

**BLACKROCK®**

# Real retirement, real insights

How the CoRI® Retirement Indexes help  
revolutionize your retirement planning



**CoRI**<sup>®</sup>  
by **BLACKROCK**<sup>®</sup>

# Real retirement, real insights

There is a simple question that shapes many of the decisions you make: **how much is it going to cost?** Fortunately, cost is often transparent, readily available and easily understood.

Think about what it's like to buy a home. You know upfront both the purchase price and how much you will owe monthly in mortgage and interest payments. Understanding what you can afford is simple math, making the buying decision straightforward.

Frustratingly, that's not the case when it comes to retirement. Instead of a clear cost, the starting point for many retirement conversations is the total amount in your retirement savings account. This can feel disconnected from your goal – to create a regular "paycheck" in retirement – and the way you make budgeting decisions in your

day-to-day life. How do you know if you've saved enough for the income you want? And the closer you get to retirement, the more you need straightforward answers.

**That's where BlackRock's CoRI® Retirement Indexes** ("CoRI Indexes") **can help.** For investors ages 55 to 74, the CoRI Indexes are designed to provide a quick, simple method of estimating how much annual retirement income your lump sum savings may provide. They offer new and innovative insight to help to answer the question, "**Will I have enough for the retirement I want?**"

Meet CoRI @ [BlackRock.com/CoRI](https://BlackRock.com/CoRI)



To help you use the CoRI Indexes quickly and effectively, BlackRock has developed an online tool – CoRI. Simply provide your age and your current retirement savings and **CoRI does the work.**

# How retirement math has changed

Retirement math used to be simple:



But today, the math isn't so straightforward:



It is during the ten years or so before retirement that you may become acutely aware of the challenges of understanding what your retirement savings account balance means to your retirement life. You might recognize that the old math of Pension Check + Social Security = Monthly Retirement Income may no longer work. In its place is a new inflection point that we call pre-retirement. In that time, you must determine when to retire, if you've even saved enough to retire, and if not, what you could do to make up any shortfalls. In the absence of a clear understanding of how your savings translates into retirement income, these questions can seem impossible to answer.

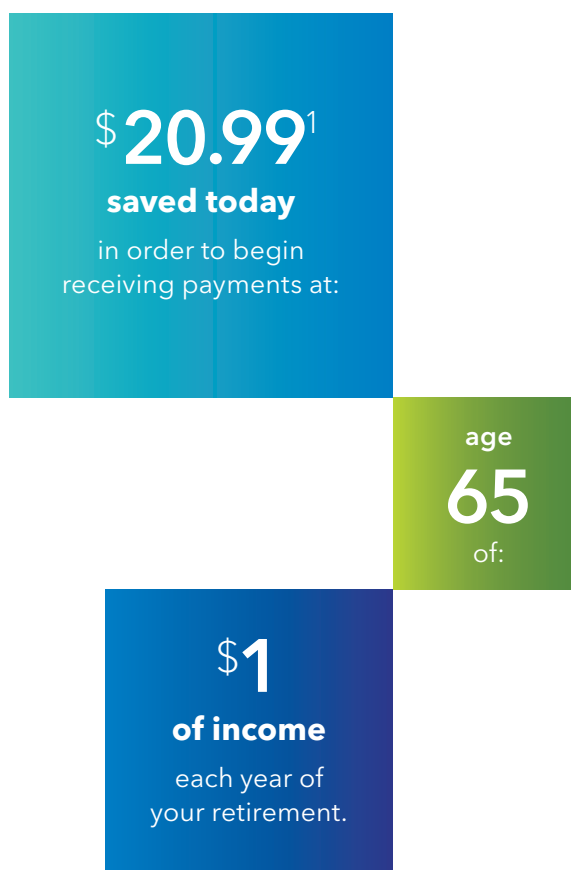
# Understanding retirement on your terms

We believe that the CoRI Indexes can help provide **clarity for people in pre-retirement** who are struggling to make sense of what their retirement savings might mean in income terms.

The idea behind the CoRI Indexes is simple and powerful: If you can estimate the future retirement income your savings may provide, you could build a more informed plan and make adjustments now – before you retire – to help increase the chance of achieving the retirement you want.

