financial results in accordance with GAAP, this presentation includes non-GAAP financial measures, which the Company believes are useful to help investors better understand its financial performance, competitive position and prospects for the future. These non-GAAP financial measures include, adjusted net earnings per share, adjusted pre-tax title earnings, adjusted pre-tax title earnings as a percentage of adjusted title revenue (adjusted pre-tax title margin), adjusted net earnings attributable to common shareholders (adjusted net earnings), assets under management (AUM), average assets under management (AAUM) and sales.

Management believes these non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Our non-GAAP financial measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP financial measures in the same manner as we do.

The presentation of this financial information is not intended to be considered in isolation of or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. By disclosing these non-GAAP financial measures, FNF believes it offers investors a greater understanding of, and an enhanced level of transparency into, the means by which the Company's management operates the Company.

Any non-GAAP financial measures should be considered in context with the GAAP financial presentation and should not be considered in isolation or as a substitute for GAAP net earnings, net earnings attributable to common shareholders, net earnings per share, or any other measures derived in accordance with GAAP as measures of operating performance or liquidity. Further, FNF's non-GAAP financial measures may be calculated differently from similarly titled measures of other companies. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are provided herein.

FNF Overview

Industry Leading Insurance Solutions Company

Strong track record of technology innovation, market share growth, best in class margins & shareholder value creation

- FNF holds #1 market share in the title insurance industry; #1 or #2 share in 40 states
- F&G is a Top 10 fixed indexed annuity writer in the industry; well-positioned with diversified growth strategy

Title Insurance

FNF is the leading provider of title insurance and settlement services to the real estate and mortgage industries

Mortgage & Real Estate Services

Various mortgage and real estate services companies that provide solutions that complement our title insurance business

Real Estate Technology

Industry leading smart title automation, closing, title, and escrow systems, digital mortgage solutions, real estate marketing and CRM software, and the first end-to-end real estate experience platform

Annuities & Life Insurance

Our majority-owned subsidiary, F&G is a leading provider of insurance solutions serving retail annuity & life customers and institutional clients

\$4.1B Total Revenue¹ | 32% Title Market Share | ~1,300 Direct Title Offices | ~25,000 Employees
Fortune Ranked 311 (NYSE: FNF)² | FNF Market Capitalization \$12.7B² | FG Market Capitalization \$3.5B (~72% owned)²

Source: ALTA U.S. Market Share and Wink's Annuity Sales & Report for FY2025

¹Reflects Total Revenue for 2Q26

²As of 6/30/26

Compelling Investment Case for FNF

Strategically Positioned for Long-Term Growth

Nationwide market leader in attractive and growing sectors



Sustainable Competitive Advantages

Structural advantages offer differentiated value proposition



Disciplined and Profitable Growth

Scale and best-in-class margins generate industry leading performance



Strong Capitalization Supports Growth

Solid balance sheet with financial flexibility for continued growth



Focus on Shareholder Value Creation

Track record of consistent long-term value creation



Title Segment Well-Positioned For Growth

Sustainable competitive advantages strategically position FNF for long-term growth

Strategically Positioned For Long-Term Growth

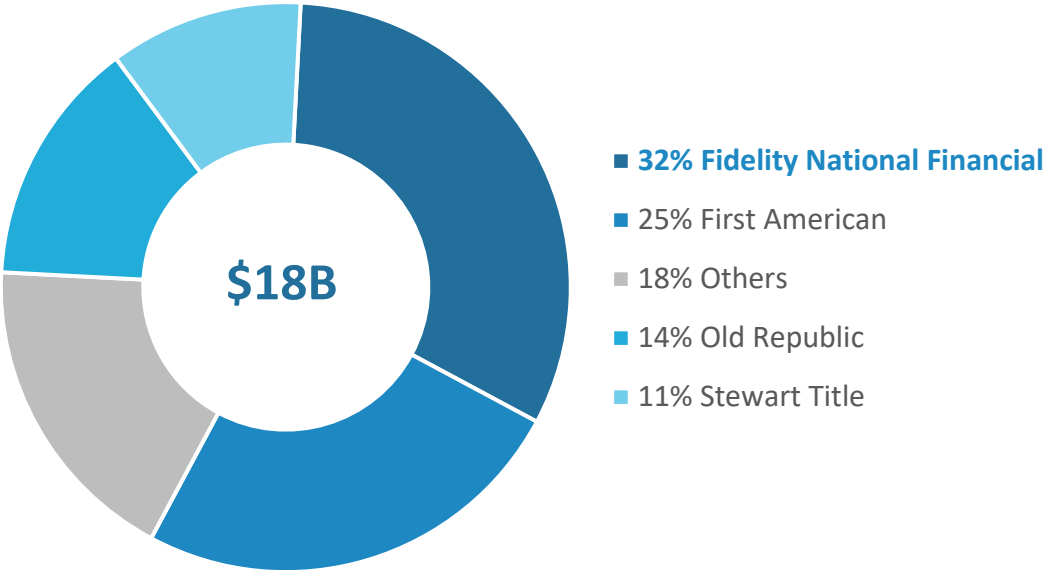
Sustainable Competitive Advantages



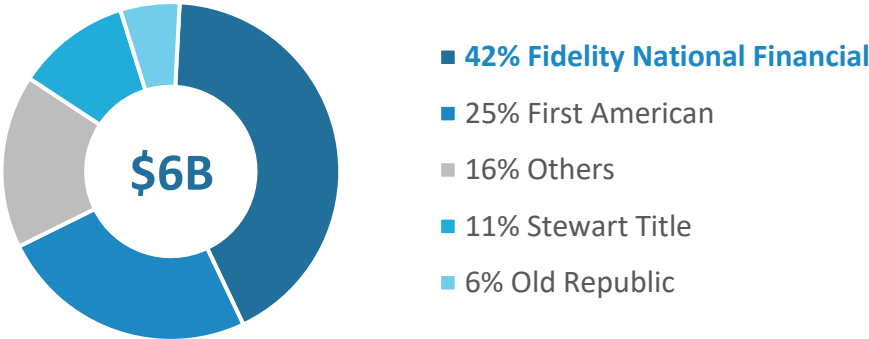
Title: #1 Market Leader Provides Scale Advantage

FNF consistently holds top market share in residential purchase, refinance and commercial markets

