
United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (date of earliest event reported):
February 24, 2021

Fidelity National Financial, Inc.

(Exact name of Registrant as Specified in its Charter)

001-32630

(Commission File Number)

Delaware

16-1725106

(State or Other Jurisdiction of
Incorporation or Organization)

(IRS Employer Identification Number)

601 Riverside Avenue

Jacksonville, Florida 32204

(Addresses of Principal Executive Offices)

(904) 854-8100

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
FNF Common Stock, \$0.0001 par value	FNF	New York Stock Exchange
5.50% Notes due September 2022	FNF22	New York Stock Exchange
3.40% Notes due June 2030	FNF30	New York Stock Exchange
2.45% Notes due March 2031	FNF31	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

On February 24, 2021, Fidelity National Financial, Inc. (the "Company", "FNF") issued an earnings release announcing its financial results for the Fourth Quarter of 2020. A copy of the FNF earnings release is attached as Exhibit 99.1 to this Current Report on Form 8-K. In addition, the Company is furnishing the quarterly financial supplement for its F&G operating segment as Exhibit 99.2 to this Current Report on Form 8-K.

The following information, including the Exhibits referenced in this Item 2.02, is being furnished pursuant to this Item 2.02 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits**(d) Exhibits**

Exhibit	Description
99.1	Press release announcing FNF Fourth Quarter 2020 Earnings
99.2	Financial Supplement of F&G, dated February 24, 2021
101	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Fidelity National Financial, Inc.

Date: February 24, 2021

By: /s/ Anthony J. Park

Name: Anthony J. Park

Title: Chief Financial Officer



PRESS RELEASE

FNF Reports Fourth Quarter 2020 Diluted EPS from Continuing Operations of \$2.74 and Adjusted Diluted EPS from Continuing Operations of \$2.01, Pre-Tax Title Margin of 29.4% and Adjusted Pre-Tax Title Margin of 22.7%

Jacksonville, Fla. - (February 24, 2021) - Fidelity National Financial, Inc. (NYSE:FNF), a leading provider of title insurance and transaction services to the real estate and mortgage industries, today reported operating results for the period ended December 31, 2020.

- Total revenue of approximately \$3.8 billion in the fourth quarter versus \$2.4 billion in the fourth quarter of 2019
- Fourth quarter net earnings from continuing operations of \$803 million and adjusted net earnings from continuing operations of \$588 million versus net earnings of \$340 million and adjusted net earnings of \$263 million for the fourth quarter of 2019
- Fourth quarter diluted EPS from continuing operations of \$2.74 and adjusted diluted EPS from continuing operations of \$2.01 versus diluted EPS of \$1.22 and adjusted diluted EPS of \$0.95 in the fourth quarter of 2019
- Recognized gains were \$573 million in the fourth quarter versus recognized gains of \$131 million in the fourth quarter of 2019 primarily due to mark to market accounting treatment of equity and preferred stock securities whether the securities were disposed of in the quarter or continue to be held in our investment portfolio

Title

- Total revenue of approximately \$3.0 billion versus approximately \$2.3 billion in total revenue in the fourth quarter of 2019
- Total revenue, excluding recognized gains and losses, of approximately \$2.8 billion versus approximately \$2.2 billion in the fourth quarter of 2019, an increase of 26.6%
- Pre-tax earnings of \$896 million and adjusted pre-tax earnings of \$624 million versus pre-tax earnings of \$468 million and adjusted pre-tax earnings of \$355 million in the fourth quarter of 2019
- Pre-tax title margin of 29.4% and adjusted pre-tax title margin of 22.7% versus pre-tax title margin of 20.3% and adjusted pre-tax title margin of 16.3% in the fourth quarter of 2019
- Fourth quarter refinance orders opened increased 90% on a daily basis and refinance orders closed increased 86% on a daily basis versus the fourth quarter of 2019; purchase orders opened increased 14% on a daily basis and purchase orders closed increased 18% on a daily basis versus the fourth quarter of 2019
- Total commercial revenue of \$322 million, a 0.3% increase versus total commercial revenue in the fourth quarter of 2019, driven by a 1% increase in closed orders; fourth quarter total commercial orders opened increased 3% compared to the prior year
- Overall fourth quarter average fee per file of \$2,116, an 11% decrease versus the fourth quarter of 2019

Title Orders

Month	Direct Orders Opened * / (% Purchase)		Direct Orders Closed * / (% Purchase)	
October 2020	259,000	40%	210,000	39%
November 2020	227,000	38%	190,000	37%
December 2020	242,000	35%	217,000	38%
Fourth Quarter 2020	728,000	38%	617,000	38%

Month	Direct Orders Opened * / (% Purchase)		Direct Orders Closed * / (% Purchase)	
October 2019	195,000	50%	153,000	48%
November 2019	157,000	49%	127,000	49%
December 2019	140,000	51%	137,000	50%
Fourth Quarter 2019	492,000	50%	417,000	49%

* Includes an immaterial number of non-purchase and non-refinance orders

F&G

F&G, a leading provider of annuities and life insurance, reported operating results for the fourth quarter of 2020. As a result of acquisition accounting (purchase accounting or PGAAP), financial results for periods after June 1, 2020 are generally not comparable to the results of prior periods. Certain metrics, such as sales and policyholder account values, are not affected by PGAAP and are comparable to prior period data.

- Total Retail Annuity Sales of \$1,309 million in the fourth quarter, an increase of 42 percent to the prior year, and an increase of 23 percent from the sequential quarter
- Fixed Indexed Annuities (FIA) Sales of \$947 million in the fourth quarter, an increase of 19 percent to the prior year, and an increase of 16 percent from the sequential quarter
- Average Assets Under Management (AAUM) of \$27.9 billion for the fourth quarter, up from \$27.0 billion in the sequential period driven by net new business asset flows
- Net Investment Spread: FIA spread for the fourth quarter of 302 basis points; Total Spread, including all product lines, for the fourth quarter of 255 basis points
- Net Earnings Attributable to Common Shareholders of \$137 million for the fourth quarter, including a \$2 million loss from discontinued operations and \$11 million net favorable mark-to-market and other items which are excluded from Adjusted Net Earnings
- Adjusted Net Earnings From Continuing Operations Attributable to Common Shareholders of \$128 million for the quarter, including \$68 million of net favorable notable items

William P. Foley, II, Chairman, commented, "I am very proud of our team as they navigated a challenging environment and delivered record results for both the fourth quarter and full-year 2020 in our Title business. We generated adjusted pre-tax title earnings of \$624 million and an adjusted pre-tax title margin of 22.7% as refinance and purchase orders opened remained strong through the fourth quarter of 2020. We continued to see a rebound in commercial real estate activity as total commercial orders opened increased 3% in the quarter as compared to the year ago fourth quarter.

We also made significant headway on our technology investments in our Title business having recently announced both the inHere Experience Platform and, subsequently, Close inHere. The inHere platform transforms the overall experience of buying, selling, and refinancing a home by helping to enhance the safety and simplicity needed to start, track, notarize, and close the transaction. While we continue to drive innovation in the Title industry, we believe our significant national footprint will prove to be a real plus as further adoption of our client facing and title automation technology expands our competitive advantage.

Turning to F&G, the Company continues to execute on its growth strategy and generated retail sales growth of over 40% in the fourth quarter. The credit rating upgrade that F&G has enjoyed as a result of the acquisition by FNF has opened additional large market opportunities. F&G is gaining momentum in the newly entered bank and broker dealer channel, generating \$500 million of channel sales since their launch on July 1st. Expansion into institutional products, including the pension risk transfer market, will also be an area of strategic focus for F&G in 2021. We expect F&G's next phase of growth to benefit from leveraging FNF's expertise in capital allocation, value creation and strategic oversight."

Mr. Foley concluded, "Finally, we will remain focused on maintaining a balanced capital allocation strategy centered on returning capital to shareholders while investing in the business to drive growth. In the fourth quarter, our Board approved a 9.0% increase in our quarterly cash dividend to \$0.36 per share and announced a plan targeting \$500 million of share repurchases, based on market conditions over the course of the following twelve months. During the quarter we repurchased 3.8 million shares at an average purchase price of \$36.77 per share."