The CoRI Indexes are designed to capture this information across a suite of age-based indexes that each seek to estimate how much it could cost you – **how much savings you may need** – to receive one dollar of income each year for life, beginning when you turn age 65. For example, if your CoRI Index level is \$20.99, you need approximately \$20.99 saved today in order to generate payments starting at age 65 of \$1 of income each year of your retirement.

If your CoRI Index level is **\$20.99<sup>1</sup>**, you need **approximately:**



<sup>1</sup> Illustrative example based on CoRI Index 2024 as of January 2, 2020. CoRI Index levels are updated daily and are subject to change over time. Indexes are unmanaged and one cannot invest directly in an index. The CoRI Indexes are age-based, so this example is not applicable to individuals of all ages. Estimates are not guaranteed and actual outcomes may vary.

# How much could your future dollar cost?

A dollar today costs... a dollar. But how much could a lifetime of annual dollars cost when you turn 65 and beyond?

**That's what the CoRI Indexes are designed to estimate.**

Here are the factors that go into the calculation and how they influence your CoRI Index level:

Factor	Why it matters	Adjusts level up/down	Stuff you should know
<b>Starting level</b>	You'll want \$1 a year – every year – beginning at retirement (assumed to be age 65).	—	The initial CoRI Index level is established to cover the cost of annual payments through the age of 115.
<b>Inflation</b>	The cost of living will go up and you want to preserve your purchasing power.	^	The CoRI Index level prices in an annual cost of living adjustment beginning at age 65.
<b>Risk</b>	The need to give you a dollar in the future introduces investment risk.	^	Current market information about what insurers are charging to manage similar risk is also added into the CoRI Index level.
<b>Interest</b>	Today's interest rates can help lower the cost of your future dollar.	v	Interest rate changes can cause daily fluctuations in your CoRI Index level.
<b>Life expectancy</b>	Because we all won't live to 115...	v	Your CoRI Index level is reduced using mortality calculations similar to ones used by Social Security, pension plans and insurance companies.
		<b>Today's CoRI level</b>	A simple, quick "conversation starter" for retirement planning.

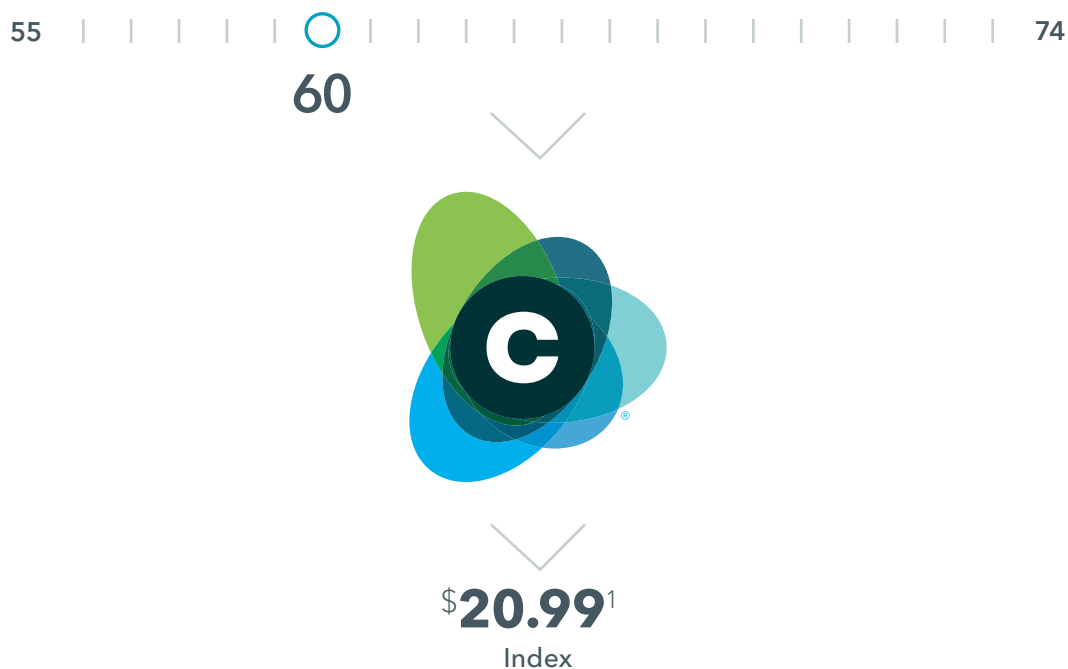
# Working with the CoRI Indexes: Useful insights in just seconds

The CoRI Indexes are a flexible innovation that can help you and your advisor in **three critical ways** as you plan for retirement:

## 1 To get your retirement bearing

The simplest way to use the CoRI Indexes is as a calculator. CoRI can help you calculate how much estimated annual retirement income your savings could provide, or conversely, you can calculate the approximate savings you would need in order to seek a certain amount of income.