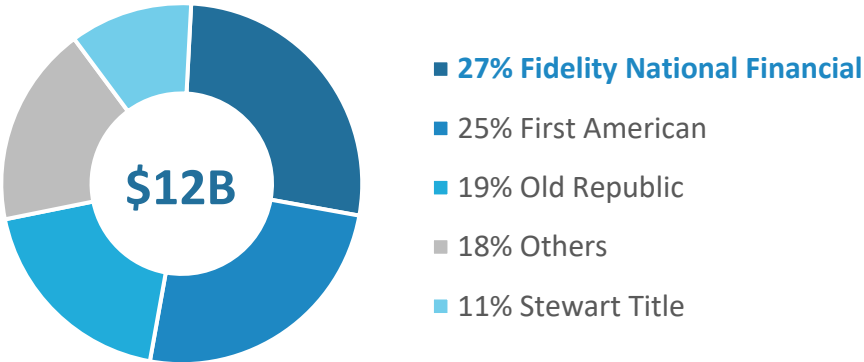
Total



Direct



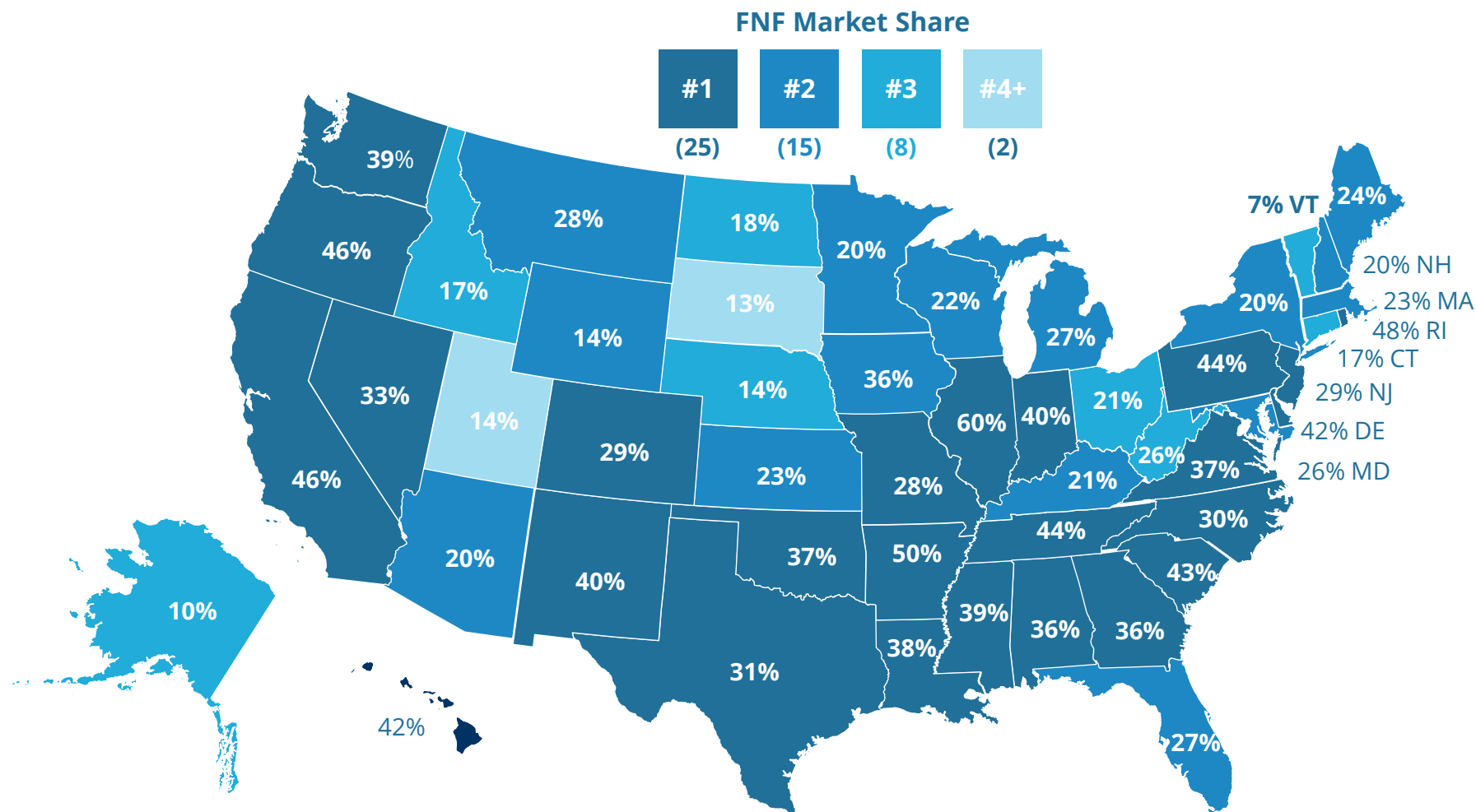
Agent



Source: ALTA Market Share Report FY2025 – U.S. Market Share Only

Title: Overall Market Share By State

FNF holds #1 or #2 share in 40 states ... continue to maintain strong local market presence



Source: ALTA Market Share – FY2025

Title: Proven “Go-to-Market” Approach

Nationwide footprint with dominant local market share

- Unique national and local, multi-brand strategy drives market share, profitability, and preserves value of acquisitions
- Core title business complemented by ancillary real-estate related businesses
- Scale and volume drive revenue and reduce costs



Title: Technology Driven Innovation, Growth & Efficiency

Significant investments in acquiring, developing, and enhancing technology for ourselves and our customers

Title Automation
Technology & Deep Real
Estate Data



Millions of automated
title decisions annually

Title, Settlement and
Digital Mortgage
Solutions



Leading technology
solution provider to
industry title agents and
centralized platform

Agent Marketing, CRM,
and Transaction Mgt



Used by hundreds of
thousands of real
estate agents and
millions of consumers

End-to-End Real Estate
Experience Platform



Nearly 2.8M unique
users in 2025 managing
transactions through
the inHere platform

Title: Disciplined Operating Strategy

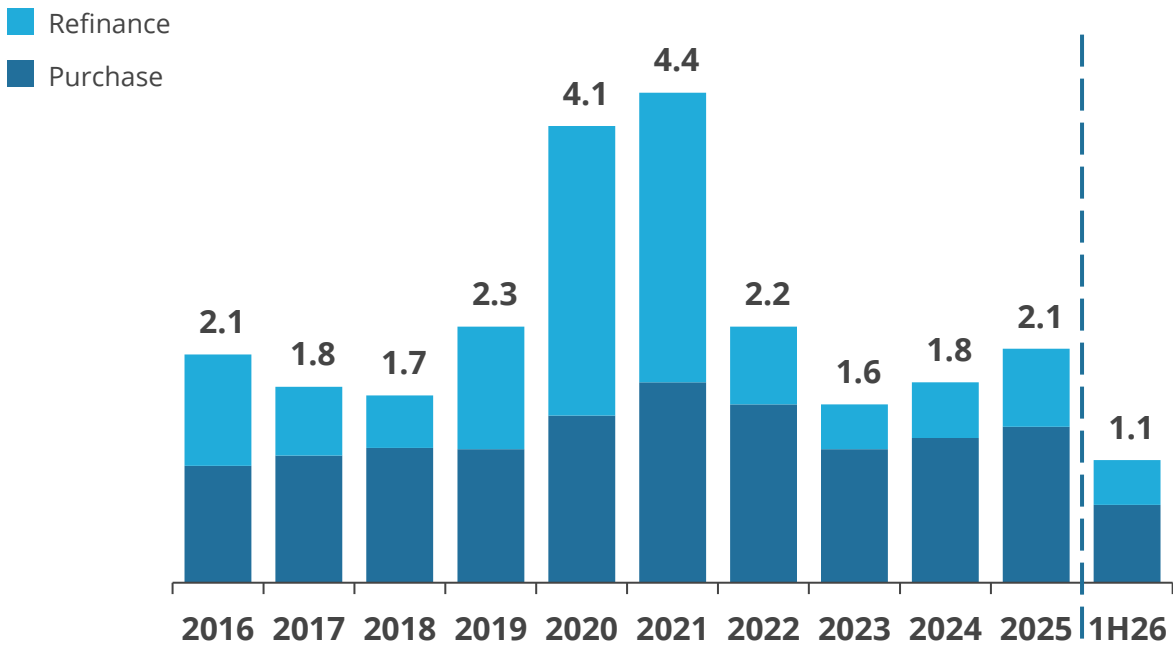
FNF's operating discipline and investment in data, automation and integrated technology is reflected in our margins

- ✓ **We manage the business to the trend in opened and closed orders, adjusting our headcount and footprint accordingly**
 - React quickly, utilize the “order lag” to our advantage
 - Slow to add headcount when volumes improve; swiftly reduce headcount as order volumes decline
 - We view a “normalized” adjusted pre-tax title margin of 15% to 20%, on an annual basis, as a good rule of thumb; although we are not in a normal market at this time due to the low residential purchase and refinance volumes
- ✓ **We remain bullish on the real estate market and continue to invest in the business for long term growth, all while maintaining industry leading margins**
 - Recruiting top talent
 - Making strategic acquisitions to amplify the Title and real estate related businesses
 - Continuing to develop and invest in technology
- ✓ **We have been investing in our business and developing premier technology for decades**
 - Over the last decade, we pioneered instant decisioning and automated underwriting without diminishing the coverage or value of our insurance product and migrated to a consistent operating platform
 - In recent years, we have significantly enhanced the customer experience with our proprietary inHere digital platform, while mitigating risk and fraud
 - We believe FNF is uniquely positioned to benefit from advances in AI, given our scale, proprietary data, embedded workflows and financial strength, enabling us to not only remain an industry leader, but also lead innovation in a way that continues to protect our customers

Title: Operating Performance

FNF has a long history of generating strong margins across varying market cycles

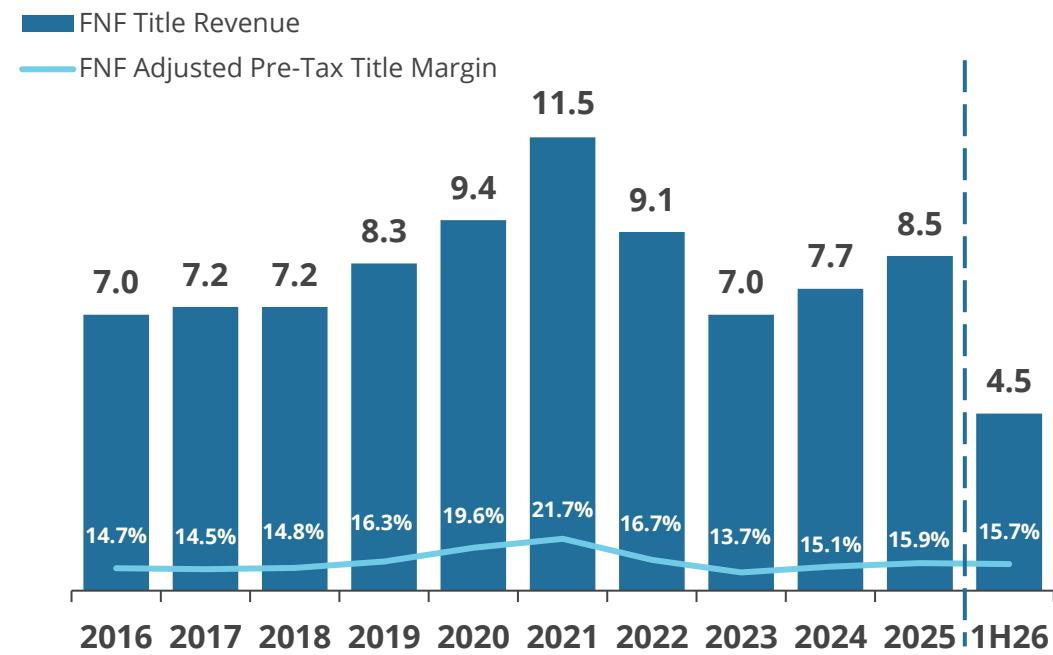
Industry Mortgage Originations (\$Trillions)



MBA 30-Yr Mortgage Rate	3.6%	3.9%	4.8%	3.7%	2.8%	3.1%	5.3%	6.8%	6.7%	6.6%	6.3% ¹
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¹MBA July 2026 Housing Forecast