Conference Call

We will host a call with investors and analysts to discuss fourth quarter 2020 FNF results on Thursday, February 25, 2021, beginning at 12:00 p.m. Eastern Time. A live webcast of the conference call will be available on the Events and Multimedia page of the FNF Investor Relations website at fnf.com. The conference call replay will be available via webcast through the FNF Investor Relations website at fnf.com. The telephone replay will be available from 3:00 p.m. Eastern Time on February 25, 2021, through March 4, 2021, by dialing 1-844-512-2921 (USA) or 1-412-317-6671 (International). The access code will be 13715589. An expanded quarterly financial supplement providing segment results is available on the FNF Investor Relations website.

About Fidelity National Financial, Inc.

Fidelity National Financial, Inc. (NYSE: FNF) is a leading provider of title insurance and transaction services to the real estate and mortgage industries. FNF is the nation's largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York - that collectively issue more title insurance policies than any other title company in the United States. More information about FNF can be found at fnf.com.

About F&G

F&G is part of the FNF family of companies. F&G is committed to helping Americans turn their aspirations into reality. F&G is a leading provider of annuity and life insurance products and is headquartered in Des Moines, Iowa. For more information, please visit www.fglife.bm.

Use of Non-GAAP Financial Information

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, FNF has provided non-GAAP financial measures, which it believes are useful to help investors better understand its financial performance, competitive position and prospects for the future. These non-GAAP measures include adjusted net earnings, adjusted 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), F&G adjusted earnings, F&G adjusted earnings attributable to common shareholders, F&G adjusted operating return on common shareholders' equity excluding AOCI, F&G net investment spread, F&G average assets under management and F&G sales.

Any non-GAAP 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. Further, FNF's non-GAAP measures may be calculated differently from similarly titled measures of other companies. Reconciliations of these non-GAAP measures to related GAAP measures are provided below.

Forward-Looking Statements and Risk Factors

This press release 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: the ability of FNF to successfully integrate F&G's operations and employees; the potential impact of the announcement or consummation of the proposed F&G transaction on relationships, including with employees, suppliers, customers and competitors; changes in general economic, business, political and COVID-19 conditions, including changes in the financial markets; 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; 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 ("SEC").

FNF-E

SOURCE: Fidelity National Financial, Inc.

CONTACT: Jamie Lillis, Managing Director, Solebury Trout, 203-428-3223, jlillis@soleburytrout.com

FIDELITY NATIONAL FINANCIAL, INC.
FOURTH QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Three Months Ended

December 31, 2020	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 845	\$ 845	\$ —	\$ —
Agency title premiums	1,102	1,102	—	—
Escrow, title related and other fees	891	775	58	58
Total title and escrow	2,838	2,722	58	58
Interest and investment income	359	31	327	1
Recognized gains and losses, net	573	290	282	1
Total revenue	3,770	3,043	667	60
Personnel costs	863	786	33	44
Agent commissions	842	842	—	—
Other operating expenses	453	396	30	27
Benefits & other policy reserve changes	460	—	460	—
Depreciation and amortization	107	36	64	7
Claim loss expense	87	87	—	—
Interest expense	28	—	8	20
Total expenses	2,840	2,147	595	98
Pre-tax earnings (loss) from continuing operations	\$ 930	\$ 896	\$ 72	\$ (38)
Income tax expense (benefit)	128	192	(67)	3
Earnings (loss) from equity investments	6	6	—	—
Loss from discontinued operations, net of tax	(2)	—	(2)	—
Non-controlling interests	5	5	—	—
Net earnings (loss) attributable to common shareholders	\$ 801	\$ 705	\$ 137	\$ (41)
EPS from continuing operations attributable to common shareholders - basic	\$ 2.75			
EPS from discontinued operations attributable to common shareholders - basic	(0.01)			
EPS attributable to common shareholders - basic	\$ 2.74			
EPS from continuing operations attributable to common shareholders - diluted	\$ 2.74			
EPS from discontinued operations attributable to common shareholders - diluted	(0.01)			
EPS attributable to common shareholders - diluted	\$ 2.73			
Weighted average shares - basic	292			
Weighted average shares - diluted	293			

FIDELITY NATIONAL FINANCIAL, INC.
FOURTH QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Three Months Ended</i> <i>December 31, 2020</i>	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 801	\$ 705	\$ 137	\$ (41)
Loss from discontinued operations, net of tax	(2)	—	(2)	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 803	\$ 705	\$ 139	\$ (41)
Pre-tax earnings (loss) from continuing operations	\$ 930	\$ 896	\$ 72	\$ (38)
Non-GAAP Adjustments				
Recognized (gains) and losses, net	(367)	(290)	(76)	(1)
Indexed product related derivatives	54	—	54	—
Purchase price amortization	29	18	7	4
Transaction costs	5	—	4	1
Adjusted pre-tax earnings (loss)	\$ 651	\$ 624	\$ 61	\$ (34)
Total non-GAAP, pre-tax adjustments	(279)	(272)	(11)	4
Income taxes on non-GAAP adjustments	64	65	—	(1)
Total non-GAAP adjustments	(215)	(207)	(11)	3
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$ 588	\$ 498	\$ 128	\$ (38)
Adjusted EPS from continuing operations attributable to common shareholders - diluted	\$ 2.01			

FIDELITY NATIONAL FINANCIAL, INC.
FOURTH QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Three Months Ended</i> <i>December 31, 2019</i>	Consolidated	Title	Corporate and Other
Direct title premiums	\$ 656	\$ 656	\$ —
Agency title premiums	828	828	—
Escrow, title related and other fees	692	642	50
Total title and escrow	2,176	2,126	50
Interest and investment income	55	49	6
Recognized gains and losses, net	131	135	(4)
Total revenue	2,362	2,310	52
Personnel costs	717	681	36
Agent commissions	628	628	—
Other operating expenses	455	428	27
Depreciation and amortization	46	39	7
Claim loss expense	66	66	—
Interest expense	11	—	11
Total expenses	1,923	1,842	81
Pre-tax earnings (loss)	\$ 439	\$ 468	\$ (29)
Income tax expense (benefit)	98	103	(5)
Earnings from equity investments	3	2	1
Non-controlling interests	4	5	(1)
Net earnings (loss) attributable to common shareholders	\$ 340	\$ 362	\$ (22)
EPS attributable to common shareholders - basic	\$ 1.24		
EPS attributable to common shareholders - diluted	\$ 1.22		
Weighted average shares - basic	274		
Weighted average shares - diluted	278		

FIDELITY NATIONAL FINANCIAL, INC.
FOURTH QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Three Months Ended</i> <i>December 31, 2019</i>	Consolidated	Title	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 340	\$ 362	\$ (22)
Pre-tax earnings (loss)	\$ 439	\$ 468	\$ (29)
Non-GAAP Adjustments			
Recognized (gains) and losses, net	(131)	(135)	4
Purchase price amortization	27	22	5
Transaction costs	—	—	—
Severance costs	6	0	6
Adjusted pre-tax earnings (loss)	\$ 341	\$ 355	\$ (14)
Total non-GAAP, pre-tax adjustments	(104)	(113)	9
Income taxes on non-GAAP adjustments	24	28	(4)
Non-controlling interest on non-GAAP adjustments	(3)	(3)	—
Total non-GAAP adjustments	(83)	(88)	5
Adjusted net earnings attributable to common shareholders	\$ 263	\$ 274	\$ (11)
Adjusted EPS attributable to common shareholders - diluted	\$ 0.95		

