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Ben Rainey | Partner



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*Welcome to*  
**PPLI Deep Dive:  
Immediate  
Income from  
PPLI and PPVA**

**Tuesday, May 28, 2024 | 9:30am – 10:30am MT**  
**Available Via Video Conference**

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# Previous Private Placement Deep Dives

PPLI Deep Dive #1:  
**Repurposing Existing Life Insurance  
for PPLI**

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PPLI Deep Dive #2:  
**Maximizing Charitable and Financial  
Objectives with PPVA**

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PPLI Deep Dive #3:  
**Investment Options for PPLI and  
PPVA**

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# CONVERSATION ROADMAP & MEETING REMINDERS

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- ④ Conversation Roadmap
  - PPLI Case Study
    - Maximum income
    - Taxable account matched by PPLI
    - Accumulation only
  - Policy Loans
    - Flow of funds inside a PPLI policy
    - Loan structure
    - How a loan works
  - PPVA Case Study
    - Immediate income
    - Income starting year 15
    - Accumulation only
  - Q&A and additional information



- ④ Ultra-affluent individuals and family groups implement (PPLI) for a variety of reasons – most clients are motivated by one or more of the following objectives:
  - Mitigate income taxes
  - Increase wealth transfer and/or charitable impact
  - Enjoy more liquidity during lifetime
  - Increase net return on investments
  
- ④ PPLI allows clients to do all of the above without disrupting their current investment relationships and philosophy
  
- ④ Investment advisors benefit from PPLI as well
  - Can offer clients the same investment platform they currently utilize with virtually no restrictions on investment selection
  - Allows them to manage an account which requires minimal administration and is unencumbered by income tax considerations and K-1s
  - Able to deliver meaningful "locational" alpha to their clients - often more than 150bps annually.



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# Case Study



## Fact Pattern

- Male, age 50
- California Resident
- Investor has allocated \$10M to a private credit fund
- Currently living off net after-tax income generated by the portfolio
- Wants to see the impact of moving private credit portfolio to PPLI



# TAX ASSUMPTIONS

## Current Portfolio - Tax Treatment

### Assumptions

State	CA	Federal	State	NIIT	City
OI/STCG Tax Rate*	55.20%	37.00%	14.40%	3.80%	0.00%
LTCG Tax Rate	38.20%	20.00%	14.40%	3.80%	0.00%

Portfolio Allocation	Investment Allocation	Investment Balance	Investment Assumption	Assumed Tax Treatment	Assumed Turnover	Assumed Tax Rate*
Fund I	100.00%	\$ 10,000,000	10.00%	Blended Rate (100% OI; 0% LTCG)	0.00%	55.20%
<b>Total/Weighted Average</b>	<b>100.00%</b>	<b>\$ 10,000,000</b>	<b>10.00%</b>			

\*Assumes the tax treatment of each fund, factors in the marginal ordinary and long-term capital gain tax rates and frequency of when they are incurred/realized

### Current Investment Portfolio Return & Tax Rate:

Portfolio Weighted Return	10.00%
Portfolio Weighted Tax Rate	55.20%
Portfolio Net Return	4.48%
Cost of Taxes	5.52%

## Projection of Taxable Account

Investment	Gross Rate	Annual Distribution	Tax Rate	Taxes Incurred	Annual Distribution Net of Tax
\$10,000,000	10.00%	\$1,000,000	55.20%	(\$552,000)	\$448,000

\*Depending on ownership, account balance could be subject to estate or LTCG taxes upon death or liquidation



\$22,080,000

Income Tax Paid Over 40 Years

\$17,920,000

Cumulative Net After-Tax Income Over 40 Years





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# Relocate Private Credit Assets to PPLI for Immediate Income



# MAXIMUM LEVEL INCOME

## Summary of Income at Age 90 (Year 40)

Scenario	Total Investment	Annual Income	Cumulative Income	Net to Heirs	Net to Heirs IRR
<i>Income Starting Year 2</i>					
<i>Maximum Level Income From Taxable Account and PPLI Account</i>					
Status Quo	\$10,000,000	\$440,518	\$17,180,201	\$10,000,000	4.48%
PPLI Account		\$857,747	\$33,452,148	\$10,000,000	8.93%
<b><i>PPLI Advantage</i></b>		<b><i>\$417,229</i></b>	<b><i>\$16,271,947</i></b>	<b><i>\$0</i></b>	<b><i>4.45%</i></b>