### Find your CoRI Index level...

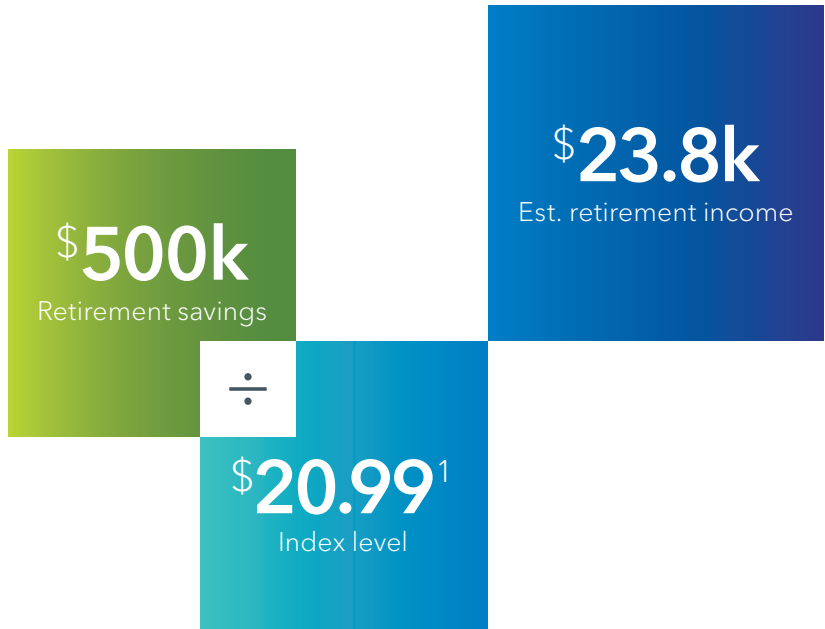


<sup>1</sup> Illustrative example based on CoRI Index 2024 as of January 2, 2020. CoRI Index levels are updated daily and are subject to change over time. Indexes are unmanaged and one cannot invest directly in an index. The CoRI Indexes are age-based, so this example is not applicable to individuals of all ages. Estimates are not guaranteed and actual outcomes may vary.

Then use CoRI to calculate...