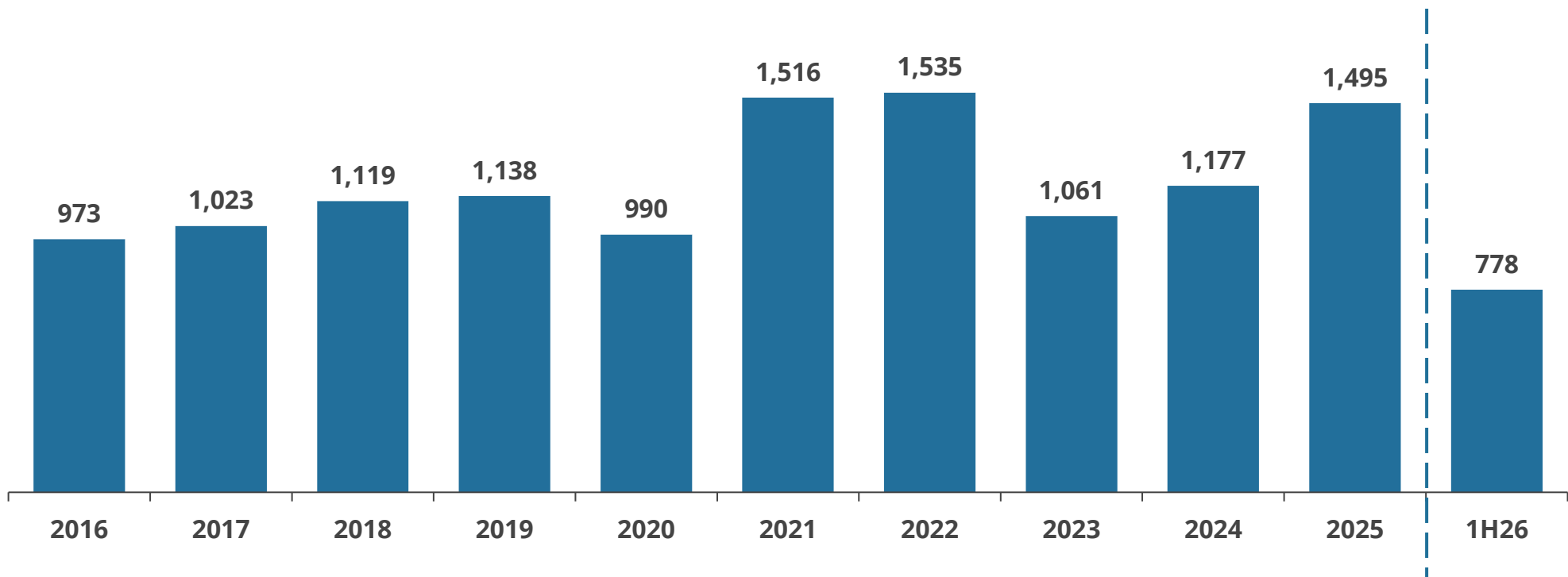
FNF Title Revenue (\$B) | Margin %



Title: Continued Strength in Commercial Real Estate

Commercial revenue is very strong and on track for a potentially record year; driven by higher national & local revenues

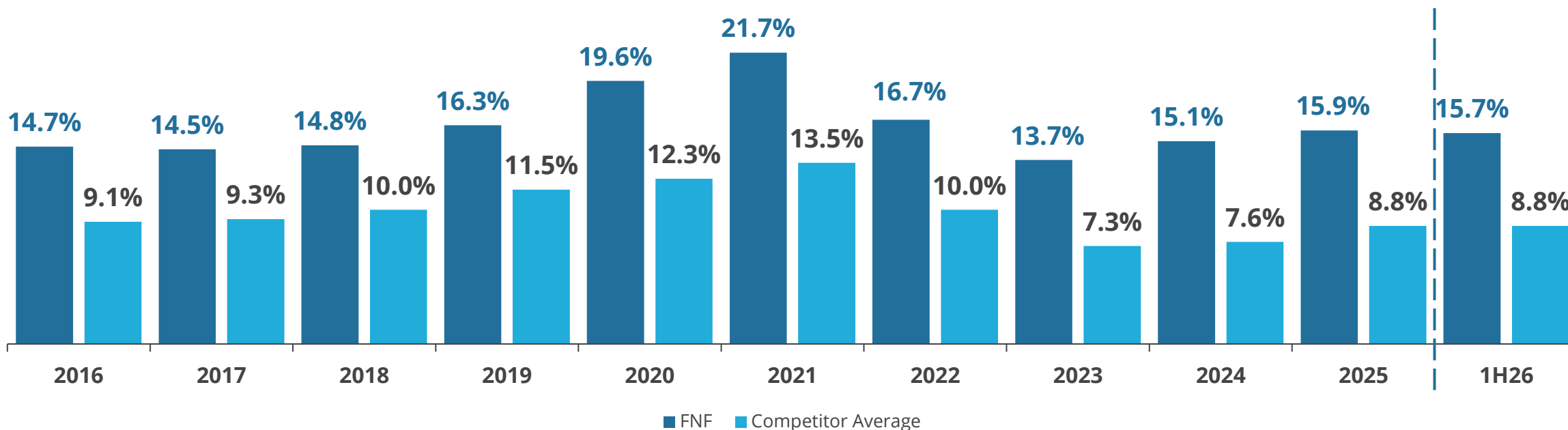
FNF Commercial Revenue (\$M)



Title: Competitive Advantages Drive Leading Margin

FNF has consistently delivered industry leading adjusted pre-tax title margins through peak and challenging market cycles

- **FNF margins in future market peaks and challenges expected to be higher relative to historic averages in comparable market conditions**
 - Powered by scale and decades of automation, innovation, and productivity improvements
 - Sustained by competitive advantages and disciplined operating strategy



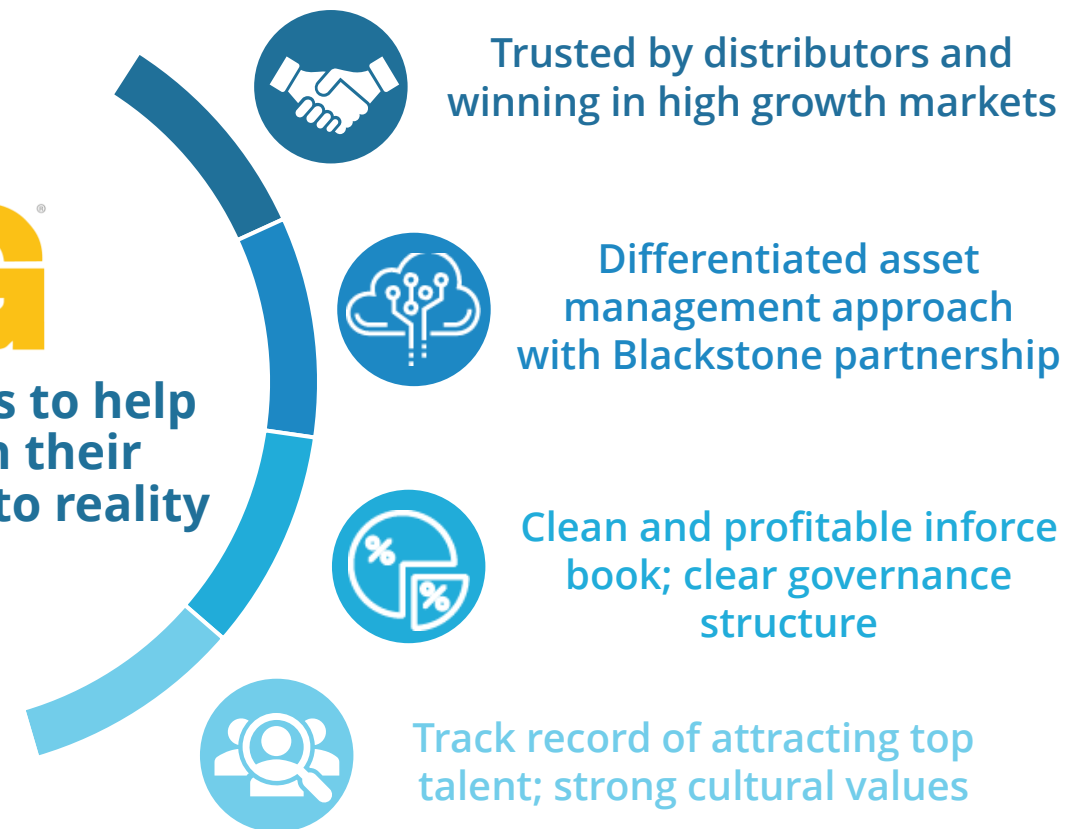
F&G Segment Well-Positioned For Growth

F&G, our majority-owned subsidiary, is a nationwide market leader for insurance solutions to retail annuity and life customers and institutional clients

Strategically Positioned For Long-Term Growth



Sustainable Competitive Advantages

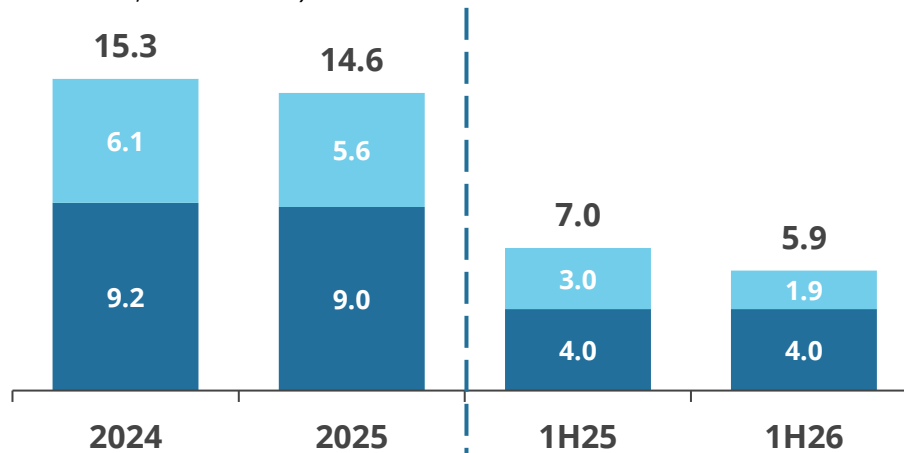


F&G Segment: Gross Sales Trend

F&G's 1H26 sales reflect capital allocation to the highest returning opportunities