# MAXIMUM LEVEL INCOME

		Taxable Account							PPLI Account							PPLI Advantage	
		Tax Rate Assumptions: Effective Rate 55.20% See Taxable Account Projection Slide For More Information							Prudential Life Ins. Co. Variable Life Two Pay Non-MEC Preferred Non-Tobacco Pre-Informal Gross: 10.00%								
		Gross: 10.00% - Net: 4.48%															
EOY	Age	Annual Investment	Annual Distribution Net of Tax	Annual Tax	EOY Account Balance	Net to Heirs	Account Balance IRR	Net to Heirs IRR	Annual Investment	Annual Distribution Net of Tax	Annual Cost	Account Balance	Net to Heirs (Death Benefit)	Account Balance IRR	Net to Heirs IRR	Cumulative Income	Net to Heirs
51	1	\$5,000,000	\$0	(\$276,000)	\$5,224,000	\$5,224,000	4.48%	4.48%	\$5,000,000	\$0	(\$154,166)	\$5,334,373	\$65,801,196	6.69%	1216.02%	\$0	\$60,577,196
52	2	\$5,000,000	\$440,518	(\$540,048)	\$10,221,782	\$10,221,782	4.48%	4.48%	\$5,000,000	\$857,747	(\$182,791)	\$10,234,044	\$70,700,867	7.52%	236.89%	\$417,229	\$60,479,085
53	3	\$0	\$440,518	(\$539,926)	\$10,219,465	\$10,219,465	4.48%	4.48%	\$0	\$857,747	(\$110,478)	\$10,194,541	\$59,597,021	7.96%	106.10%	\$834,459	\$49,377,556
54	4	\$0	\$440,518	(\$539,798)	\$10,217,044	\$10,217,044	4.48%	4.48%	\$0	\$857,747	(\$50,138)	\$10,205,970	\$17,862,270	8.30%	24.96%	\$1,251,688	\$7,645,226
55	5	\$0	\$440,518	(\$539,664)	\$10,214,514	\$10,214,514	4.48%	4.48%	\$0	\$857,747	(\$52,119)	\$10,207,583	\$17,543,213	8.47%	20.35%	\$1,668,918	\$7,328,699
56	6	\$0	\$440,518	(\$539,525)	\$10,211,871	\$10,211,871	4.48%	4.48%	\$0	\$857,747	(\$53,945)	\$10,198,386	\$17,090,071	8.56%	17.37%	\$2,086,147	\$6,878,200
57	7	\$0	\$440,518	(\$539,379)	\$10,209,110	\$10,209,110	4.48%	4.48%	\$0	\$857,747	(\$56,824)	\$10,176,006	\$16,939,153	8.60%	15.62%	\$2,503,377	\$6,730,043
58	8	\$0	\$440,518	(\$539,226)	\$10,206,225	\$10,206,225	4.48%	4.48%	\$0	\$857,747	(\$59,722)	\$10,138,922	\$16,701,733	8.62%	14.31%	\$2,920,606	\$6,495,508
59	9	\$0	\$440,518	(\$539,067)	\$10,203,210	\$10,203,210	4.48%	4.48%	\$0	\$857,747	(\$61,790)	\$10,086,347	\$16,376,375	8.63%	13.27%	\$3,337,835	\$6,173,165
60	10	\$0	\$440,518	(\$538,901)	\$10,200,061	\$10,200,061	4.48%	4.48%	\$0	\$857,747	(\$63,054)	\$10,017,389	\$15,961,567	8.62%	12.42%	\$3,755,065	\$5,761,506
61	11	\$0	\$440,518	(\$538,727)	\$10,196,771	\$10,196,771	4.48%	4.48%	\$0	\$857,747	(\$54,346)	\$10,019,732	\$15,547,324	8.67%	11.75%	\$4,172,294	\$5,350,553