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Twelve Months Ended</i> <i>December 31, 2020</i>	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 2,699	\$ 2,699	\$ —	\$ —
Agency title premiums	3,599	3,599	—	—
Escrow, title related and other fees	3,092	2,782	138	172
Total title and escrow	9,390	9,080	138	172
Interest and investment income	900	151	743	6
Recognized gains and losses, net	488	143	352	(7)
Total revenue	10,778	9,374	1,233	171
Personnel costs	2,951	2,778	65	108
Agent commissions	2,749	2,749	—	—
Other operating expenses	1,759	1,536	75	148
Benefits & other policy reserve changes	866	—	866	—
Depreciation and amortization	296	149	123	24
Claim loss expense	283	283	—	—
Interest expense	90	1	18	71
Total expenses	8,994	7,496	1,147	351
Pre-tax earnings (loss) from continuing operations	\$ 1,784	\$ 1,878	\$ 86	\$ (180)
Income tax expense (benefit)	322	432	(75)	(35)
Earnings (loss) from equity investments	15	14	—	1
Loss from discontinued operations, net of tax	(25)	—	(25)	—
Non-controlling interests	25	25	—	—
Net earnings (loss) attributable to common shareholders	\$ 1,427	\$ 1,435	\$ 136	\$ (144)
EPS from continuing operations attributable to common shareholders - basic	\$ 5.11			
EPS from discontinued operations attributable to common shareholders - basic	(0.09)			
EPS attributable to common shareholders - basic	\$ 5.02			
EPS from continuing operations attributable to common shareholders - diluted	\$ 5.08			
EPS from discontinued operations attributable to common shareholders - diluted	(0.09)			
EPS attributable to common shareholders - diluted	\$ 4.99			
Weighted average shares - basic	284			
Weighted average shares - diluted	286			

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Twelve Months Ended</i> <i>December 31, 2020</i>	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 1,427	\$ 1,435	\$ 136	\$ (144)
Loss from discontinued operations, net of tax	(25)	—	(25)	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 1,452	\$ 1,435	\$ 161	\$ (144)
Pre-tax earnings (loss) from continuing operations	\$ 1,784	\$ 1,878	\$ 86	\$ (180)
Non-GAAP Adjustments				
Recognized (gains) and losses, net	(181)	(143)	(45)	7
Indexed product related derivatives	111	—	111	—
Debt issuance costs	5	—	—	5
Purchase price amortization	106	73	16	17
Transaction costs	68	—	21	47
Other adjustments	1	1	—	—
Adjusted pre-tax earnings (loss)	\$ 1,894	\$ 1,809	\$ 189	\$ (104)
Total non-GAAP, pre-tax adjustments	\$ 110	\$ (69)	\$ 103	\$ 76
Income taxes on non-GAAP adjustments	(29)	18	(29)	(18)
Non-controlling interest on non-GAAP adjustments	(7)	(6)	—	(1)
Total non-GAAP adjustments	\$ 74	\$ (57)	\$ 74	\$ 57
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$ 1,526	\$ 1,378	\$ 235	\$ (87)
Adjusted EPS from continuing operations attributable to common shareholders - diluted	\$ 5.34			

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Twelve Months Ended</i> <i>December 31, 2019</i>	Consolidated	Title	Corporate and Other
Direct title premiums	\$ 2,381	\$ 2,381	\$ —
Agency title premiums	2,961	2,961	—
Escrow, title related and other fees	2,584	2,389	195
Total title and escrow	7,926	7,731	195
Interest and investment income	225	202	23
Recognized gains and losses, net	318	326	(8)
Total revenue	8,469	8,259	210
Personnel costs	2,696	2,562	134
Agent commissions	2,258	2,258	—
Other operating expenses	1,681	1,509	172
Depreciation and amortization	178	154	24
Claim loss expense	240	240	—
Interest expense	47	—	47
Total expenses	7,100	6,723	377
Pre-tax earnings (loss)	\$ 1,369	\$ 1,536	\$ (167)
Income tax expense (benefit)	308	363	(55)
Earnings from equity investments	15	13	2
Non-controlling interests	14	15	(1)
Net earnings (loss) attributable to common shareholders	\$ 1,062	\$ 1,171	\$ (109)
EPS attributable to common shareholders - basic	\$ 3.89		
EPS attributable to common shareholders - diluted	\$ 3.83		
Weighted average shares - basic	273		
Weighted average shares - diluted	277		

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

<i>Twelve Months Ended</i> <i>December 31, 2019</i>	Consolidated	Title	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 1,062	\$ 1,171	\$ (109)
Pre-tax earnings (loss)	\$ 1,369	\$ 1,536	\$ (167)
Non-GAAP Adjustments			
Recognized (gains) and losses, net	(318)	(326)	8
FIA related derivative			
Reinsurance related derivative			
Purchase price amortization	105	86	19
Transaction costs	58	—	58
Severance costs	\$ 6	\$ —	\$ 6
Other adjustments	1	1	—
Adjusted pre-tax earnings (loss)	\$ 1,221	\$ 1,297	\$ (76)
Total non-GAAP, pre-tax adjustments	\$ (148)	\$ (239)	\$ 91
Income taxes on non-GAAP adjustments	38	60	(22)
Non-controlling interest on non-GAAP adjustments	(12)	(11)	(1)
Total non-GAAP adjustments	\$ (122)	\$ (190)	\$ 68
Adjusted net earnings (loss) attributable to common shareholders	\$ 940	\$ 981	\$ (41)
Adjusted EPS attributable to common shareholders - diluted	\$ 3.39		

FIDELITY NATIONAL FINANCIAL, INC.
SUMMARY BALANCE SHEET INFORMATION
(In millions)

	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)
Cash and investment portfolio	\$ 37,766	\$ 5,760
Goodwill	4,495	2,727
Title plant	404	404
Total assets	50,455	10,677
Notes payable	2,662	838
Reserve for title claim losses	1,623	1,509
Secured trust deposits	711	791
Redeemable non-controlling interests	—	344
Non-redeemable non-controlling interests	41	(17)
Total equity and non-controlling interests	8,392	5,709
Total equity attributable to common shareholders	8,351	5,382

Non-GAAP Measures and Other Information

Title

The table below reconciles pre-tax title earnings to adjusted pre-tax title earnings.

(Dollars in millions)	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Pre-tax earnings	\$ 896	\$ 468	\$ 1,878	\$ 1,536
Non-GAAP adjustments before taxes				
Recognized (gains) and losses, net	(290)	(135)	(143)	(326)
Purchase price amortization	18	22	73	86
Other adjustments	—	—	1	1
Total non-GAAP adjustments	(272)	(113)	(69)	(239)
Adjusted pre-tax earnings	\$ 624	\$ 355	\$ 1,809	\$ 1,297
Adjusted pre-tax margin	22.7 %	16.3 %	19.6 %	16.3 %

FIDELITY NATIONAL FINANCIAL, INC. QUARTERLY OPERATING STATISTICS

(Unaudited)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Quarterly Opened Orders ('000's except % data)								
Total opened orders*	728	847	693	682	492	592	544	438
Total opened orders per day*	11.6	13.2	10.8	11.0	7.8	9.3	8.5	7.2
Purchase % of opened orders	38 %	40 %	37 %	41 %	50 %	52 %	61 %	65 %
Refinance % of opened orders	62 %	60 %	63 %	59 %	50 %	48 %	39 %	35 %
Total closed orders*	617	571	487	377	417	409	359	263
Total closed orders per day*	9.8	8.9	7.6	6.1	6.6	6.4	5.6	4.3
Purchase % of closed orders	38 %	42 %	35 %	46 %	49 %	55 %	65 %	66 %
Refinance % of closed orders	62 %	58 %	65 %	54 %	51 %	45 %	35 %	34 %
Commercial (millions, except orders in '000's)								
Total commercial revenue	\$ 322	\$ 216	\$ 184	\$ 245	\$ 321	\$ 301	\$ 286	\$ 231
Total commercial opened orders	57.0	58.1	43.9	56.3	55.1	56.0	58.6	49.8
Total commercial closed orders	39.5	30.6	25.7	31.0	39.1	36.4	34.0	30.0
National commercial revenue	\$ 177	\$ 113	\$ 96	\$ 132	\$ 186	\$ 172	\$ 163	\$ 122
National commercial opened orders	21.4	21.7	15.2	21.5	22.6	23.8	25.3	20.6
National commercial closed orders	13.4	9.8	8.8	10.7	16.2	14.1	12.7	10.5
Total Fee Per File								
Fee per file	\$ 2,116	\$ 2,063	\$ 1,889	\$ 2,224	\$ 2,384	\$ 2,459	\$ 2,677	\$ 2,567
Residential fee per file	\$ 1,661	\$ 1,803	\$ 1,614	\$ 1,744	\$ 1,792	\$ 1,928	\$ 2,075	\$ 1,964
Total commercial fee per file	\$ 8,200	\$ 7,100	\$ 7,200	\$ 7,900	\$ 8,200	\$ 8,300	\$ 8,400	\$ 7,700
National commercial fee per file	\$ 13,200	\$ 11,500	\$ 10,900	\$ 12,300	\$ 11,500	\$ 12,200	\$ 12,900	\$ 11,600
Total Staffing								
Total field operations employees	12,800	12,300	10,900	12,500	12,300	12,200	12,000	11,700
Actual title claims paid (\$ millions)								
	\$ 54	\$ 50	\$ 51	\$ 48	\$ 53	\$ 52	\$ 66	\$ 49

* Includes an immaterial number of non-purchase and non-refinance orders

F&G

The table below reconciles the reported after-tax net loss from continuing operations to adjusted earnings from continuing operations attributable to common shareholders.