Gross Sales (\$B)

- Opportunistic (MYGA and Funding agreements)
- Core (Indexed annuities, IUL and PRT)



Net Sales (\$B) ¹	10.6	10.0	4.9	3.7
AUM (\$B)	53.8	57.6	55.6	55.9
AUM (\$B) before reinsurance	65.3	73.1	69.2	74.7

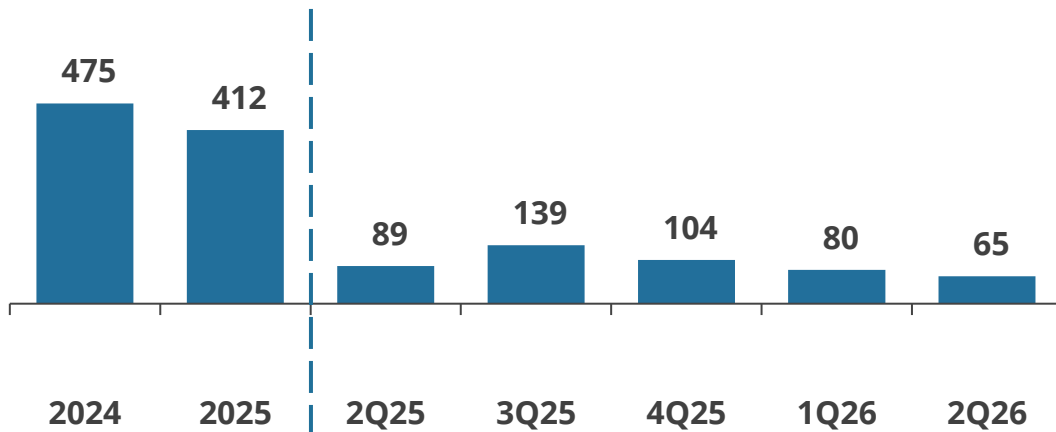
- F&G, our majority-owned subsidiary, is a well-diversified and leading provider in retail and institutional markets
- AUM before reinsurance** of \$74.7B, ↑ 8% vs. PY; this includes retained AUM of \$55.9B, ↑ 1% vs. PY
- Gross sales** of \$5.9B in 1H26; continue to prioritize pricing discipline and capital allocation to the highest return opportunities for core vs. opportunistic sales

¹Net Sales retained reflect flow reinsurance to third parties, including the reinsurance sidecar

F&G Segment: Adjusted Net Earnings Trend

F&G Segment contributed 23% of FNF's adjusted net earnings in 1H26

Adjusted Net Earnings (ANE) (\$M)^{1,2,3}



- **2Q26 ANE of \$65M** reflects consistent core spread as the business managed disciplined pricing
 - Investment income from alternative investments was \$35M below management's current long-term expected return of approximately 12% in 2Q26
- **2Q26 ANE vs. 2Q25** also reflects lower total product margin after reflecting the F&G Life Re (Bermuda) sale, as well as lower surrender charge fee income and higher other liability costs, as expected; these items were partially offset by asset growth, steady fees from flow reinsurance and owned distribution margin, and disciplined expense management driving scale benefit

¹See "Non-GAAP" definitions in the Appendix

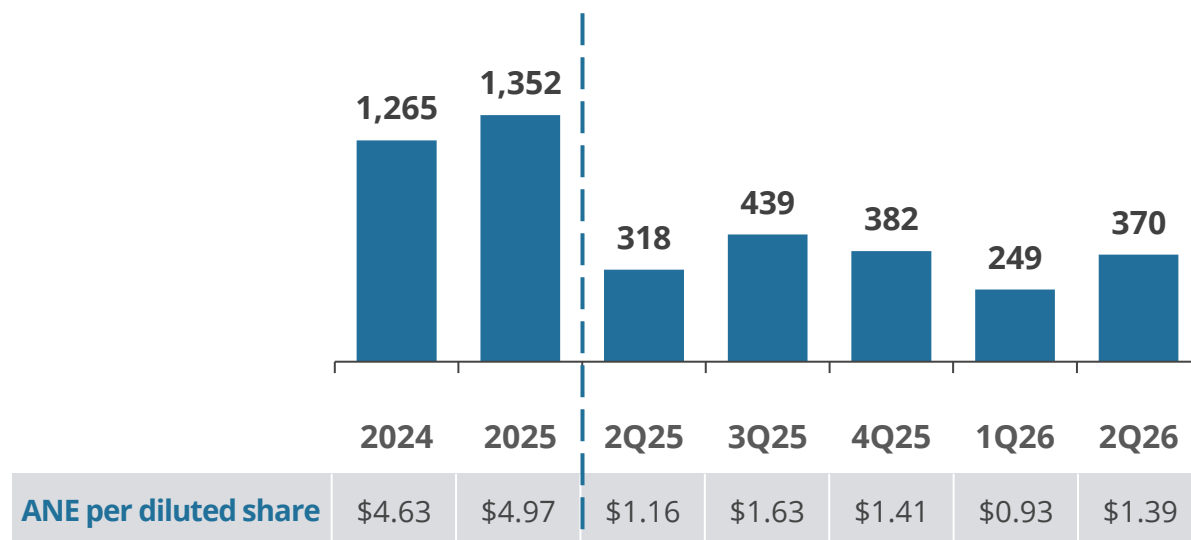
²F&G Segment reported net of noncontrolling minority interest

³ANE reflects FNF's 72% ownership stake in 2Q26 vs. 82% ownership stake in 2Q25

FNF Adjusted Net Earnings Trend

Reported ANE includes strong Title Segment earnings and F&G segment earnings at varying % ownership stakes²

Adjusted Net Earnings (ANE) (\$M)^{1,2}



- **FNF consolidated ANE of \$370M**, or \$1.39 per diluted share for 2Q26, ANE ↑ 16% vs. 2Q25
 - Title Segment: \$339M in 2Q26, ↑ \$79M vs. 2Q25
 - F&G Segment: \$65M in 2Q26, ↓ \$24M vs. 2Q25
 - Corp. Segment: (\$34M) in 2Q26, ↓ \$3M vs. 2Q25
 - Corporate Segment adjusted net loss was \$6M in 2Q26, before eliminating dividend income from F&G in the consolidated financial statements, compared with adjusted net loss of \$3M in 2Q25

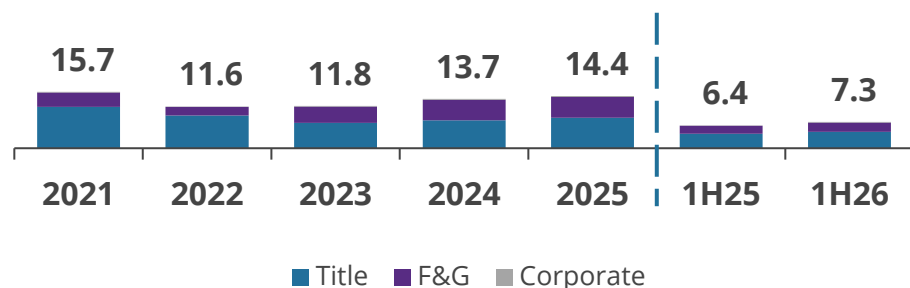
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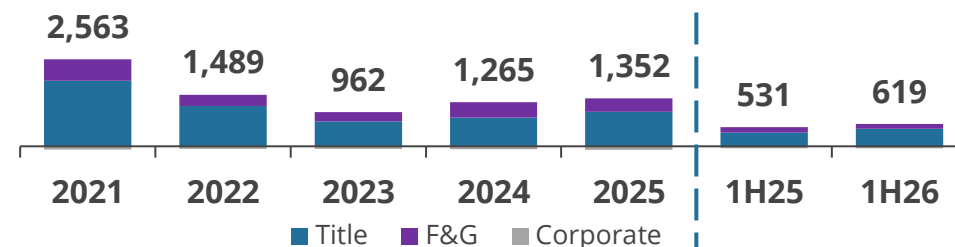
FNF's Disciplined and Profitable Growth

Record 2021 above historic trends; 1H26 results reflect strong performance across the business

Total Revenue (\$B)

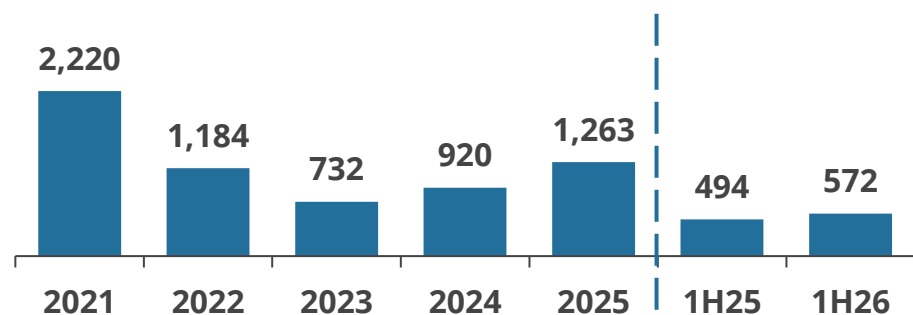


Adjusted Net Earnings (\$M)¹

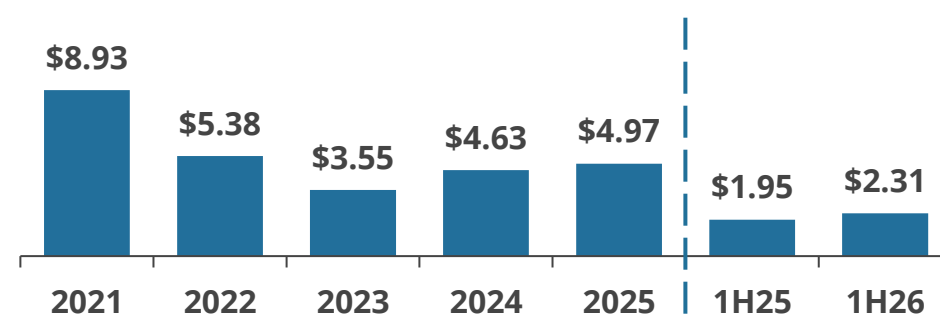


% F&G Segment	26%	23%	30%	38%	30%	32%	23%
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Net Cash From Operations (\$M) (ex F&G)