62	12	\$0	\$440,518	(\$538,545)	\$10,193,333	\$10,193,333	4.48%	4.48%	\$0	\$857,747	(\$57,599)	\$10,018,414	\$15,443,120	8.70%	11.35%	\$4,589,524	\$5,249,787
63	13	\$0	\$440,518	(\$538,355)	\$10,189,741	\$10,189,741	4.48%	4.48%	\$0	\$857,747	(\$61,728)	\$10,012,141	\$15,297,319	8.73%	11.01%	\$5,006,753	\$5,107,578
64	14	\$0	\$440,518	(\$538,157)	\$10,185,988	\$10,185,988	4.48%	4.48%	\$0	\$857,747	(\$66,228)	\$10,000,021	\$15,108,542	8.75%	10.70%	\$5,423,982	\$4,922,554
65	15	\$0	\$440,518	(\$537,950)	\$10,182,067	\$10,182,067	4.48%	4.48%	\$0	\$857,747	(\$70,426)	\$9,981,783	\$14,876,225	8.77%	10.44%	\$5,841,212	\$4,694,158
66	16	\$0	\$440,518	(\$537,734)	\$10,177,971	\$10,177,971	4.48%	4.48%	\$0	\$857,747	(\$71,053)	\$9,960,996	\$14,432,090	8.78%	10.15%	\$6,258,441	\$4,254,119
67	17	\$0	\$440,518	(\$537,507)	\$10,173,690	\$10,173,690	4.48%	4.48%	\$0	\$857,747	(\$72,080)	\$9,936,985	\$14,204,689	8.79%	9.97%	\$6,675,671	\$4,030,999
68	18	\$0	\$440,518	(\$537,271)	\$10,169,219	\$10,169,219	4.48%	4.48%	\$0	\$857,747	(\$72,285)	\$9,910,293	\$13,972,247	8.80%	9.81%	\$7,092,900	\$3,803,028
69	19	\$0	\$440,518	(\$537,024)	\$10,164,546	\$10,164,546	4.48%	4.48%	\$0	\$857,747	(\$71,852)	\$9,881,320	\$13,735,276	8.81%	9.68%	\$7,510,130	\$3,570,730
70	20	\$0	\$440,518	(\$536,766)	\$10,159,665	\$10,159,665	4.48%	4.48%	\$0	\$857,747	(\$71,428)	\$9,849,831	\$13,493,531	8.81%	9.56%	\$7,927,359	\$3,333,866
75	25	\$0	\$440,518	(\$535,293)	\$10,131,775	\$10,131,775	4.48%	4.48%	\$0	\$857,747	(\$47,875)	\$9,742,021	\$11,377,094	8.85%	9.06%	\$10,013,506	\$1,245,319
80	30	\$0	\$440,518	(\$533,458)	\$10,097,051	\$10,097,051	4.48%	4.48%	\$0	\$857,747	(\$57,582)	\$9,596,710	\$10,981,201	8.88%	8.99%	\$12,099,653	\$884,150
85	35	\$0	\$440,518	(\$531,174)	\$10,053,821	\$10,053,821	4.48%	4.48%	\$0	\$857,747	(\$89,436)	\$9,188,392	\$10,820,966	8.88%	8.96%	\$14,185,800	\$767,145
90	40	\$0	\$440,518	(\$528,331)	\$10,000,000	\$10,000,000	4.48%	4.48%	\$0	\$857,747	(\$174,972)	\$8,137,095	\$10,000,000	8.87%	8.93%	\$16,271,947	\$0
95	45	\$0	\$0	(\$657,766)	\$12,449,899	\$12,449,899	4.48%	4.48%	\$0	\$0	(\$80,620)	\$12,005,956	\$12,432,839	8.86%	8.87%	\$16,271,947	(\$17,060)
100	50	\$0	\$0	(\$818,913)	\$15,499,998	\$15,499,998	4.48%	4.48%	\$0	\$0	(\$36,270)	\$19,048,220	\$19,048,220	8.87%	8.87%	\$16,271,947	\$3,548,222
		Consult Tax Professional							As Illustrated, Policy Does Not Lapse								
Total at Year 40:		\$10,000,000	\$17,180,201	(\$21,168,461)					\$10,000,000	\$33,452,148	(\$3,095,472)						