	Three months ended		Seven months ended	
	December 31, 2020		December 31, 2020	
(Dollars in millions)				
Net earnings (loss) attributable to common shareholders	\$	137	\$	136
Less: Earnings (loss) from discontinued operations, net of tax		(2)		(25)
Net earnings (loss) from continuing operations attributable to common shareholders	\$	139	\$	161
Non-GAAP adjustments (1,2):				
Recognized (gains) and losses, net		(76)		(45)
Indexed product related derivatives		54		111
Purchase price amortization		7		16
Transaction costs		4		21
Income taxes on non-GAAP adjustments		—		(29)
Adjusted earnings (loss) from continuing operations attributable to common shareholders	\$	128	\$	235

Adjusted earnings from continuing operations include \$68 million of favorable items in the current quarter and \$86 million in the year-to-date period.

The table below provides summary financial highlights.

	Three Months Ended		Seven months ended	
	December 31, 2020		December 31, 2020	
(Dollars in millions)				
Average assets under management (AAUM) ⁽¹⁾	\$	27,864	\$	27,322
Net investment spread - FIA ⁽¹⁾		3.02 %		3.21 %
Net investment spread - All products ⁽¹⁾		2.55 %		2.74 %
Net earnings (loss) from continuing operations attributable to common shareholders	\$	139	\$	161
Adjusted earnings from continuing operations attributable to common shareholders ⁽¹⁾	\$	128	\$	235

The table below provides a summary of sales, which are not affected by PGAAP and are comparable to prior period data.

	Three Months Ended				Twelve Months Ended			
	December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019	
(In millions)								
Fixed indexed annuity (FIA) sales ⁽¹⁾	\$	947	\$	795	\$	3,459	\$	2,820
Total retail annuity sales ⁽¹⁾	\$	1,309	\$	921	\$	4,235	\$	3,596

Footnotes:
1. Non-GAAP financial measure. See the Non-GAAP Measures section below for additional information.
2. Amounts are net of offsets related to value of business acquired (VOBA), deferred acquisition cost (DAC), deferred sale inducement (DSI) amortization, and unearned revenue (UREV) amortization, as applicable.

DEFINITIONS

The following represents the definitions of non-GAAP measures used by F&G.

Adjusted Earnings

Adjusted Earnings is a non-GAAP economic measure we use to evaluate financial performance each period. Adjusted earnings is calculated by adjusting net earnings (loss) from continuing operations 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; the impact of market volatility on the alternative asset portfolio; and the effect of changes in fair value of the reinsurance related embedded derivative;

(ii) Indexed product related derivatives: 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, and the fair value accounting impact of assumed reinsurance,

(iii) Purchase price amortization: the impacts related to the amortization of certain intangibles (internally developed software, trademarks and value of distribution asset (VODA)) recognized as a result of acquisition activities, and

(iv) Transaction costs: the impacts related to acquisition, integration and merger related items.

Adjustments to Adjusted Earnings are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction. 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 Earnings Attributable to Common Shareholders

Adjusted Earnings attributable to common shareholders is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. Adjusted Earnings attributable to common shareholders is calculated by adjusting net earnings (loss) available to common shareholders to eliminate the same items as described in the Adjusted Earnings paragraph above. While these adjustments are an integral part of the overall performance of the Company, 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.

Net Investment Spread

Net investment spread is the excess of net investment income, adjusted for market volatility on the alternative asset investment portfolio, earned over the sum of interest credited to policyholders and the cost of hedging our risk on indexed product policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company's invested assets against the level of investment return provided to policyholders, inclusive of hedging costs.

Average Assets Under Management (AAUM)

AAUM is calculated as the sum of:

(i) total invested assets at amortized cost, excluding derivatives;

(ii) related party loans and investments;

(iii) accrued investment income;

(iv) funds withheld at fair value;

(v) the net payable/receivable for the purchase/sale of investments, and

(vi) cash and cash equivalents, excluding derivative collateral, 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 assets available for reinvestment.

Sales (FIA Sales and Total Retail Annuity Sales)

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. Annuity and IUL sales are recorded as deposit liabilities (i.e. contractholder funds) within the Company's unaudited condensed consolidated financial statements in accordance with GAAP. 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.

###



Experience
the Power of
Collaborative
Thinking

**F&G Annuities & Life, Inc. ("F&G") - An Operating Segment of Fidelity National Financial, Inc. (NYSE:FNF)
Financial Supplement
December 31, 2020
(Year Ended December 31)**

The financial statements and financial exhibits included herein are unaudited. F&G is an operating segment of FNF and these financial statements and exhibits should be read in conjunction with the Company's periodic reports on Form 10-K, Form 10-Q and Form 8-K.

F&G (formerly NYSE:FG) was acquired by FNF (the "Business Combination") on June 1, 2020 ("Closing Date"). As a result of the Business Combination, F&G delisted from the NYSE and became a subsidiary of FNF. Our financial statement presentation includes the financial statements of F&G and its subsidiaries as a standalone entity ("Pre-Merger") for the periods prior to the completion of the Business Combination, and F&G and its subsidiaries as an operating segment of FNF ("Post-Merger") for periods from and after the Closing Date. The current period year-to-date information presented within represents the 7-month period from the close of the acquisition on June 1, 2020, to the end of the year on December 31, 2020. As no comparable prior period exists, we have not included prior period year-to-date information.

All dollar amounts are presented in millions.

Non-GAAP Financial Measures

This document contains certain non-GAAP financial measures commonly used in our industry that, together with the relevant GAAP measures, may enhance a user's ability to analyze the Company's operating performance and capital position for the periods presented. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the GAAP measures and are not intended to replace GAAP financial results. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner. Refer to the non-GAAP measures reconciliations and definitions within for further information.

F&G - An Operating Segment of FNF
Financial Supplement - December 31, 2020
(All periods are unaudited)

	Page
<u>A. Financial Highlights</u>	
<u>Consolidated Financial Highlights</u>	<u>3</u>
<u>Sales Results by Product</u>	<u>3</u>
<u>Appendix to Consolidated Financial Highlights</u>	<u>4</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>5</u>
<u>Reconciliation of Total Shareholders' Equity to Common Shareholders' Equity Excluding AOCI</u>	<u>6</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>7</u>
<u>Reconciliation from Net Earnings (Loss) to Adjusted Net Earnings</u>	<u>8</u>
<u>Notable Items</u>	<u>8</u>
<u>Adjusted Net Earnings Statement</u>	<u>9</u>
<u>Financial Strength Ratings</u>	<u>10</u>
<u>Total Product Net Investment Spread</u>	<u>11</u>
<u>FIA Net Investment Spread</u>	<u>12</u>
<u>B. Product Summary</u>	
<u>Average Assets Under Management Rollforward</u>	<u>13</u>
<u>Annuity Account Balance Rollforward</u>	<u>13</u>
<u>Annuity Liability Characteristics</u>	<u>14</u>
<u>C. Investment Summary</u>	
<u>Summary of Invested Assets by Asset Class</u>	<u>15</u>
<u>Credit Quality of Fixed Maturity Securities</u>	<u>16</u>
<u>Summary of Residential Mortgage Backed Securities by Collateral Type and NAIC Designation</u>	<u>17</u>
<u>D. Counterparty Risk</u>	
<u>Top 5 Reinsurers</u>	<u>17</u>
<u>E. Non-GAAP Financial Measures Definitions</u>	<u>18</u>