Adjusted Net Earnings Per Share (Diluted)

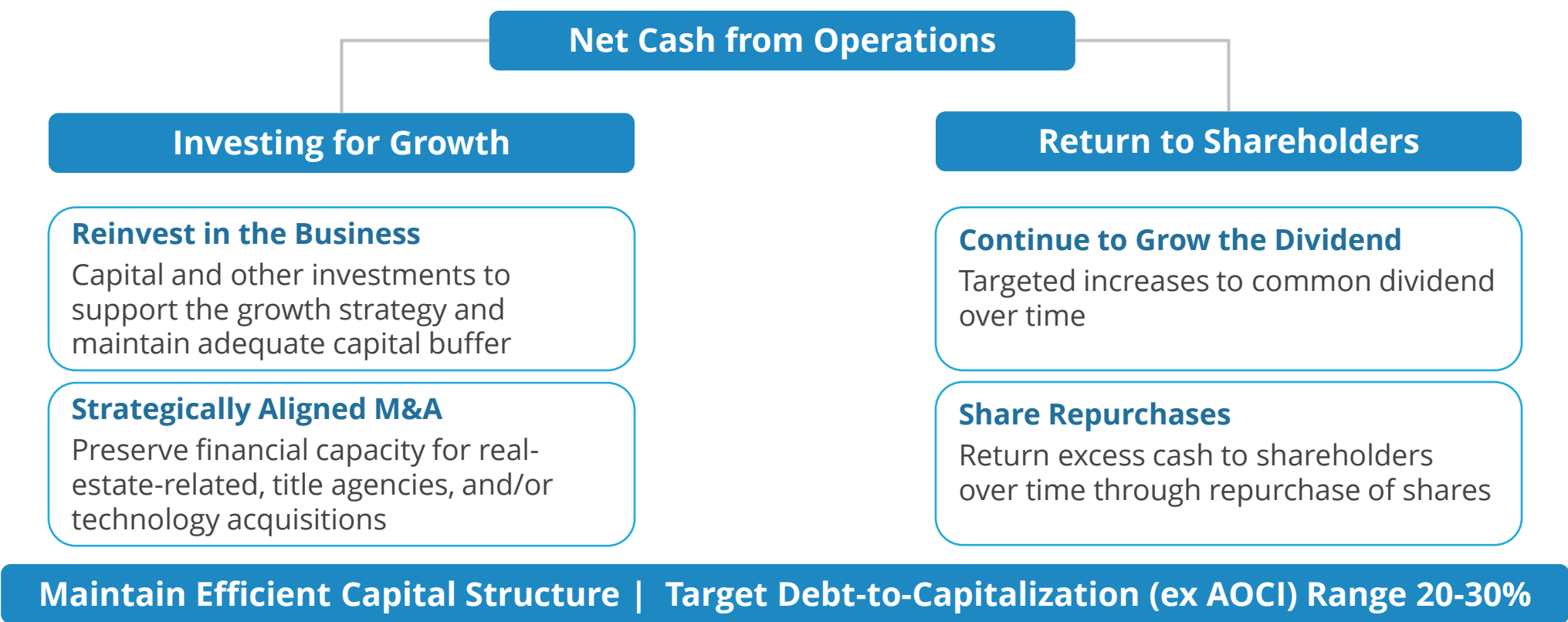


¹F&G Segment reported net of noncontrolling minority interest

Strong Capitalization Supports Growth

Balancing financial flexibility and efficient capital structure

- FNF's capital allocation priorities are focused on deploying capital to best maximize shareholder value through both continued investment in our business and return of capital to shareholders

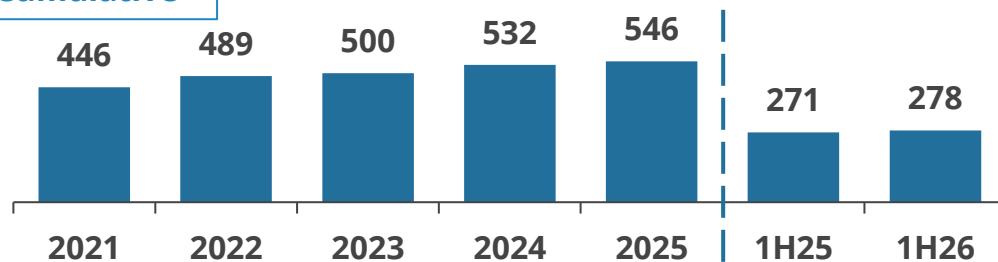


Dividends and Share Repurchases

Solid balance sheet with financial flexibility to continue strategic investments and return capital to shareholders

Common Dividends (\$M)

\$2.5B Cumulative¹



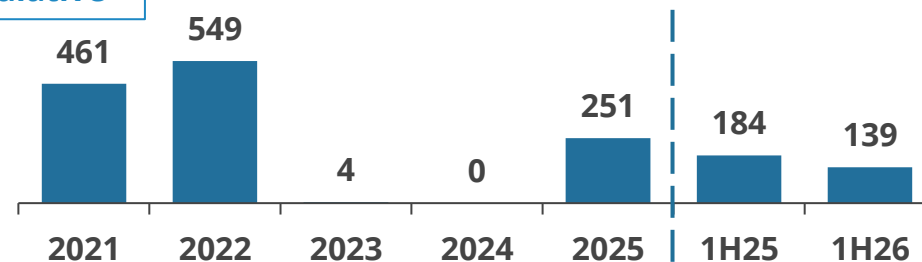
Dividends
per share

\$1.56	\$1.77	\$1.83	\$1.94	\$2.02	\$1.00	\$1.04
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- FNF's ~\$560M annual dividend viewed as sustainable
- Dividend is reviewed quarterly and expected to increase over time, subject to cash flows, alternative uses of capital and market conditions

Share Repurchases (\$M)

\$1.3B Cumulative¹



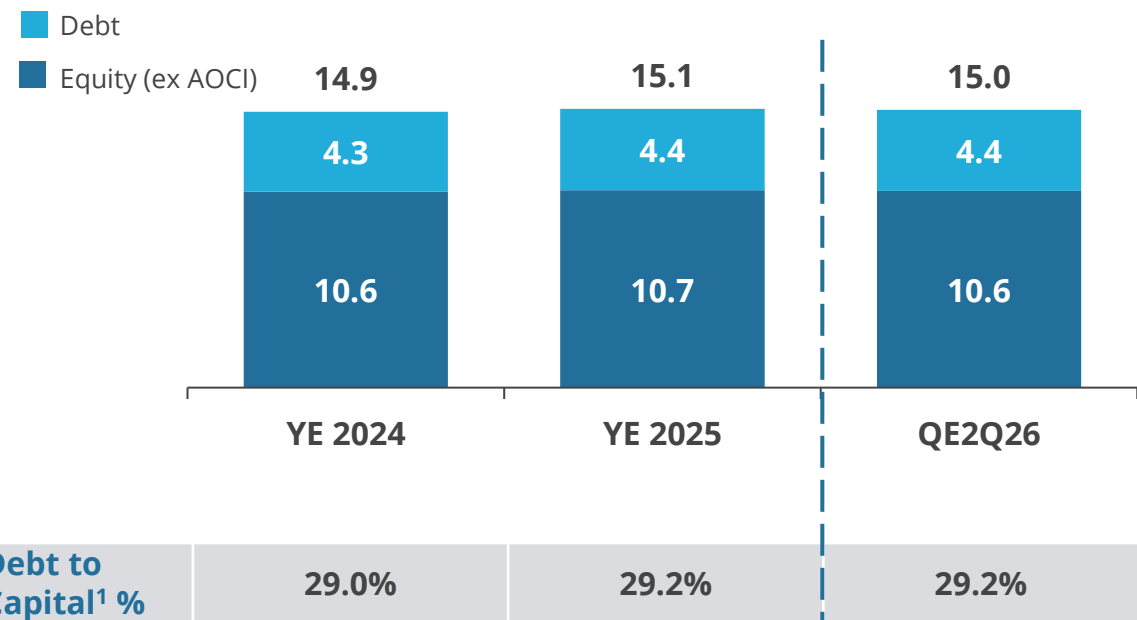
- Share repurchases are dependent on capital levels, alternative uses of capital and market conditions
- Share repurchases relaunched in early 2025, following pause in early 2023 due to market uncertainty

¹Cumulative reflects 2021-2025 annual periods

Financial Flexibility: Debt-to-Total Capital

As of June 30, 2026

GAAP Capitalization ex AOCI¹ (\$B)



- Maintaining strong balance sheet; focused on a balanced capital allocation strategy
- 2Q26 debt-to-capitalization ratio ex AOCI of 29.2%; within targeted range of 20% to 30%
- Holding company cash and short-term investments of \$457M as of June 30, 2026