40-Year Benchmark



## Summary of Income at Age 90 (Year 40)

Scenario	Total Investment	Annual Income	Cumulative Income	Net to Heirs	Net to Heirs IRR
<i>Income Starting Year 2</i>					
<i>Max Level Income From Taxable Account Matched by PPLI Account</i>					
Status Quo	\$10,000,000	\$440,518	\$17,180,201	\$10,000,000	4.48%
PPLI Account		\$440,518	\$17,180,201	\$183,018,670	9.40%
<b><i>PPLI Advantage</i></b>		<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$173,018,670</i></b>	<b><i>4.92%</i></b>



# MATCH INCOME

		Taxable Account							PPLI Account							PPLI Advantage					
		Tax Rate Assumptions: Effective Rate 55.20% See Taxable Account Projection Slide For More Information							Prudential Life Ins. Co. Variable Life Two Pay Non-MEC Preferred Non-Tobacco Pre-Informal Gross: 10.00%												
		Gross: 10.00% - Net: 4.48%																			
Carrier	Product	Design	UW Rating	UW Status	Rate of Return	Annual Investment	Annual Distribution Net of Tax	Annual Tax	EOY Account Balance	Net to Heirs	Account IRR	Net to Heirs IRR	Annual Investment	Annual Distribution Net of Tax	Annual Cost	Account Balance	Net to Heirs (Death Benefit)	Account IRR	Net to Heirs IRR	PPLI Advantage Account Balance	Net to Heirs
51	1	\$5,000,000	\$0	(\$276,000)	\$5,224,000	\$5,224,000	4.48%	4.48%	\$5,000,000	\$0	(\$154,166)	\$5,334,373	\$65,801,196	6.69%	1216.02%	\$110,373	\$60,577,196				
52	2	\$5,000,000	\$440,518	(\$540,048)	\$10,221,782	\$10,221,782	4.48%	4.48%	\$5,000,000	\$440,518	(\$184,511)	\$10,685,686	\$71,152,509	7.54%	234.38%	\$463,904	\$60,930,727				
53	3	\$0	\$440,518	(\$539,926)	\$10,219,465	\$10,219,465	4.48%	4.48%	\$0	\$440,518	(\$113,384)	\$11,145,863	\$60,017,495	8.02%	103.37%	\$926,398	\$49,798,030				
54	4	\$0	\$440,518	(\$539,798)	\$10,217,044	\$10,217,044	4.48%	4.48%	\$0	\$440,518	(\$56,397)	\$11,707,616	\$19,781,381	8.38%	24.84%	\$1,490,572	\$9,564,337				
55	5	\$0	\$440,518	(\$539,664)	\$10,214,514	\$10,214,514	4.48%	4.48%	\$0	\$440,518	(\$60,875)	\$12,316,246	\$20,120,328	8.57%	20.19%	\$2,101,732	\$9,905,814				
56	6	\$0	\$440,518	(\$539,525)	\$10,211,871	\$10,211,871	4.48%	4.48%	\$0	\$440,518	(\$65,497)	\$12,976,199	\$20,390,275	8.68%	17.21%	\$2,764,328	\$10,178,404				
57	7	\$0	\$440,518	(\$539,379)	\$10,209,110	\$10,209,110	4.48%	4.48%	\$0	\$440,518	(\$71,604)	\$13,690,949	\$21,064,413	8.76%	15.50%	\$3,481,839	\$10,855,303				
58	8	\$0	\$440,518	(\$539,226)	\$10,206,225	\$10,206,225	4.48%	4.48%	\$0	\$440,518	(\$78,150)	\$14,465,420	\$21,731,352	8.81%	14.22%	\$4,259,195	\$11,525,127				
59	9	\$0	\$440,518	(\$539,067)	\$10,203,210	\$10,203,210	4.48%	4.48%	\$0	\$440,518	(\$84,236)	\$15,305,969	\$22,391,603	8.84%	13.23%	\$5,102,759	\$12,188,393				
60	10	\$0	\$440,518	(\$538,901)	\$10,200,061	\$10,200,061	4.48%	4.48%	\$0	\$440,518	(\$89,901)	\$16,219,550	\$23,045,431	8.86%	12.43%	\$6,019,489	\$12,845,370				
