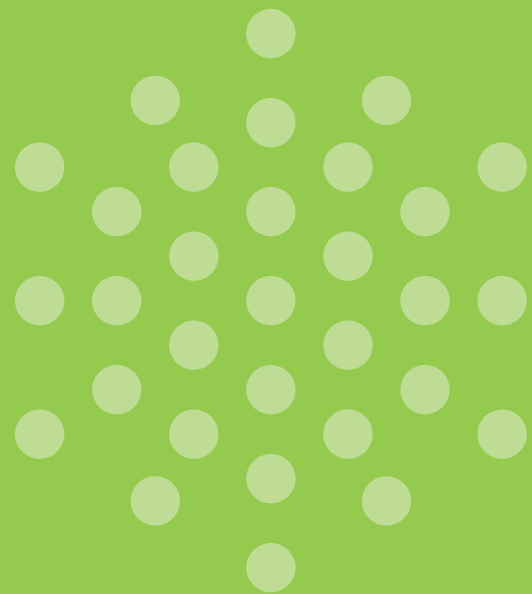




# Brighthouse Shield® Level Annuities

How a Step Rate Can Help Add  
Growth to Your Portfolio



# Important Terms and Definitions

**Shield Option:**<sup>1</sup> Each Shield Option has an associated term, index, Shield Rate (level of protection), and rate crediting type.

- **Term:** The number of years the Shield Option is in effect
- **Index:** A choice of well-known market indices to track performance:
  - S&P 500<sup>®</sup> Index<sup>A</sup>
  - Russell 2000<sup>®</sup> Index<sup>B</sup>
  - MSCI EAFE Index<sup>C</sup>
  - Nasdaq-100<sup>®</sup> Index<sup>D</sup>
- **Shield Rate:**<sup>2</sup> The amount of any negative index performance absorbed by the issuing insurance company at the end of the term (e.g., 10% level of protection)
- **Cap Rate:**<sup>3,4</sup> The maximum performance that can be earned at the end of the term based on index performance
- **Step Rate:**<sup>3,4</sup> Credits a predetermined percentage of growth if the index performance is either flat or up at the end of the term
- **Step Rate Edge:**<sup>3,4</sup> Credits a predetermined percentage of growth if the index performance is greater than or equal to the Shield Rate at the end of the term

**Account Value:** The total value of the Shield Option(s), including the Fixed Account, under the contract during the Accumulation Period.

**Index Performance:** The percentage change in the index value measured from the term start date to any day within the term.

**Index Price Return:** Calculation that measures only the movements in the price of the underlying securities that make up an index; it does not factor in dividends, interest, or other distributions.

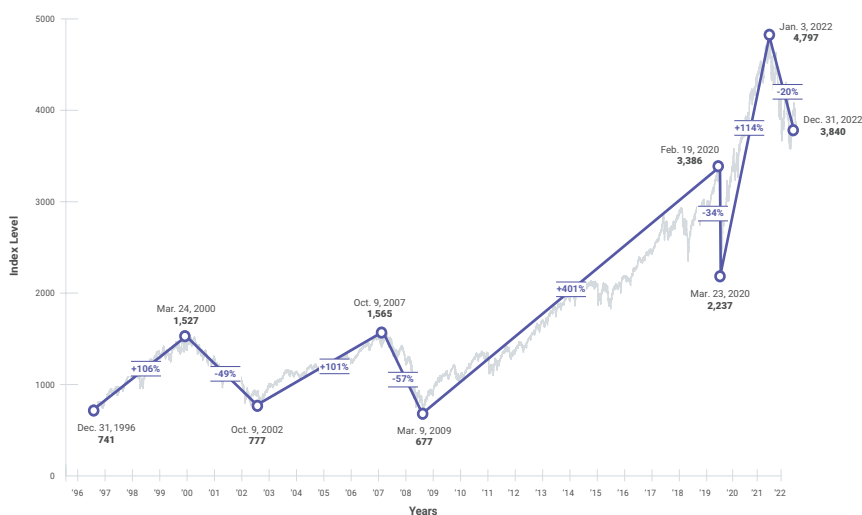
# A Shield Level Annuity Can Help You in Up Markets, Down Markets... and In Between

Historically, equities have played an important role in helping investors meet their retirement goals.