F&G - An Operating Segment of FNF
Financial Supplement - December 31, 2020
(All periods are unaudited)

Consolidated Financial Highlights

	Three months ended		One month ended	Two months ended	Three months ended		Seven months ended
	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	December 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Post-Merger
Select Income Statement Data:							
Net earnings (loss) attributable to common shareholders	137	38	(39)	19	(346)	217	136
Adjusted net earnings (loss) attributable to common shareholders (1)	128	74	33	40	33	94	235
Select Metrics:							
Average Assets Under Management ("AAUM") (1)	27,864	26,990	26,582	29,285	28,924	28,332	27,322
Net investment spread (1)	2.55 %	2.62 %	3.50 %	1.92 %	2.24 %	2.41 %	2.74 %

(1) Refer to "Non-GAAP Financial Measures Definitions"

Sales Results by Product

The table below provides a summary of sales, which are not affected by the June 1, 2020, Business Combination and are comparable to prior period data.

	Three months ended					Twelve months ended	
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Sales							
FIA	947	815	866	831	795	3,459	2,820
Fixed rate annuities (MYGA)	362	253	47	114	126	776	776
Institutional spread based	100	—	—	100	—	200	297
Total annuity	1,409	1,068	913	1,045	921	4,435	3,893
Index universal life	13	14	12	11	11	50	38
Flow reinsurance	37	51	142	122	122	352	394
Total Sales	\$ 1,459	\$ 1,133	\$ 1,067	\$ 1,178	\$ 1,054	\$ 4,837	4,325

F&G - An Operating Segment of FNF
Financial Supplement - December 31, 2020
(All periods are unaudited)

Appendix to Consolidated Financial Highlights

Effective June 1, 2020, certain blocks of business were designated as discontinued operations by FNF. Amounts related to these blocks of business are presented herein as adjustments to key financial metrics, solely for comparison between Pre-Merger and Post-Merger periods. See FNF 10-K/ 10-Q for further discussion on discontinued operations.

	Three months ended		One month ended	Two months ended	Three months ended		Seven months ended
	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	December 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Post-Merger
Select Income Statement Data:							
Net earnings (loss) attributable to common shareholders	137	38	(39)	19	(346)	\$ 217	\$ 136
Less: discontinued operations [(earnings)/loss]	2	28	(5)	(22)	155	(46)	25
As adjusted for discontinued operations	139	66	(44)	(3)	(191)	171	161
Adjusted net earnings (loss) attributable to common shareholders (1)	128	74	33	40	33	94	235
Less: discontinued operations [(earnings)/loss]	—	—	—	8	26	(4)	—
As adjusted for discontinued operations	128	74	33	48	59	90	235
Less: Notable items [(unfavorable)/favorable] (2)	68	10	8	5	(6)	15	86
As adjusted for discontinued operations and notable items	\$ 60	\$ 64	\$ 25	\$ 43	\$ 65	\$ 75	\$ 149
Select Metrics:							
AAUM (1)	27,864	26,990	26,582	29,285	28,924	28,332	27,322
Less: discontinued operations	—	—	—	(2,236)	(2,266)	(2,183)	—
As adjusted for discontinued operations	27,864	26,990	26,582	27,049	26,658	26,149	27,322
Net investment spread (1)	2.55 %	2.62 %	3.50 %	1.92 %	2.24 %	2.41 %	2.74 %
Less: discontinued operations [(earnings)/loss] (3)	— %	— %	— %	0.13 %	0.09 %	0.03 %	— %
As adjusted for discontinued operations	2.55 %	2.62 %	3.50 %	2.05 %	2.33 %	2.44 %	2.74 %

(1) Refer to "Non-GAAP Financial Measures Definitions"

(2) Notable items from continuing operations. For full list of notable items, refer to page 8 "Notable Items"

(3) Subsequent to the release of the Quarterly Financial Supplement dated August 4, 2020, management identified an immaterial adjustment that was needed to reflect the correct amount in the prior period. Periods affected were the two months ended May 31, 2020 and the three months ended March 31, 2020

Condensed Consolidated Balance Sheets

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Assets					
Investments:					
Fixed maturity securities available for sale, at fair value, net of allowance for credit losses of \$9 at December 31, 2020	\$ 25,499	\$ 24,218	\$ 23,014	\$ 21,140	\$ 23,726
Preferred securities, at fair value	965	917	875	873	1,001
Equity securities, at fair value	82	54	54	42	70
Derivative investments	548	381	333	188	587
Mortgage loans, net of allowance for credit losses of \$39 at December 31, 2020	2,031	1,614	1,749	1,769	1,267
Investments in unconsolidated affiliates (a)	1,156	1,125	1,045	1,071	1,013
Other long-term investments	449	438	432	421	289
Short-term investments	456	34	38	36	38
Total investments	\$ 31,186	28,781	27,540	25,540	27,991
Cash and cash equivalents	889	1,014	909	740	931
Trade and notes receivables	10	2	2	1	1
Funds withheld for reinsurance receivable, at fair value	—	—	—	2,050	2,172
Reinsurance recoverable, net of allowance for credit losses of \$21 at December 31, 2020 (a)	3,174	3,152	3,182	3,186	3,213
Goodwill (a)	1,751	1,731	1,725	467	467
Prepaid expenses and other assets	413	448	381	384	355
Lease assets	8	7	8	9	9
Other intangible assets, net (a)	1,918	1,956	2,060	2,070	1,495
Property and equipment, net	11	7	2	2	2
Income taxes receivable	15	19	24	23	15
Deferred tax asset (a)	44	107	180	264	61
Assets of discontinued operations	327	2,618	2,502	—	—
Total assets	\$ 39,746	\$ 39,842	\$ 38,515	\$ 34,736	\$ 36,712

(a) These line items included adjustments that were recorded during the remeasurement period subsequent to the June 1, 2020 acquisition. The following adjustments were recorded as of the opening balance sheet at June 1, 2020 during the quarter ending September 30, 2020: Investment in unconsolidated affiliates, \$31, Goodwill, \$6, Other intangible assets, net, (\$37), and Deferred tax asset, \$3. The following adjustments were recorded as of the opening balance sheet at June 1, 2020 during the quarter ending December 31, 2020: Goodwill, \$20, Other intangible assets, net, (\$56), Reinsurance recoverable, \$47, and Deferred tax asset, \$10.

F&G - An Operating Segment of FNF
Financial Supplement - December 31, 2020
(All periods are unaudited)

Condensed Consolidated Balance Sheets (continued)

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Liabilities and Shareholders' Equity					
Contractholder funds (a)	28,718	27,488	26,628	26,226	25,684
Future policy benefits (a)	4,010	4,048	4,092	5,658	5,735
Accounts payable and accrued liabilities (a)	1,174	1,056	983	1,007	1,167
Notes payable	589	589	589	543	542
Funds withheld for reinsurance liabilities	806	814	817	821	831
Lease liabilities	14	12	13	9	9
Liabilities of discontinued operations	361	2,462	2,347	—	—
Total liabilities	35,672	36,469	35,469	34,264	33,968
Shareholders' equity:					
Additional paid-in-capital	2,741	2,739	2,737	2,041	2,032
Retained earnings (accumulated deficit)	136	(1)	(39)	(72)	300
Accumulated other comprehensive income (loss)	1,197	635	348	(1,428)	481
Treasury stock	—	—	—	(69)	(69)
Total shareholders' equity	4,074	3,373	3,046	472	2,744
Total liabilities and shareholders' equity	\$ 39,746	\$ 39,842	\$ 38,515	\$ 34,736	\$ 36,712