61	11	\$0	\$440,518	(\$538,727)	\$10,196,771	\$10,196,771	4.48%	4.48%	\$0	\$440,518	(\$79,153)	\$17,271,464	\$23,755,566	8.91%	11.80%	\$7,074,693	\$13,558,795				
62	12	\$0	\$440,518	(\$538,545)	\$10,193,333	\$10,193,333	4.48%	4.48%	\$0	\$440,518	(\$86,957)	\$18,420,111	\$24,930,966	8.95%	11.43%	\$8,226,778	\$14,737,633				
63	13	\$0	\$440,518	(\$538,355)	\$10,189,741	\$10,189,741	4.48%	4.48%	\$0	\$440,518	(\$96,390)	\$19,673,447	\$26,174,040	8.98%	11.11%	\$9,483,706	\$15,984,299				
64	14	\$0	\$440,518	(\$538,157)	\$10,185,988	\$10,185,988	4.48%	4.48%	\$0	\$440,518	(\$106,964)	\$21,040,737	\$27,489,697	9.01%	10.83%	\$10,854,749	\$17,303,709				
65	15	\$0	\$440,518	(\$537,950)	\$10,182,067	\$10,182,067	4.48%	4.48%	\$0	\$440,518	(\$117,927)	\$22,532,964	\$28,884,199	9.03%	10.59%	\$12,350,897	\$18,702,132				
66	16	\$0	\$440,518	(\$537,734)	\$10,177,971	\$10,177,971	4.48%	4.48%	\$0	\$440,518	(\$126,359)	\$24,165,505	\$30,279,170	9.05%	10.37%	\$13,987,534	\$20,101,199				
67	17	\$0	\$440,518	(\$537,507)	\$10,173,690	\$10,173,690	4.48%	4.48%	\$0	\$440,518	(\$136,165)	\$25,950,944	\$32,110,933	9.06%	10.23%	\$15,777,254	\$21,937,243				
68	18	\$0	\$440,518	(\$537,271)	\$10,169,219	\$10,169,219	4.48%	4.48%	\$0	\$440,518	(\$145,691)	\$27,904,866	\$34,104,579	9.08%	10.10%	\$17,735,647	\$23,935,360				
69	19	\$0	\$440,518	(\$537,024)	\$10,164,546	\$10,164,546	4.48%	4.48%	\$0	\$440,518	(\$155,114)	\$30,044,228	\$36,274,874	9.09%	10.00%	\$19,879,682	\$26,110,328				
70	20	\$0	\$440,518	(\$536,766)	\$10,159,665	\$10,159,665	4.48%	4.48%	\$0	\$440,518	(\$165,423)	\$32,386,640	\$38,636,662	9.11%	9.91%	\$22,226,975	\$28,476,997				
75	25	\$0	\$440,518	(\$535,293)	\$10,131,775	\$10,131,775	4.48%	4.48%	\$0	\$440,518	(\$159,697)	\$48,215,305	\$52,082,752	9.18%	9.46%	\$38,083,530	\$41,950,977				
80	30	\$0	\$440,518	(\$533,458)	\$10,097,051	\$10,097,051	4.48%	4.48%	\$0	\$440,518	(\$251,476)	\$73,391,663	\$77,431,798	9.24%	9.40%	\$63,294,612	\$67,334,747				
85	35	\$0	\$440,518	(\$531,174)	\$10,053,821	\$10,053,821	4.48%	4.48%	\$0	\$440,518	(\$472,950)	\$112,882,353	\$118,916,890	9.28%	9.41%	\$102,828,532	\$108,863,069				
90	40	\$0	\$440,518	(\$528,331)	\$10,000,000	\$10,000,000	4.48%	4.48%	\$0	\$440,518	(\$1,091,062)	\$173,840,921	\$183,018,670	9.29%	9.40%	\$163,840,921	\$173,018,670				
95	45	\$0	\$0	(\$657,766)	\$12,449,899	\$12,449,899	4.48%	4.48%	\$0	\$0	(\$888,771)	\$272,315,035	\$275,140,534	9.30%	9.32%	\$259,865,136	\$262,690,635				
100	50	\$0	\$0	(\$818,913)	\$15,499,998	\$15,499,998	4.48%	4.48%	\$0	\$0	(\$826,014)	\$434,169,346	\$434,169,346	9.34%	9.34%	\$418,669,348	\$418,669,348				
		Consult Tax Professional							As Illustrated, Policy Does Not Lapse												
Total at Year 40:		\$10,000,000	\$17,180,201	(\$21,168,461)					\$10,000,000	\$17,180,201	(\$9,801,082)										