### ... Estimated annual income from savings

How much annual retirement income your current retirement savings could provide



### ... Savings targets from income goals

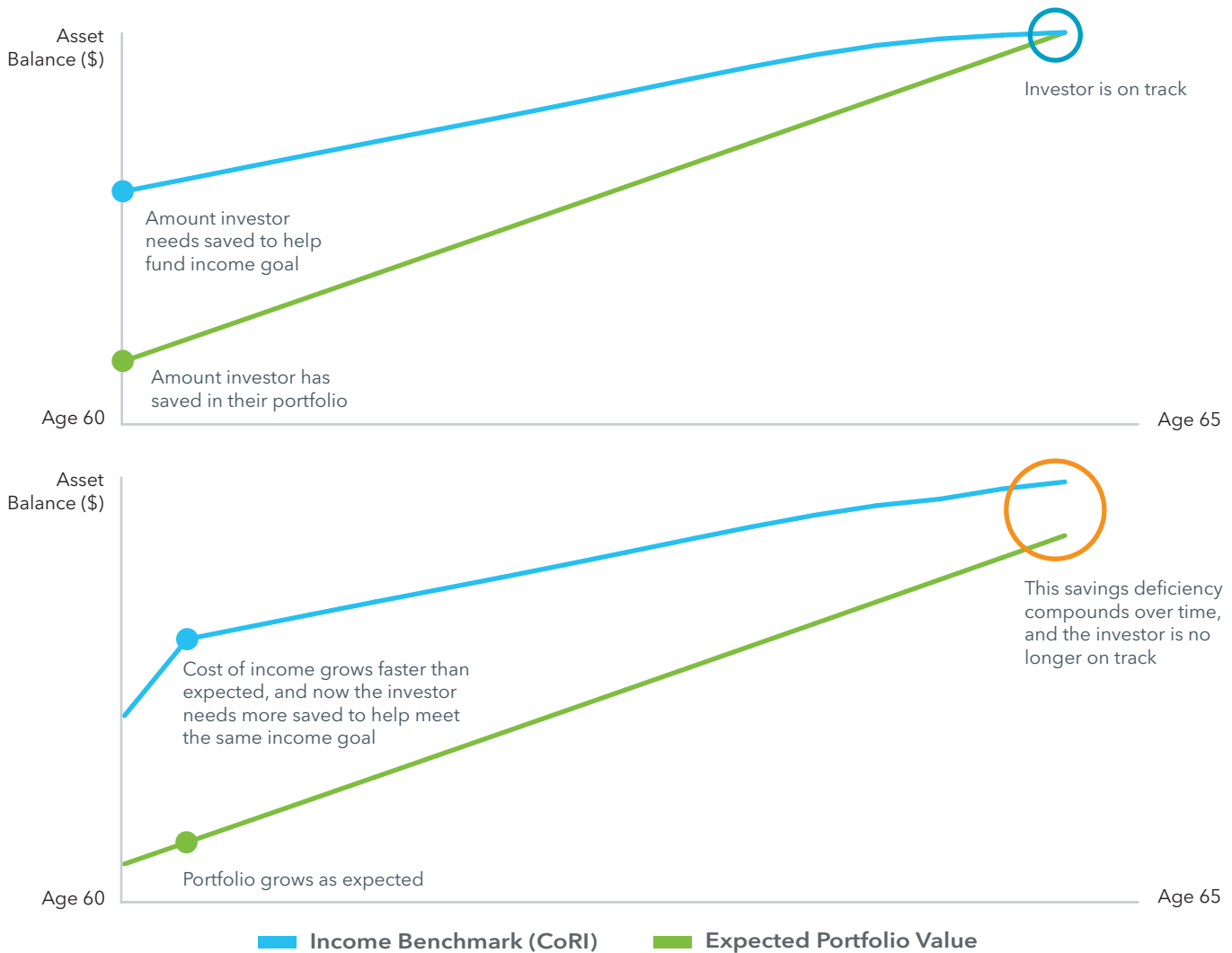
How much you would need saved to seek the income you want



<sup>1</sup> Illustrative example based on CoRI Index 2024 as of January 2, 2020. Assumes retirement age of 65. CoRI Index levels are updated daily and are subject to change over time. Indexes are unmanaged and one cannot invest directly in an index. The CoRI Indexes are age-based, so this example is not applicable to individuals of all ages. Estimates are not guaranteed and actual outcomes may vary.

## 2 As a benchmark

Like any index, each CoRI Index changes daily and allows you to track its value over time. But because the calculation is aged-based and forward-looking, you can use it as a benchmark as you progress toward your retirement income goals. You will be able to more clearly track changes in your future spending power, allowing you and your advisor to have more meaningful ongoing conversations about your progress toward your goals.



Using the CoRI Indexes as your benchmark provides real-time opportunities to identify when course corrections may be needed to help stay on track with your retirement income goal and help manage risk along the way.

For illustrative purposes only. Does not represent an actual account. Estimates based on CoRI methodology are not guaranteed and actual outcomes may vary.



### 3 As a Portfolio Planner

The CoRI Indexes provide insight to help answer the question, “**Have I saved enough?**” The answer to that question leads to the CoRI Indexes' natural role as an aid in investment portfolio building and design.

You have options to:

#### Help close a potential retirement income gap:

- **Investing differently:** Check in to ensure your investments align with your retirement income goals
- **Saving more:** Increase your contributions to get you closer to the target savings amount you want
- **Delaying retirement:** Consider working longer until your retirement income goal is reached

#### Check back regularly to make sure you're still on track:

- Year-to-year your circumstances could change or unexpected market conditions could create a gap
- You may want to adjust your savings, investing or retirement plans to continue making progress toward your retirement income goals

At the simplest level, the indexes can help you target the savings level you would need to reach your retirement income target. They give you a quick, baseline reading on your progress, and from there, you can start a conversation with your advisor on how to adjust your investment portfolio and develop an action plan to help get or stay on track toward your goals.