While performance can fluctuate and past performance doesn't guarantee future results, equities have performed well for investors. As you can see in the chart below, although the S&P 500 Index has experienced occasional down markets, it's provided overall positive long-term growth.

A Brighthouse Shield® Level Annuity may be a great addition to some portfolios because it allows participation in up markets while providing a level of protection in down markets.<sup>5</sup> But what about the years when the market is either flat or only slightly up?

## S&P 500 Historical Performance



Source: Guide to the Markets. J.P. Morgan Asset Management, December 31, 2022.

Returns are cumulative and based on the S&P 500 Index price movement only, do not include the reinvestment of dividends, and do not reflect the performance of any particular product. Past performance is not indicative of future returns. Data as of December 31, 2022.



## Did you know?

Since the inception of the S&P 500 in 1957, the index has experienced positive price returns in 48 calendar years and negative price returns in 18 years. This resulted in an average annual price return of 8.62%.<sup>6</sup>

- Of the 66 years since inception, the index underperformed its historic annual average price return 33 times, leaving investors disappointed
- This can be seen as recently as 2015 and 2018 when the index experienced annual price returns of -0.73% and -6.24%, respectively



# Step Rate: A Potential Strategy

Shield Options with a Step Rate are designed to increase your likelihood of earning real returns to help meet financial goals even during times of flat or slow-growing markets

A Step Rate credits a predetermined percentage of growth to your account if your chosen index or indices are either flat or up at the end of the term.<sup>7</sup> This option allows you to plan your retirement with more confidence and update your allocation as personal circumstances and markets change. Let's look at how it works.

## Meet Robert

**Hypothetical example for illustrative purposes only.**

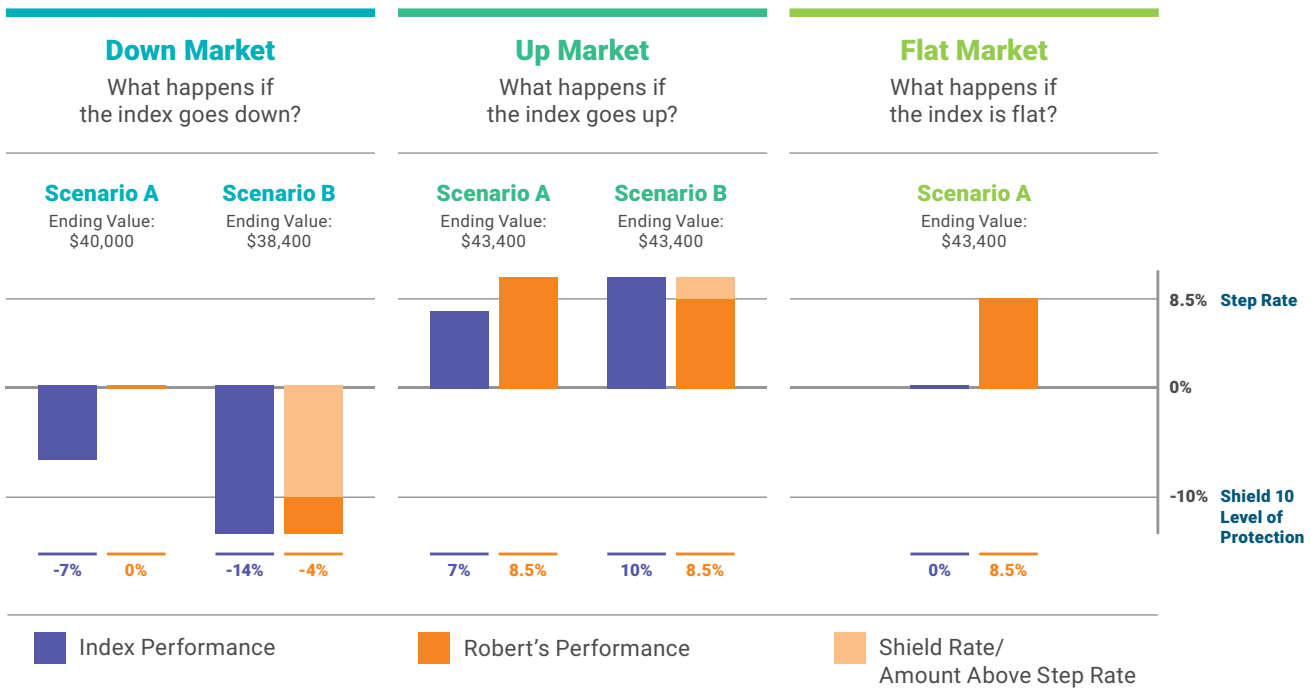
Robert is 55 years old. With two older children and college expenses on the horizon, he and his wife are worried they haven't saved enough for retirement. He also realizes that he should consider taking less risk as retirement gets closer and wants to stay on course to meet his financial goals. The possibility that markets may not continue to grow as they have since the financial crisis of 2008-2009 is adding to his uncertainty. After talking to his financial professional, he has decided to place a portion of his portfolio in the amount of \$100,000 in a Shield annuity. Of the \$100,000, Robert has placed \$40,000 into a Shield Option with a Step Rate.