Account Value Break-Even 40-Year Benchmark

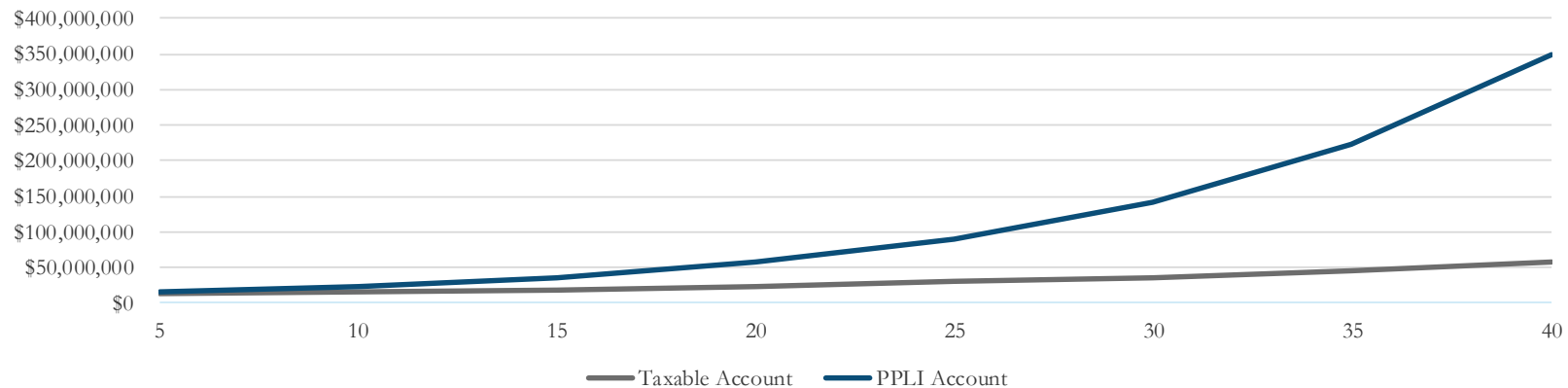


## Summary of Accumulation at Age 90 (Year 40)

Scenario	Total Investment	Net to Heirs	Net to Heirs IRR
Status Quo	\$10,000,000	\$56,482,542	4.48%
PPLI Account		\$367,878,034	9.55%
<b>PPLI Advantage</b>		<b>\$311,395,492</b>	<b>5.07%</b>

Year	Taxable Account Account Balance	PPLI Account Account Balance	PPLI Account Advantage
5	\$12,182,979	\$14,566,155	\$2,383,176
10	\$15,167,686	\$22,841,718	\$7,674,032
15	\$18,883,615	\$35,936,628	\$17,053,013
20	\$23,509,909	\$56,456,142	\$32,946,233
25	\$29,269,599	\$89,306,834	\$60,037,235
30	\$36,440,355	\$141,507,561	\$105,067,206
35	\$45,367,873	\$223,500,311	\$178,132,438
40	\$56,482,542	\$350,360,032	\$293,877,490