¹Excluding accumulated other comprehensive income (ex AOCI)

Financial Overview

2Q26 Results

Second Quarter Financial Highlights

Outstanding results and execution; industry leading adjusted pre-tax Title margin and record AUM from F&G

(\$M) - except per share data	Quarterly		Year-to-Date	
	2Q25	2Q26	1H25	1H26
Total revenue	3,635	4,051	6,364	7,277
F&G AUM before reinsurance	69,161	74,687	69,161	74,687
F&G assets under management (AUM)	55,565	55,868	55,565	55,868
F&G gross sales	4,106	2,719	7,008	5,892
F&G net sales	2,744	1,464	4,925	3,709
Total assets	102,331	114,528	102,331	114,528
Adjusted pre-tax title margin	15.5%	17.8%	13.8%	15.7%
Net earnings (loss)¹	278	288	361	531
Net earnings (loss) per diluted share¹	1.02	1.08	1.32	1.98
Adjusted net earnings¹	318	370	531	619
Adjusted net earnings per share¹	1.16	1.39	1.95	2.31

¹F&G Segment reported net of noncontrolling minority interest

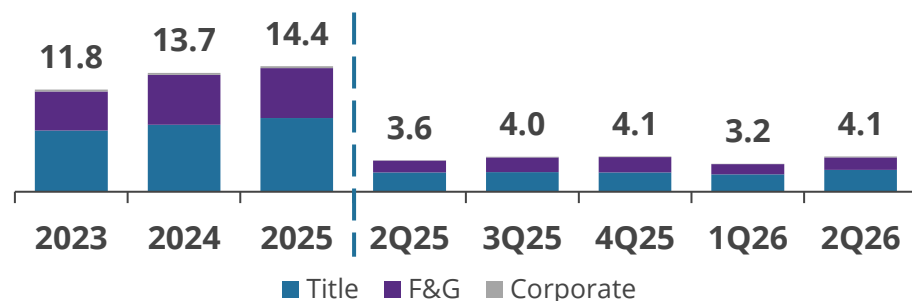
1H26 highlights (comparisons to PY)

- **Total revenue** of \$7.3B in 1H26 vs. \$6.4B in 1H25 driven by continued strong performance across the business, highlighted by strength in our commercial, residential and agency businesses, as well as F&G pension risk transfer premiums which vary quarter over quarter
- **F&G AUM before reinsurance** of \$74.7B at QE 2Q26, ↑ 8% vs. QE 2Q25; growth aligned with disciplined sales and capital allocation to highest return opportunities. Gross sales of \$5.9B in 1H26 were comprised of \$4.0B core sales and \$1.9B opportunistic sales
- **Industry leading adjusted pre-tax title margin** of 15.7% in 1H26 vs. 13.8% in 1H25; highlights our ability to execute in dynamic market conditions
- **Strong balance sheet with ample deployable capital in challenging market;** \$457M in holding company cash and short-term investments at June 30, 2026

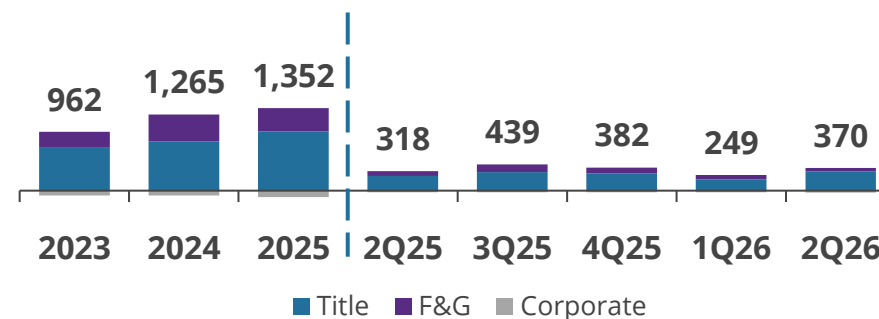
Financial Trends – Rolling 5 Quarters

Our combined business delivered strong results for 2Q26, including robust net cash from operations (ex F&G)

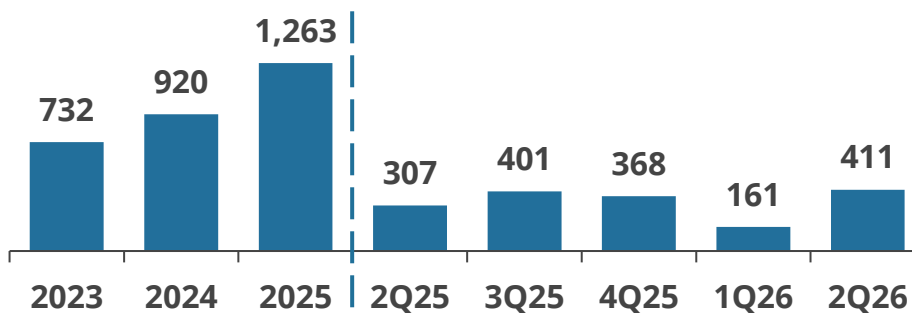
Total Revenue (\$B)



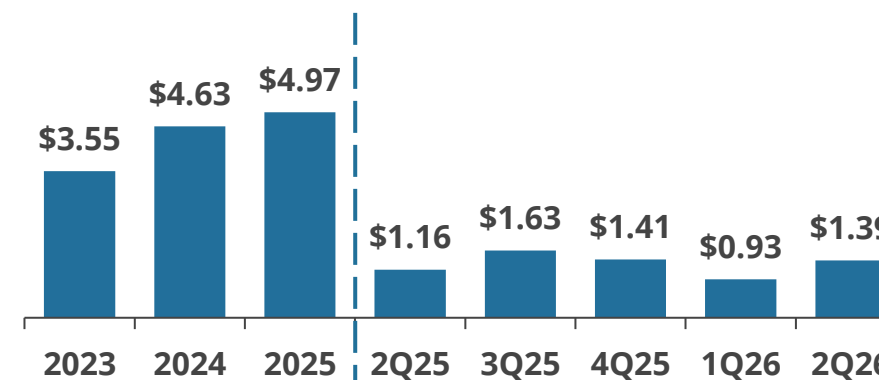
Adjusted Net Earnings (\$M)¹



Net Cash From Operations (\$M) (Consolidated ex F&G Segment)



Adjusted Net Earnings Per Share (Diluted)

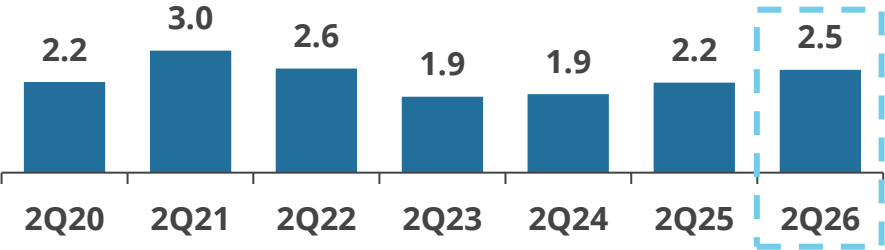


¹F&G Segment reported net of noncontrolling minority interest

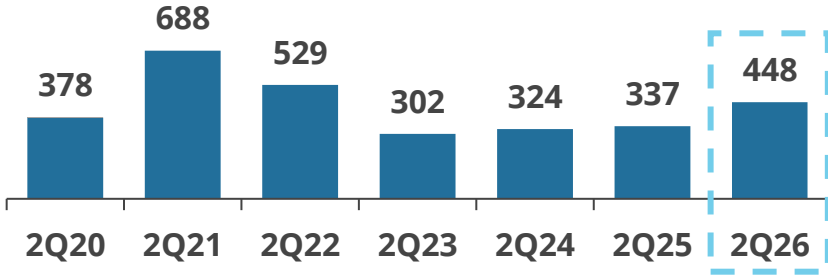
Financial Trends – Historical Trend for Q2

Our Title business generated strong performance in 2Q26, as well as disciplined expense management

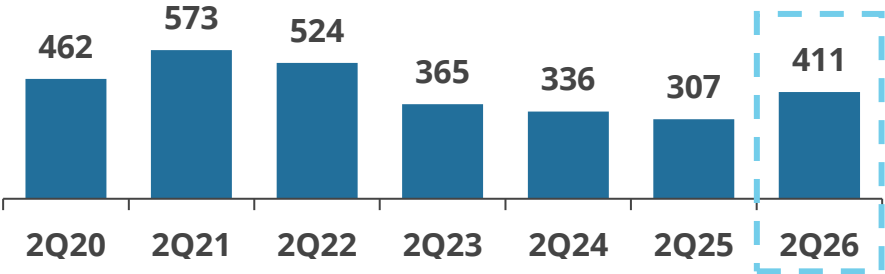
Total Revenue (\$B)
(Title Segment Only)



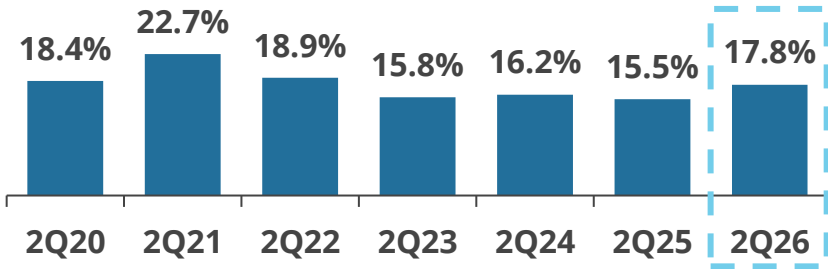
Adjusted Pre-Tax Earnings (\$M)
(Title Segment Only)