(a) Contractholder funds included a \$3 adjustment that was recorded as of the opening balance sheet at June 1, 2020 during the quarter ending September 30, 2020. Additionally, Contractholder funds, Future policy benefits, and Accounts payable and accrued liabilities included (\$5), (\$7), and \$33 adjustments as of the opening balance sheet at June 1, 2020, respectively, during the quarter ending December 31, 2020

Reconciliation of Total Shareholders' Equity to Total Common Shareholders' Equity Excluding AOCI

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger
Total shareholders' equity	4,074	3,373	3,046	472	2,744
Equity attributable to preferred shareholders (1)	—	—	—	446	438
Common shareholders' equity (1)	4,074	3,373	3,046	26	2,306
AOCI	1,197	635	348	(1,428)	481
Total common shareholders' equity excluding AOCI (1)	\$ 2,877	\$ 2,738	\$ 2,698	\$ 1,454	\$ 1,825

(1) Refer to "Non-GAAP Financial Measures Definitions"

F&G - An Operating Segment of FNF
Financial Supplement - December 31, 2020
(All periods are unaudited)

Condensed Consolidated Statements of Operations

	Three months ended		One month ended	Two months ended	Three months ended		Seven months ended
	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	December 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Post-Merger
Revenues:							
Life insurance premiums and other fees (a)	\$ 58	\$ 60	\$ 20	\$ 52	\$ 41	\$ 43	\$ 138
Interest and investment income	327	305	111	111	316	324	743
Recognized gains and losses, net	282	77	(7)	257	(692)	196	352
Total revenues	667	442	124	420	(335)	563	1,233
Benefits and expenses:							
Benefits and other changes in policy reserves	460	251	155	356	(41)	119	866
Personnel costs	33	23	9	15	21	21	65
Other operating expenses	30	33	12	40	74	64	75
Depreciation and amortization	64	56	3	1	(60)	78	123
Interest expense	8	7	3	5	8	8	18
Total benefits and expenses	595	370	182	417	2	290	1,147
Pre-tax earnings (loss) from continuing operations	72	72	(58)	3	(337)	273	86
Federal income tax expense	68	(5)	14	17	(1)	(48)	77
State income tax expense	(1)	(1)	—	(1)	—	—	(2)
Net earnings (loss) from continuing operations	139	66	(44)	19	(338)	225	161
Earnings from discontinued operations, net of tax	(2)	(28)	5	—	—	—	(25)
Less Preferred stock dividend	—	—	—	—	(8)	(8)	—
Net earnings (loss) attributable to common shareholders	\$ 137	\$ 38	\$ (39)	\$ 19	\$ (346)	\$ 217	\$ 136

(a) Included within "Escrow, title-related and other fees" in FNF 10-K/ 10-Q

Reconciliation from Net Earnings (Loss) to Adjusted Net Earnings (1)

	Three Months Ended			One Month Ended	Two Months Ended			Three Months Ended	Seven months ended
	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	December 31, 2020	
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Post-Merger	
Net earnings (loss) from continuing operations	\$ 139	\$ 66	\$ (44)	\$ (44)	\$ 19	\$ (338)	\$ 225	\$ 161	
Less Preferred stock dividend	—	—	—	—	—	(8)	(8)	—	
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 139	\$ 66	\$ (44)	\$ (44)	\$ 19	\$ (346)	\$ 217	\$ 161	
Non-GAAP adjustments (1):									
Recognized (gains) and losses, net	(76)	(15)	46	46	68	94	(34)	(45)	
Indexed product related derivatives	54	14	43	43	(28)	287	(134)	111	
Purchase price amortization	7	7	2	2	—	—	—	16	
Transaction costs and other non-recurring items	4	10	7	7	4	34	11	21	
Income taxes on non-GAAP adjustments	—	(8)	(21)	(21)	(23)	(36)	34	(29)	
Adjusted net earnings from continuing operations attributable to common shareholders (1)	\$ 128	\$ 74	\$ 33	\$ 33	\$ 40	\$ 33	\$ 94	\$ 235	

Notable Items

Each quarterly reporting period, we identify notable items that help explain the trends in our Net earnings (loss) from continuing operations attributable to common shareholders and Adjusted net earnings (loss) from continuing operations attributable to common shareholders as we believe these items provide further clarity to the financial performance of the business.

	Three Months Ended			One Month Ended	Two Months Ended			Three Months Ended	Seven months ended
	December 31, 2020	September 30, 2020	June 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	December 31, 2020	
	Post-Merger	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Post-Merger	
Adjusted net earnings from continuing operations attributable to common shareholders (1)	\$ 128	\$ 74	\$ 33	\$ 33	\$ 40	\$ 33	\$ 94	\$ 235	
Notable items [(unfavorable)/favorable]									
Single premium immediate annuities ("SPIA") mortality & other reserve adjustments (a)	—	10	4	4	6	(5)	15	14	
Assumption review and unlocking (b)	—	—	—	—	(4)	—	4	—	
Other notable items (c)	68	—	4	4	3	(27)	5	72	

(1) Refer to "Non-GAAP Financial Measures Definitions"

(a) The release of annuity reserves associated with mortality of annuitants, which varies due to timing, volume and severity of experience, and other reserve adjustments.

(b) Reflects unlocking from updating our DAC, VOBA, DSI and cost of reinsurance amortization models for actual experience and equity market fluctuations.

(c) Costs incurred during research and exploration of potential merger or acquisition of a business or a group of insurance policies via asset acquisition or (inforce) reinsurance agreement, bond prepayment income, changes in tax valuation, and other net activity.

Adjusted Net Earnings Statement (1)

	Three Months Ended		One Months Ended	Two Months Ended	Three Months Ended		Seven months ended
	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	December 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Post-Merger
Revenues:							
Life insurance premiums and other fees (a)	\$ 61	\$ 60	\$ 20	\$ 42	\$ 53	\$ 44	\$ 141
Interest and investment income (b)	315	314	120	200	317	\$ 324	\$ 749
Recognized gains and losses, net (c)	—	(1)	1	22	(34)	\$ 23	\$ —
Total revenues	376	373	141	264	336	\$ 391	\$ 890
Benefits and expenses:							
Benefits and other changes in policy reserves (d)	202	177	62	131	161	\$ 151	\$ 441
Personnel costs	33	23	9	15	21	\$ 21	\$ 65
Other operating expenses (e)	25	23	6	37	41	\$ 53	\$ 54
Depreciation and amortization (f)	46	56	21	32	27	\$ 42	\$ 123
Interest expense	8	7	3	5	8	\$ 8	\$ 18
Total benefits and expenses	314	286	101	220	258	\$ 275	\$ 701
Pre-tax earnings (loss) from continuing operations	62	87	40	44	78	\$ 116	\$ 189
Federal income tax expense	67	(12)	(7)	(5)	(37)	\$ (14)	\$ 48
State income tax expense	(1)	(1)	—	1	—	\$ —	\$ (2)
Adjusted net earnings (1)	128	74	33	40	41	\$ 102	\$ 235
Less: Preferred stock dividend	—	—	—	—	(8)	\$ (8)	\$ —
Adjusted net earnings from continuing operations attributable to common shareholders (1)	\$ 128	\$ 74	\$ 33	\$ 40	\$ 33	\$ 94	\$ 235
Notable items included in adjusted net earnings attributable to common shareholders (2)	\$ 68	\$ 10	\$ 8	\$ 5	\$ (32)	\$ 24	\$ 86

(1) Refer to "Non-GAAP Financial Measures Definitions"

(2) Refer to page 8 "Notable Items" for further detail of notable items.

(a) Life insurance premiums and other fees are included within "Escrow, title-related and other fees" in FNF 10-K/ 10-Q, and have been adjusted here to remove the effect of cost of reinsurance.

(b) Interest and investment income has been adjusted to remove the market volatility on the alternative investment portfolio for periods after March 31, 2020.

(c) Recognized gains and losses (net) have been adjusted to remove the effect of recognized (gains) losses including changes in allowance for expected credit losses and OTTI; changes in fair values of indexed product related derivatives and embedded derivatives, net of hedging costs; and the change in fair value of the reinsurance related embedded derivative.