# Here's How It Works

The scenario below illustrates an example of how the Shield Option with a Step Rate provides a level of protection and participation in different market conditions for a portion of the purchase payment.

## Robert's Shield Option with Step Rate

- Portion of Purchase Payment: \$40,000
- Term Length: 1 year
- Step Rate: 8.5%
- Shield Rate (level of protection): 10%



Robert selected a Shield Option with a 10% level of protection and an 8.5% Step Rate with a 1-year term, which means:

- **Down Market:** If at the end of the term the index performance is negative, the issuing insurance company will absorb the first 10% of losses. Any losses beyond this level of protection would be reflected in Robert's account.<sup>2,8</sup>
- **Up or Flat Market:** If at the end of the term the index performance is 0% or positive – no matter how small the growth – his account will be credited the full Step Rate of 8.5% at the end of the term.

By choosing Step Rate, Robert feels confident that part of his portfolio is well suited to help keep his plans for retirement on track.

These examples are not a representation of past or future performance for any Shield Option (term, index, Shield Rate, and rate crediting type) and are not a guarantee of any kind. Actual performance may be greater or less than that shown. Performance may differ due to the Shield Rate and rate crediting type. Shield annuities do not invest directly in any index.



Talk to your financial professional to see if a Brighthouse Shield Level Annuity with a Step Rate may be right for your portfolio. To learn more, visit [brighthousefinancial.com](https://brighthousefinancial.com).

---

<sup>A</sup> The S&P 500<sup>®</sup> is a product of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”) and has been licensed for use by Brighthouse Financial, Inc. S&P<sup>®</sup>, S&P 500<sup>®</sup>, US 500, The 500, iBoxx<sup>®</sup>, iTraxx<sup>®</sup> and CDX<sup>®</sup> are trademarks of S&P Global, Inc. or its affiliates (“S&P”); Dow Jones<sup>®</sup> is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Brighthouse Financial, Inc. Brighthouse Financial products are not sponsored, endorsed, sold, or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates; and none of such parties make any representation regarding the advisability of investing in such products, nor do they have any liability for any errors, omissions, or interruptions of the S&P 500<sup>®</sup>.

<sup>B</sup> The Russell 2000<sup>®</sup> Index is a trademark of Russell Investments and has been licensed for use by affiliates of Brighthouse Financial, Inc. This annuity product is not sponsored, endorsed, sold, or promoted by Russell Investments, and Russell Investments makes no representation regarding the advisability of investing in this annuity product.

<sup>C</sup> This annuity product is not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such products or securities, or any index on which such products or securities are based. The annuity product prospectus contains a more detailed description of the limited relationship MSCI has with affiliates of Brighthouse Financial, Inc.

<sup>D</sup> Nasdaq<sup>®</sup>, Nasdaq-100<sup>®</sup>, Nasdaq-100 Index<sup>®</sup>, and NDX<sup>®</sup> are registered trademarks of Nasdaq, Inc. (which, with its affiliates, is referred to as the “Corporations”) and are licensed for use by Brighthouse Financial, Inc. Brighthouse Financial products have not been passed on by the Corporations as to their legality or suitability and are not issued, endorsed, sold, or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THESE PRODUCTS.

<sup>1</sup> The Shield Options available may vary by state or firm.

<sup>2</sup> The Shield Rate accrues daily and fully accrues on the term end date. If a withdrawal is taken from the contract prior to the term end date, negative index performance could lead to a loss if it exceeds the accrued Shield Rate. See the prospectus for more details.