Net Cash From Operations (\$M)
(Consolidated ex F&G Segment)



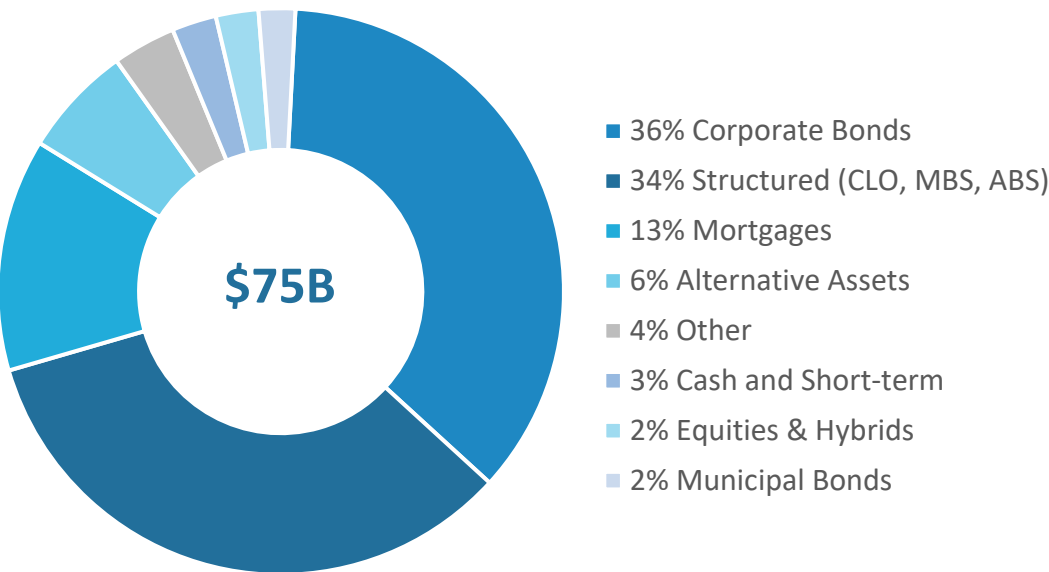
Adjusted Pre-Tax Title Margin
(Title Segment Only)



Total Invested Assets Overview

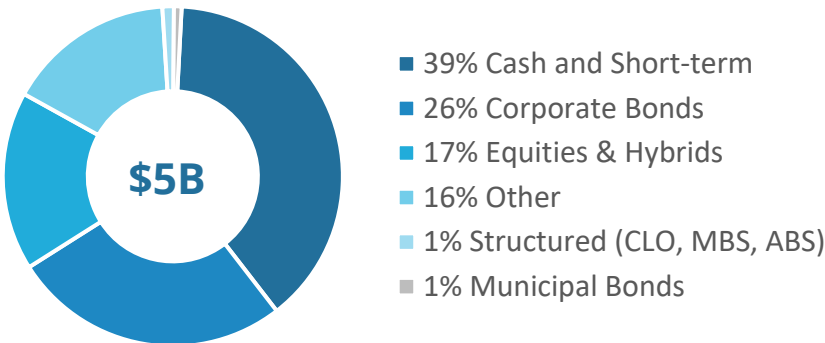
As of June 30, 2026

Consolidated Investment Portfolio



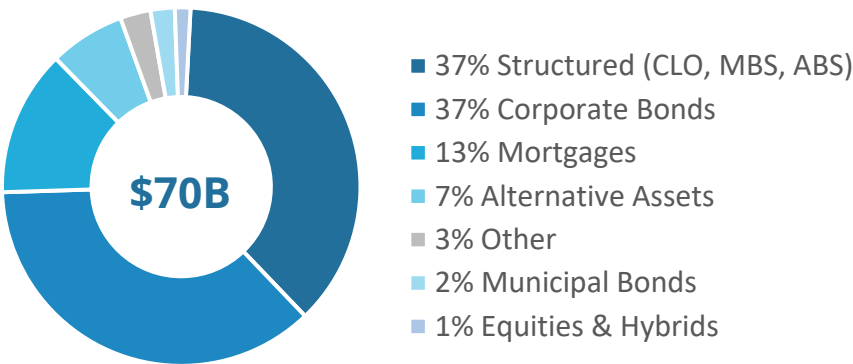
Investment Portfolio ex F&G

Average credit quality: A1 (Moody's or equivalent rating)



F&G Investment Portfolio

Average credit quality: NAIC 1.4

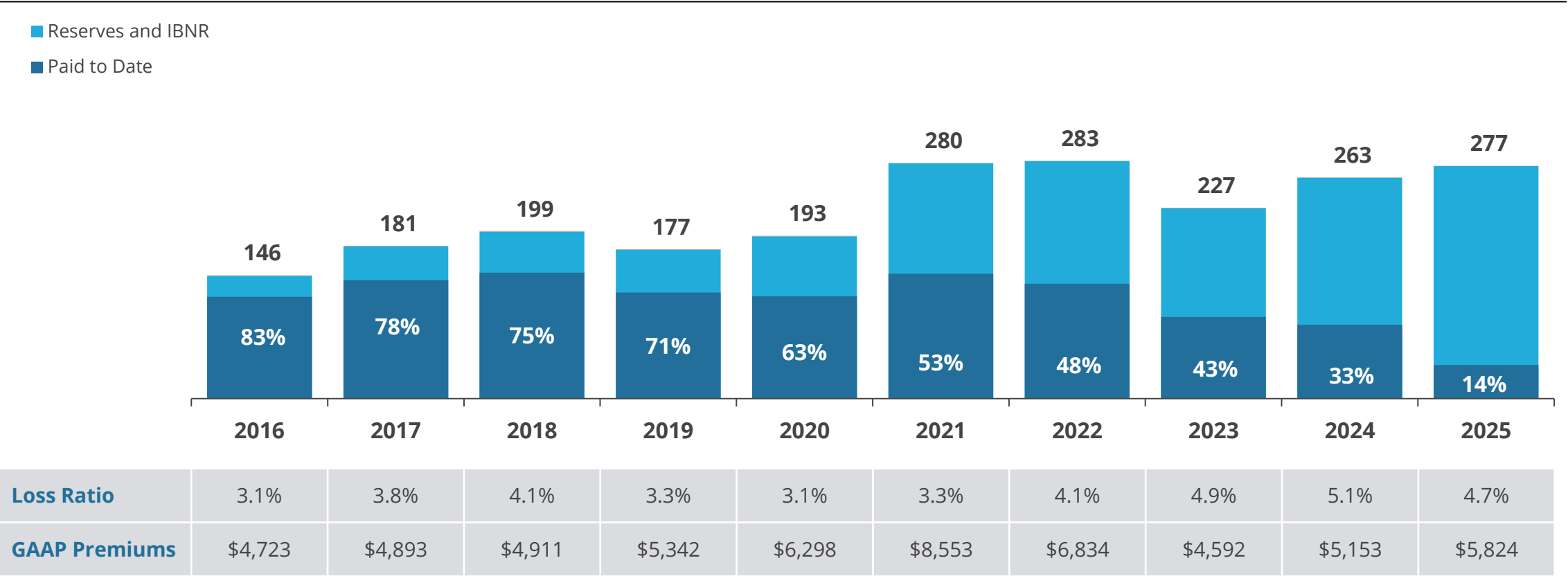


Title Claims/Reserves

Rolling Historic Ten Years

Estimated Policy Year Completion

Ultimate Loss 2016 to 2025 (\$M)



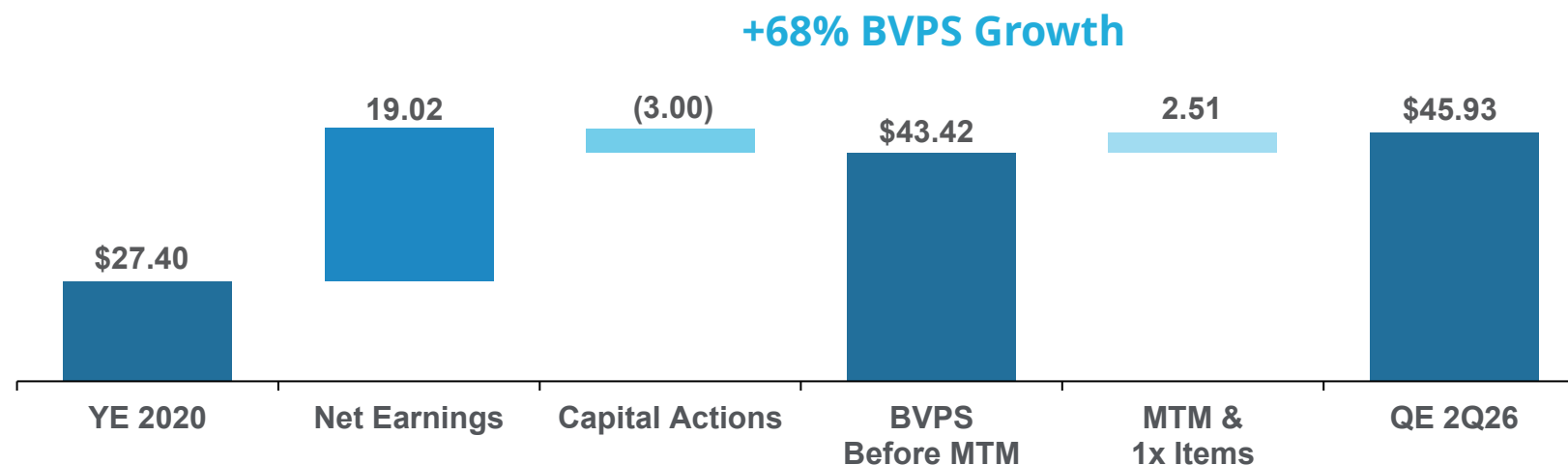
Appendix

F&G¹ Has Generated Sustainable Returns

Since FNF acquired F&G in 2020, F&G's strong earnings generation combined with balanced capital allocation have been driving steady BVPS growth, before mark-to-market movements which are unrealized and point in time