(d) Benefits and other changes in policy reserves has been adjusted to remove the effects of the changes in fair values of indexed product embedded derivatives, changes in allowance for expected credit losses on reinsurance recoverables, the fair value impacts of assumed reinsurance, and changes in the SOP 03-1 reserve resulting from the adjustments above, as applicable.

(e) Other operating expenses have been adjusted to remove the effects of transaction costs.

(f) Depreciation and amortization has been adjusted to remove the impact on DAC, VOBA, and DSI of the adjustments above, as applicable, and purchase price amortization.

F&G - An Operating Segment of FNF
Financial Supplement - December 31, 2020
(All periods are unaudited).

Financial Strength Ratings

	A.M. Best	S&P	Fitch	Moody's
Holding Company Ratings				
F&G Annuities & Life, Inc. (formerly known as FGL Holdings)				
Issuer Credit / Default Rating	Not Rated	BBB-	BBB	Ba2
Outlook		Stable	Stable	Stable
CF Bermuda Holdings Limited				
Issuer Credit / Default Rating	Not Rated	BBB-	BBB	Ba1
Outlook		Stable	Stable	Stable
Fidelity & Guaranty Life Holdings, Inc.				
Issuer Credit / Default Rating	bbb-	BBB-	BBB	Not Rated
Outlook	Stable	Stable	Stable	
Senior Unsecured Notes	bbb-	BBB	BBB	Baa2
Outlook	Stable			Stable
Operating Subsidiary Ratings				
Fidelity & Guaranty Life Insurance Company				
Financial Strength Rating	A-	A-	A-	Baa1
Outlook	Stable	Stable	Stable	Stable
Fidelity & Guaranty Life Insurance Company of New York				
Financial Strength Rating	A-	A-	A-	Not Rated
Outlook	Stable	Stable	Stable	
F&G Life Re Ltd				
Financial Strength Rating	Not Rated	A-	A-	Baa1
Outlook		Stable	Stable	Stable
F&G Cayman Re Ltd				
Financial Strength Rating	Not Rated	Not Rated	A-	Not Rated
Outlook			Stable	

F&G - An Operating Segment of FNF
Financial Supplement - December 31, 2020
(All periods are unaudited)

Total Product Net Investment Spread

	Three Months Ended		One Month Ended	Two Months Ended	Three Months Ended		Seven months ended
	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	December 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Post-Merger
Net investment income	\$ 327	\$ 305	\$ 111	\$ 111	\$ 316	\$ 324	\$ 743
AAUM (1)	27,864	26,990	26,582	29,285	28,924	28,332	27,322
Yield on AAUM (1)	4.69 %	4.52 %	5.01 %	2.27 %	4.38 %	4.57 %	4.66 %
Alternative investment yield adjustment (1)	(0.17)%	0.13 %	0.41 %	1.83 %			0.07 %
Adjusted Yield on AAUM (1)	4.52 %	4.65 %	5.42 %	4.10 %			4.73 %
Interest credits	\$ 67	\$ 67	\$ 21	\$ 53	\$ 76	\$ 76	\$ 155
Option & futures costs	\$ 63	\$ 64	19	43	60	63	146
Total interest credited and option costs	\$ 130	\$ 131	\$ 40	\$ 96	\$ 136	\$ 139	\$ 301
Average account value	26,450	25,688	25,330	26,463	25,453	25,476	25,977
Interest credited & option cost	1.97 %	2.03 %	1.92 %	2.18 %	2.14 %	2.16 %	1.99 %
Net investment spread (1)	2.55 %	2.62 %	3.50 %	1.92 %	2.24 %	2.41 %	2.74 %

(1) Refer to "Non-GAAP Financial Measures Definitions" for further details. Periods after April 1, 2020 include alternative investment yield adjustment.

F&G - An Operating Segment of FNF
Financial Supplement - December 31, 2020
(All periods are unaudited)

FIA Net Investment Spread

	Three Months Ended		One Months Ended	Two Months Ended	Three Months Ended		Seven months ended
	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019	December 31, 2020
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Post-Merger
Net investment income (1)	\$ 235	\$ 215	\$ 69	\$ 51	\$ 209	\$ 220	\$ 519
AAUM (2)	19,097	18,312	18,267	18,623	18,111	17,628	18,585
Yield on AAUM (1) (2)	4.92 %	4.70 %	4.53 %	1.64 %	4.62 %	4.99 %	4.79 %
Alternative investment yield adjustment (2)	(0.25)%	0.20 %	0.59 %	2.67 %			0.10 %
Adjusted Yield on AAUM (1) (2)	4.67 %	4.90 %	5.12 %	4.31 %			4.89 %
Interest credits	\$ 13	\$ 14	\$ 4	\$ 8	\$ 13	\$ 14	\$ 31
Option & futures costs	\$ 63	\$ 64	\$ 19	\$ 43	\$ 60	\$ 63	\$ 146
Total interest credited and option costs	76	78	23	51	73	77	177
Average account value	18,442	17,948	17,688	17,501	17,065	16,565	18,130
Interest credited & option cost	1.65 %	1.73 %	1.59 %	1.76 %	1.72 %	1.85 %	1.68 %
Net investment spread (1) (2)	3.02 %	3.17 %	3.53 %	2.55 %	2.90 %	3.14 %	3.21 %

(1) We have restated prior period FIA net investment spread to reflect immaterial updates to FIA net investment income amounts. There was no impact to total product net investment spread amounts.

(2) Refer to "Non-GAAP Financial Measures Definitions" for further details. Periods after April 1, 2020 include alternative investment yield adjustment.

Average Assets Under Management Rollforward

	Three Months Ended		One Months Ended	Two Months Ended	Three Months Ended	
	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger
AAUM at beginning of period (1)	\$ 26,990	\$ 26,582	\$ 26,529	\$ 28,924	\$ 28,332	\$ 27,871
Net new business sales	874	408	53	361	592	461
AAUM at end of period	\$ 27,864	\$ 26,990	\$ 26,582	\$ 29,285	\$ 28,924	\$ 28,332

(1) Beginning balance for June 30, 2020 represents assets under management at June 1, 2020 and reflects \$2.3 billion decrease from the exclusion of discontinued operations and \$0.5 billion decrease from purchase accounting mark-to-market effect as compared to the May 31, 2020 ending balance.

Annuity Account Balance Rollforward (a)

	Three Months Ended		One Months Ended	Two Months Ended	Three Months Ended	
	December 31, 2020	September 30, 2020	June 30, 2020	May 31, 2020	March 31, 2020	December 31, 2019
	Post-Merger	Post-Merger	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger
Account balances at beginning of period:	\$ 22,106	\$ 21,442	\$ 21,332	\$ 20,999	\$ 20,402	\$ 20,052
Net deposits	1,305	1,046	245	675	940	920
Surrenders, withdrawals, deaths, etc.	(533)	(482)	(161)	(381)	(452)	(675)
Net flows	772	564	84	294	488	245
Premium and interest bonuses	20	17	4	12	17	19
Fixed interest credited and index credits	131	114	29	50	123	118
Guaranteed product rider fees	(37)	(31)	(7)	(23)	(31)	(32)
Account balance at end of period	\$ 22,992	\$ 22,106	\$ 21,442	\$ 21,332	\$ 20,999	\$ 20,402

(a) The rollforward reflects the vested account balance of our fixed index annuities and fixed rate annuities, net of reinsurance.