<sup>3</sup> The rate crediting type accrues daily and fully accrues on the term end date. If a withdrawal is taken from the contract prior to the term end date, any gain may be limited by the applicable accrued rate crediting type. See the prospectus for more details.

<sup>4</sup> In exchange for a predetermined percentage of growth, Step Rates and Edge Rates are generally lower than Cap Rates for the same Shield Options. Additionally, Edge Rates are generally lower than Step Rates for the same Shield Options. Rates will vary based on the selected term, index, and level of protection.

<sup>5</sup> Participate in rising markets up to your rate crediting type. Growth opportunities are based on the elected rate crediting type. The Shield Rate (level of protection) and rate crediting type accrue daily and fully accrue on the term end date. The issuing insurance company will absorb losses up to your level of protection in falling markets. Your account value will be reduced by any negative index performance beyond your elected level of protection. If you do not elect the Fixed Account, you could see a substantial loss if the market declines more than your level of protection.

<sup>6</sup> The respective price return of each index is from January 2 of any year to December 31 of the same year. Price return does not factor in dividends, interest, or other distributions. Past performance is not a guarantee of future performance. Market indices referenced are not managed and are used as a measurement of the value of a section of the stock market. Information about indices is provided to illustrate historical market trends and does not represent the performance of any specific investment. You cannot invest directly in an index. Bloomberg Professional Services, 2023.

<sup>7</sup> Rates are set at contract issue and are locked in for the selected term. After the initial term, renewal rates apply on the corresponding contract anniversary for the new term.

<sup>8</sup> Negative index performance beyond the Shield Rate could result in a substantial loss.



**This material must be preceded or accompanied by a prospectus for Brighthouse Shield Level Select 6-Year Annuity, Brighthouse Shield Level Select 3-Year Annuity, or Brighthouse Shield Level Select Advisory Annuity, issued by Brighthouse Life Insurance Company, which contains information about the contract's features, risks, charges, and expenses. Clients should read the prospectus, which is available from their financial professional, and consider its information carefully before investing. Brighthouse Financial reserves the right to substitute any index at any time.**

**Brighthouse Shield Level Annuities are long-term investments designed for retirement purposes. They have limitations, exclusions, charges, termination provisions, and terms for keeping them in force, and are not guaranteed by the broker/dealer, the insurance agency, the underwriter, or any affiliates of those entities from which they were purchased. All representations and contract guarantees, including the death benefit and annuity payout rates, are subject to the claims-paying ability and financial strength of the issuing insurance company. Because the client agrees to absorb all losses beyond their chosen Shield Rate, there is a risk of substantial loss of principal. Please refer to "Risk Factors" in the contract prospectus for more details.**

Withdrawals of taxable amounts are subject to ordinary income tax. Withdrawals made before age 59½ may also be subject to a 10% federal income tax penalty. Distributions of taxable amounts from a non-qualified annuity may also be subject to the 3.8% Net Investment Income Tax that is generally imposed on interest, dividends, and annuity income if the modified adjusted gross income exceeds the applicable threshold amount. Withdrawals will reduce the death benefit and account value. Withdrawals may be subject to withdrawal charges.

Any discussion of taxes is for general informational purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax, or accounting advice. Clients should confer with their qualified legal, tax, and accounting professionals as appropriate.

Shield® Level annuities are index-linked annuities issued by, and product guarantees are solely the responsibility of, Brighthouse Life Insurance Company, Charlotte, NC 28277, on Policy Form L-22494 (09/12)-AV ("Brighthouse Financial"). These products are distributed by Brighthouse Securities, LLC (member FINRA). All are Brighthouse Financial affiliated companies. Product availability and features may vary by state or firm.

Brighthouse Financial® and its design are registered trademarks of Brighthouse Financial, Inc. and/or its affiliates.

• Not a Deposit • Not FDIC Insured • Not Insured by Any Federal Government Agency  
• Not Guaranteed by Any Bank or Credit Union • May Lose Value

**Brighthouse** | Build for  
FINANCIAL® | what's ahead®

Brighthouse Life Insurance Company  
11225 North Community House Road  
Charlotte, NC 28277  
brighthousefinancial.com