Book Value Per Share (BVPS) ex AOCI²

Cumulative period from YE 2020 to QE 2Q26



¹100% F&G standalone (NYSE: FG); additional details available in F&G's Summer 2026 Investor Presentation available at <https://investors.fglife.com>

²Calculated as F&G equity attributable to common shareholders ex AOCI divided by common shares outstanding; effect of LDTI and actuarial system conversion reflected in 1x items

Non-GAAP Measure Reconciliations

Reconciliation from Net Earnings (Loss) Attributable to Common Shareholders to Adjusted Net Earnings (Loss)

	Twelve Months Ended		Three months ended				
	December 31, 2024	December 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026
<i>\$ millions, except per share data</i>							
Net earnings (loss) attributable to common shareholders	\$1,270	\$602	\$278	\$358	(\$117)	\$243	\$288
Pre-tax earnings (loss) from continuing operations	1,742	1,397	382	453	451	498	338
Non-GAAP Adjustments							
Recognized (gains) and losses, net	28	250	32	103	62	(117)	147
Market related liability adjustments	(214)	28	(16)	(37)	(22)	(37)	(10)
Purchase price amortization	153	146	33	45	36	27	28
Transaction and other costs	28	20	12	6	1	5	14
Adjusted pre-tax earnings (loss)	1,737	1,841	443	570	528	376	517
Total non-GAAP, pre-tax adjustments	(5)	444	61	117	77	(122)	179
Income taxes on non-GAAP adjustments	1	(95)	(12)	(26)	(17)	34	(34)
Deferred tax asset valuation allowance	(4)	(22)	5	2	(30)	18	(11)
Distribution of F&G deferred tax adjustment	-	471	-	-	471	-	-
Tax expense related to change in FG tax basis	-	-	-	-	-	39	(4)
Non-controlling interest on non-GAAP adjustments	3	(48)	(14)	(12)	(2)	37	(48)
Total non-GAAP adjustments	(5)	750	40	81	499	6	82
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$1,265	\$1,352	\$318	\$439	\$382	\$249	\$370
Adjusted EPS attributable to common shareholders - diluted	\$4.63	\$4.97	\$1.16	\$1.63	\$1.41	\$0.93	\$1.39
Other considerations:							
Investment income from alternative investments (above) below long-term return expectations	122	177	55	43	42	31	35
Significant (income) expense items	8	(24)	-	(11)	-	4	-

Title: Non-GAAP Measure Reconciliations

Reconciliation from Pre-Tax Title Earnings to Adjusted Pre-Tax Title Earnings

\$ millions	Three months ended						
	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026
Pre-tax Title earnings	\$528	\$644	\$267	\$233	\$235	\$367	\$451
<u>Non-GAAP Adjustments before taxes</u>							
Recognized (gains) and losses, net	(169)	30	249	50	75	(43)	(14)
Purchase price amortization	19	14	13	19	14	13	11
Total non-GAAP, pre-tax adjustments	(150)	44	262	69	89	(30)	(3)
Adjusted pre-tax Title earnings	\$378	\$688	\$529	\$302	\$324	\$337	\$448
Adjusted pre-tax Title margin	18.4%	22.7%	18.9%	15.8%	16.2%	15.5%	17.8%

Title: Non-GAAP Measure Reconciliations (Continued)

Reconciliation from Pre-Tax Title Earnings to Adjusted Pre-Tax Title Earnings

	Twelve Months Ended			Three months ended			
	December 31, 2024	December 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026
<i>\$ millions</i>							
Pre-tax Title earnings	\$1,096	\$1,227	\$367	\$359	\$330	\$211	\$451
<u>Non-GAAP Adjustments before taxes</u>							
Recognized (gains) and losses, net	6	78	(43)	38	58	46	(14)
Purchase price amortization	59	54	13	13	13	11	11
Total non-GAAP, pre-tax adjustments	65	132	(30)	51	71	57	(3)
Adjusted pre-tax Title earnings	\$1,161	\$1,359	\$337	\$410	\$401	\$268	\$448
Adjusted pre-tax Title margin	15.1%	15.9%	15.5%	17.8%	17.5%	13.1%	17.8%

Non-GAAP Measures and Definitions

DEFINITIONS

The following represents the definitions of non-GAAP measures used by the Company.

Adjusted Net Earnings Attributable to Common Shareholders

Adjusted net earnings attributable to common shareholders (ANE) is a non-GAAP economic measure we use to evaluate financial performance each period.

ANE eliminates the impact of specific items that are not indicative of the underlying economics of our business, including certain market volatility, asymmetrical and noneconomic accounting, nonrecurring items and other income and expense adjustments. These items are volatile in our reported GAAP earnings and are not indicative of the underlying profitability drivers reflected in the design and pricing of our products and/or our investment and hedging strategy, as such items fluctuate from period to period in a manner inconsistent with these drivers.

ANE provides information to enhance an investor's understanding of our results and underlying profitability drivers by removing the impact of short-term market volatility (i.e. recognized gains and losses, market risk benefits remeasurement gains and losses, derivative gains and losses), asymmetrical and non-economic accounting (i.e. derivatives and investment hedges that do not qualify for hedge accounting, deferred pension risk transfer deferred profit liability losses), and other adjustments.

ANE is calculated by adjusting net earnings or loss attributable to common shareholders to eliminate:

- i. Recognized gains and losses, net: the impact of net investment gains/losses, including changes in allowance for expected credit losses and other than temporary impairment ("OTTI") losses, recognized in operations; and the effects of changes in fair value of the reinsurance related embedded derivative and other derivatives, including interest rate swaps and forwards;
- ii. Market related liability adjustments: the impacts related to changes in the fair value, including both realized and unrealized gains and losses, of index product related derivatives and embedded derivatives, net of hedging cost; the impact of initial pension risk transfer deferred profit liability losses, including amortization from previously deferred pension risk transfer deferred profit liability losses; and the changes in the fair value of market risk benefits by deferring current period changes and amortizing that amount over the life of the market risk benefit;
- iii. Purchase price amortization: the impacts related to the amortization of certain intangibles (internally developed software, trademarks and value of distribution asset and the change in fair value of liabilities recognized as a result of acquisition activities);
- iv. Transaction costs: the impacts related to acquisition, integration and merger related items;
- v. Certain income tax adjustments: the impacts related to unusual tax items that do not reflect our core operating performance such as the establishment or reversal of significant deferred tax asset valuation allowances;

Non-GAAP Measures and Definitions (Continued)

Adjusted Net Earnings Attributable to Common Shareholders (continued)

- vi. Other and “non-recurring,” “infrequent” or “unusual items”: Other adjustments include removing any charges associated with U.S. guaranty fund assessments as these charges neither relate to the ordinary course of the Company’s business nor reflect the Company’s underlying business performance, but result from external situations not controlled by the Company. Further, Management excludes certain items determined to be “non-recurring,” “infrequent” or “unusual” from adjusted net earnings when incurred if it is determined these items are not a reflection of the core business and when the nature of the item is such that it is not reasonably likely to recur within two years and/or there was not a similar item in the preceding two years;
- vii. Non-controlling interest on non-GAAP adjustments: the portion of the non-GAAP adjustments attributable to the equity interest of entities that F&G does not wholly own; and
- viii. Income taxes: the income tax impact related to the above-mentioned adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction.

Recognized gains and losses are excluded from ANE as part of both adjustments (i) and (ii). As part of those two adjustments to ANE, all material recognized gains and losses are removed except for periodic settlements of interest rate swaps used to economically hedge our floating rate investments.

While these adjustments are an integral part of the overall performance of F&G, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations. Adjusted net earnings should not be used as a substitute for net earnings (loss). However, we believe the adjustments made to net earnings (loss) in order to derive adjusted net earnings provide an understanding of our overall results of operations.

Assets Under Management (AUM)

AUM is comprised of the following components and is reported net of reinsurance assets ceded in accordance with GAAP:

- i. total invested assets at amortized cost, excluding investments in unconsolidated affiliates, owned distribution and derivatives;
- ii. investments in unconsolidated affiliates at carrying value;
- iii. related party loans and investments;
- iv. accrued investment income;
- v. the net payable/receivable for the purchase/sale of investments; and
- vi. cash and cash equivalents excluding derivative collateral at the end of the period.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the size of our investment portfolio that is retained.

Non-GAAP Measures and Definitions (Continued)

AUM before Flow Reinsurance

AUM before Flow Reinsurance is comprised of components consistent with AUM, but also includes flow reinsured assets.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the size of our investment portfolio including reinsured assets.

Average Assets Under Management (AAUM)

AAUM is calculated as AUM at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on retained assets.

Sales

Annuity, IUL, funding agreement and non-life contingent PRT sales are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP. Sales from these products are recorded as deposit liabilities (i.e., contractholder funds) within the Company's consolidated financial statements in accordance with GAAP. Life contingent PRT sales are recorded as premiums in revenues within the consolidated financial statements. Management believes that presentation of sales, as measured for management purposes, enhances the understanding of our business and helps depict longer term trends that may not be apparent in the results of operations due to the timing of sales and revenue recognition.