Annuity Liability Characteristics

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	December 31, 2020	
<u>SURRENDER CHARGE PERCENTAGES:</u>		
No surrender charge	\$ 414	\$ 2,346
0.0% < 2.0%	5	62
2.0% < 4.0%	26	488
4.0% < 6.0%	646	1,630
6.0% < 8.0%	1,499	2,288
8.0% < 10.0%	1,699	4,733
10.0% or greater	2	7,155
	\$ 4,291	\$ 18,702

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	December 31, 2020	
<u>CREDITED RATE (INCLUDING BONUS INTEREST) VS. ULTIMATE MINIMUM GUARANTEED RATE DIFFERENTIAL:</u>		
No differential	\$ 494	\$ 1,297
0.0% - 1.0%	343	1,404
1.0% - 2.0%	1,155	24
2.0% - 3.0%	2,299	2
Allocated to index strategies	—	15,975
	\$ 4,291	\$ 18,702

Summary of Invested Assets by Asset Class

	December 31, 2020			December 31, 2019		
	Post-Merger			Pre-Merger		
	Amortized Cost	Fair Value	Percent	Amortized Cost	Fair Value	Percent
Fixed maturity securities, available for sale:						
United States Government full faith and credit	\$ 45	\$ 45	— %	\$ 33	\$ 34	— %
United States Government sponsored entities	105	106	— %	133	134	— %
United States municipalities, states and territories	1,243	1,309	4 %	1,284	1,343	5 %
Foreign Governments	128	140	— %	138	155	1 %
Corporate securities:						
Finance, insurance and real estate	4,267	4,572	15 %	4,038	4,234	15 %
Manufacturing, construction and mining	839	936	3 %	739	771	3 %
Utilities, energy and related sectors	2,532	2,762	9 %	2,345	2,452	9 %
Wholesale/retail trade	1,900	2,106	7 %	1,576	1,617	6 %
Services, media and other	2,568	2,793	9 %	2,353	2,523	9 %
Hybrid securities	888	963	3 %	983	1,027	4 %
Non-agency residential mortgage-backed securities	677	694	2 %	784	820	3 %
Commercial mortgage-backed securities	2,468	2,806	9 %	2,788	2,922	10 %
Asset-backed securities	1,920	1,999	6 %	1,774	1,813	6 %
CLO securities	4,021	4,268	14 %	3,946	3,881	14 %
Alternative investments	1,148	1,156	4 %	1,084	1,077	4 %
Equity securities	959	1,047	3 %	999	1,002	4 %
Commercial mortgage loans	903	926	3 %	422	435	1 %
Residential mortgage loans	1,128	1,123	4 %	845	848	3 %
Other (primarily derivatives and policy loans)	815	997	4 %	628	867	3 %
Short term investments	456	456	1 %	38	38	— %
Total (a)	\$ 29,010	\$ 31,204	100 %	\$ 26,930	\$ 27,993	100 %

(a) Asset duration of 6.84 years and 6.63 years vs. liability duration of 6.65 years and 6.80 years for the periods ending December 31, 2020 and December 31, 2019, respectively.

Credit Quality of Fixed Maturity Securities

NAIC Designation	December 31, 2020	
	Fair Value	Percent
1	\$ 12,370	49 %
2	10,659	42 %
3	1,595	6 %
4	700	3 %
5	174	— %
6	1	— %
	<u>\$ 25,499</u>	<u>100 %</u>

Rating Agency Rating	December 31, 2020	
	Fair Value	Percent
AAA	\$ 488	2 %
AA	1,590	6 %
A	7,040	28 %
BBB	9,669	38 %
Not rated	4,336	17 %
Total investment grade	<u>23,123</u>	<u>91 %</u>
BB	1,493	6 %
B and below	612	2 %
Not rated	271	1 %
Total below investment grade	<u>2,376</u>	<u>9 %</u>
	<u>\$ 25,499</u>	<u>100 %</u>

Summary of Residential Mortgage Backed Securities by Collateral Type and NAIC Designation

Total by collateral type	December 31, 2020	
	Amortized Cost	Fair Value
Government agency	\$ 105	\$ 106
Prime	512	527
Subprime	73	73
Alt-A	92	94
	<u>\$ 782</u>	<u>\$ 800</u>

Total by NAIC designation	December 31, 2020	
	Amortized Cost	Fair Value
1	\$ 752	\$ 768
2	16	17
3	8	8
4	3	3
5	3	4
	<u>\$ 782</u>	<u>\$ 800</u>

Top 5 Reinsurers

Parent Company/Principal Reinsurers	Reinsurance Recoverable (a)	December 31, 2020			
		Financial Strength Rating			
		AM Best	S&P	Fitch	Moody's
Wilton Re	\$ 1,481	A+	Not Rated	A+	Not Rated
Kubera Insurance (SAC) Ltd	810	Not Rated	Not Rated	Not Rated	Not Rated
Security Life of Denver	165	Not Rated	A+	A	A3
Hannover Re	134	A+	AA-	Not Rated	Not Rated
London Life	108	A+	Not Rated	AA	Not Rated

(a) Reinsurance recoverables do not include unearned ceded premiums that would be recovered in the event of early termination of certain traditional life policies.

Non-GAAP Financial Measures Definitions

The following represents the definitions of non-GAAP measures used by F&G, as an operating segment of FNF:

Adjusted Net Earnings

Adjusted Net Earnings is a non-GAAP economic measure we use to evaluate financial performance each period. Adjusted net earnings is calculated by adjusting net earnings (loss) from continuing operations 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; the impact of market volatility on the alternative asset portfolio; and the effect of changes in fair value of the reinsurance related embedded derivative;
- (ii) Indexed product related derivatives: 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, and the fair value accounting impact of assumed reinsurance,
- (iii) Purchase price amortization: the impacts related to the amortization of certain intangibles (internally developed software, trademarks and value of distribution asset (VODA)) recognized as a result of acquisition activities, and
- (iv) Transaction costs: the impacts related to acquisition, integration and merger related items.

Adjustments to Adjusted Net Earnings are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction. 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.

Effective April 1, 2020, F&G changed their definition of Adjusted Earnings to exclude the impact of market volatility on the alternative asset portfolio. Alternative investment valuations and GAAP net income can reflect significant non-cash impacts of market and economic conditions that are not indicative of expected returns over the life of the investments. Management invests in alternative investments to back future policyholder obligations consistent with its asset liability management strategy. Management evaluates the performance of the alternative investments and calculates Adjusted Earnings using a rate of return that is consistent with its investment strategy and indicative of expected returns. Management believes this change provides users of the financial statements and other financial communications a more representative view of the results of the core business of F&G for the periods after April 1, 2020. Previous periods have not been adjusted.

Adjusted Net Earnings from Continuing Operations Attributable to Common Shareholders

Adjusted Net Earnings from continuing operations attributable to common shareholders is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. Adjusted net earnings from continuing operations attributable to common shareholders is calculated by adjusting net earnings (loss) available to common shareholders to eliminate the same items as described in the Adjusted Net Earnings paragraph above. While these adjustments are an integral part of the overall performance of the Company, 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.

Common Shareholders' Equity

Common Shareholders' Equity is based on Total Shareholders' Equity excluding Equity Available to Preferred Shareholders. Management considers this to be a useful measure internally and to investors to assess the level of equity that is attributable common stock holders.

Common Shareholders' Equity Excluding AOCI

Common Shareholders' Equity Excluding AOCI is based on Common Shareholders' Equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of earned equity on common equity.

Equity Attributable to Preferred Shareholders

Equity attributable to preferred shareholders is equal to the product of (a) the number of preferred shares outstanding plus share dividends declared but not yet issued and (b) the original liquidation preference amount per share. Management considers this non-GAAP measure to provide useful information internally and to investors and analysts to assess the level of equity that is attributable to preferred stock holders. (Note: F&G no longer has any preferred shareholders following the Business Combination)

Average Assets Under Management (AAUM)

AAUM is calculated as the sum of:

- (i) total invested assets at amortized cost, excluding derivatives;
- (ii) related party loans and investments;
- (iii) accrued investment income;
- (iv) the net payable/receivable for the purchase/sale of investments, and
- (v) cash and cash equivalents, excluding derivative collateral, 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 assets available for reinvestment.

Yield on AAUM

Yield on AAUM is calculated by dividing annualized net investment income by AAUM. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.

Alternative Investment Yield Adjustment

Alternative investment yield adjustment is the current period yield impact of market volatility on the alternative investment portfolio. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.

Adjusted Yield on AAUM

Adjusted Yield on AAUM is calculated by dividing annualized net investment income by AAUM, plus or minus the alternative investment yield adjustment. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.

Net Investment Spread

Net investment spread is the excess of net investment income, adjusted for market volatility on the alternative asset investment portfolio, earned over the sum of interest credited to policyholders and the cost of hedging our risk on indexed product policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company's invested assets against the level of investment return provided to policyholders, inclusive of hedging costs.