# Real conversations, real insights

Throughout our working lives, most of us have learned to think of our finances in terms of cash flows, whether it's weekly, bi-weekly, or monthly paychecks.

We consider cash flows, or income, as we plan to meet our day to day expenses. Previous retirement systems, such as Defined Benefit pension plans and Social Security, were also framed in terms of monthly cash flows, which simplified our transition into retirement. But retirement has changed. We are living longer and depend more on our savings.

We believe the real value of the CoRI Indexes to individuals, financial advisors, Defined Contribution plan sponsors or anyone who wants to understand whether investment portfolios are on track to meet retirement goals is that it puts the conversation about retirement readiness into a context that you can relate to more easily – income. Working with the CoRI Indexes can help you explore whether you need to save more, change investments, or even delay retirement, while you still have the time to take action.

And the insights of the CoRI Indexes are not limited to those preparing for retirement. Once you turn 65, you can continue to track your CoRI Index for an additional 10 years until age 74. In those retirement years, you may want the flexibility to manage spending and wealth in a manner that suits your personal needs and preferences. Together with your advisor, you can use the **CoRI Indexes to help develop a flexible plan that gets you to and through the retirement you want, by focusing on the number that really matters: annual retirement income.**

## Simple retirement planning that's years ahead.

Learn more at [BlackRock.com/CoRI](https://BlackRock.com/CoRI)

# Appendix

## What does a CoRI® Index level represent?

The CoRI Indexes seek to estimate the cost of a dollar of income every year during retirement beginning at age 65. A CoRI Index level represents that cost on any given day. For example, an index level of \$20.99 means that a dollar of lifetime income beginning at age 65 would cost \$20.99 today<sup>1</sup>. The estimated income includes a Cost of Living Adjustment (COLA) in an effort to preserve purchasing power, so an income payment of \$1 the first year would be followed by \$1.025 the next year, increasing 2.5% each year throughout retirement.

## Why are there multiple CoRI Indexes?

The CoRI Indexes are a series of twenty indexes, one each for people from ages 55 to 74. The costs associated with generating lifetime income vary by age, so each index takes into account age-specific factors, in order to provide a metric that you can use daily to estimate the annual retirement income your savings could generate. The appropriate index to use is the one that matches the year you turn 65.

## Is the “lifetime income” estimate from CoRI related to annuities?

The CoRI Indexes are designed to help you understand not only the estimated annual retirement income that could be generated by a lump sum, but also a fair price for that income. Annuity providers have been very successful at estimating their costs and delivering income, making them a real-world proxy against which to measure your future income potential and costs. Therefore, the CoRI Indexes incorporate many of the pricing factors annuity providers consider, including mortality tables, to estimate income costs at some point in the future.

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## Want to know more?



[blackrock.com/cori](https://blackrock.com/cori)

*This information should not be relied upon as investment advice, research, or a recommendation by BlackRock regarding (i) the use or suitability of the indexes or (ii) any security in particular. Investors should consult their financial professional to evaluate their investment needs.*

*The CoRI Retirement Indexes and the CoRI tool do not guarantee future income or protect against loss of principal. There can be no assurance that an investment strategy based on the CoRI Retirement Indexes or the CoRI tool will be successful. Indexes are unmanaged and one cannot invest directly in an index.*

***Investing involves risk, including possible loss of principal.***

The CoRI Retirement Indexes and data are subject to change. Data shown is for informational purposes only and does not represent an actual account. The CoRI tool is based on CoRI Retirement Index levels that are updated daily, so results may vary with each use and over time. The CoRI Retirement Indexes and CoRI tool do not reflect the fees, expenses and cost that may be associated with an annuity or any other retirement income product that an individual may purchase, or any assumption that such a product will be available for purchase at the time of retirement. Actual investment outcomes may vary. Although the CoRI tool provides an estimate of the amount of money you need today for every dollar of annual income you want in retirement, this estimate is not a guarantee. A number of factors may contribute to variations in retirement income. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction.

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