### Account Balance Analysis



# ACCUMULATION ONLY

		Taxable Account						PPLI Account						PPLI Advantage	
		Tax Rate Assumptions: Effective Rate 55.20% See Taxable Account Projection Slide For More Information						Prudential Life Ins. Co. Variable Life Two Pay Non-MEC Preferred Non-Tobacco Pre-Informal Gross: 10.00%							
		Gross: 10.00% - Net: 4.48%													
EOY Age	Year	Annual	Annual	EOY	Net	Account	Net to	Annual	Annual	Account	Net to	Account	Net to	Account	Net to
		Investment	Tax	Account	to	Balance	Heirs	Investment	Cost	Balance	(Death Benefit)	IRR	Heirs	Balance	Heirs
				Balance	Heirs	IRR	IRR					IRR	IRR	Balance	Heirs
51	1	\$5,000,000	(\$276,000)	\$5,224,000	\$5,224,000	4.48%	4.48%	\$5,000,000	(\$154,145)	\$5,334,395	\$65,781,218	6.69%	1215.62%	\$110,395	\$60,557,218
52	2	\$5,000,000	(\$564,365)	\$10,682,035	\$10,682,035	4.48%	4.48%	\$5,000,000	(\$186,324)	\$11,168,372	\$71,615,195	7.60%	231.75%	\$486,337	\$60,933,160
53	3	\$0	(\$589,648)	\$11,160,590	\$11,160,590	4.48%	4.48%	\$0	(\$116,461)	\$12,162,553	\$60,446,823	8.11%	100.56%	\$1,001,963	\$49,286,233
54	4	\$0	(\$616,065)	\$11,660,585	\$11,660,585	4.48%	4.48%	\$0	(\$65,258)	\$13,310,091	\$22,222,898	8.49%	25.40%	\$1,649,506	\$10,562,313
55	5	\$0	(\$643,664)	\$12,182,979	\$12,182,979	4.48%	4.48%	\$0	(\$71,173)	\$14,566,155	\$22,868,863	8.70%	20.07%	\$2,383,176	\$10,685,884
56	6	\$0	(\$672,500)	\$12,728,776	\$12,728,776	4.48%	4.48%	\$0	(\$77,942)	\$15,940,721	\$23,911,082	8.83%	17.11%	\$3,211,945	\$11,182,306
57	7	\$0	(\$702,628)	\$13,299,026	\$13,299,026	4.48%	4.48%	\$0	(\$87,378)	\$17,442,817	\$25,466,512	8.92%	15.42%	\$4,143,791	\$12,167,486
58	8	\$0	(\$734,106)	\$13,894,822	\$13,894,822	4.48%	4.48%	\$0	(\$97,817)	\$19,084,133	\$27,099,469	8.99%	14.18%	\$5,189,311	\$13,204,647
59	9	\$0	(\$766,994)	\$14,517,310	\$14,517,310	4.48%	4.48%	\$0	(\$108,197)	\$20,878,655	\$28,812,543	9.03%	13.23%	\$6,361,345	\$14,295,233
60	10	\$0	(\$801,356)	\$15,167,686	\$15,167,686	4.48%	4.48%	\$0	(\$118,562)	\$22,841,718	\$30,607,902	9.07%	12.48%	\$7,674,032	\$15,440,216
61	11	\$0	(\$837,256)	\$15,847,198	\$15,847,198	4.48%	4.48%	\$0	(\$105,636)	\$25,014,694	\$32,519,103	9.11%	11.87%	\$9,167,496	\$16,671,905
62	12	\$0	(\$874,765)	\$16,557,152	\$16,557,152	4.48%	4.48%	\$0	(\$118,301)	\$27,391,637	\$35,061,295	9.15%	11.51%	\$10,834,485	\$18,504,143
63	13	\$0	(\$913,955)	\$17,298,913	\$17,298,913	4.48%	4.48%	\$0	(\$133,398)	\$29,990,383	\$37,787,882	9.18%	11.21%	\$12,691,470	\$20,488,969
64	14	\$0	(\$954,900)	\$18,073,904	\$18,073,904	4.48%	4.48%	\$0	(\$150,458)	\$32,831,045	\$40,710,496	9.20%	10.95%	\$14,757,141	\$22,636,592
65	15	\$0	(\$997,680)	\$18,883,615	\$18,883,615	4.48%	4.48%	\$0	(\$168,646)	\$35,936,628	\$43,842,687	9.22%	10.72%	\$17,053,013	\$24,959,072
66	16	\$0	(\$1,042,376)	\$19,729,601	\$19,729,601	4.48%	4.48%	\$0	(\$185,414)	\$39,335,120	\$47,202,144	9.23%	10.52%	\$19,605,519	\$27,472,543
67	17	\$0	(\$1,089,074)	\$20,613,487	\$20,613,487	4.48%	4.48%	\$0	(\$204,598)	\$43,053,266	\$51,233,387	9.24%	10.40%	\$22,439,779	\$30,619,900
68	18	\$0	(\$1,137,864)	\$21,536,971	\$21,536,971	4.48%	4.48%	\$0	(\$224,080)	\$47,122,720	\$55,604,810	9.26%	10.29%	\$25,585,749	\$34,067,839
69	19	\$0	(\$1,188,841)	\$22,501,828	\$22,501,828	4.48%	4.48%	\$0	(\$244,028)	\$51,578,121	\$60,346,402	9.27%	10.20%	\$29,076,293	\$37,844,574
70	20	\$0	(\$1,242,101)	\$23,509,909	\$23,509,909	4.48%	4.48%	\$0	(\$265,803)	\$56,456,142	\$65,489,124	9.28%	10.11%	\$32,946,233	\$41,979,215
75	25	\$0	(\$1,546,403)	\$29,269,599	\$29,269,599	4.48%	4.48%	\$0	(\$279,124)	\$89,306,834	\$95,558,312	9.34%	9.65%	\$60,037,235	\$66,288,713
80	30	\$0	(\$1,925,256)	\$36,440,355	\$36,440,355	4.48%	4.48%	\$0	(\$464,264)	\$141,507,561	\$148,582,939	9.39%	9.58%	\$105,067,206	\$112,142,584
85	35	\$0	(\$2,396,924)	\$45,367,873	\$45,367,873	4.48%	4.48%	\$0	(\$901,915)	\$223,500,311	\$234,675,327	9.42%	9.57%	\$178,132,438	\$189,307,454
90	40	\$0	(\$2,984,147)	\$56,482,542	\$56,482,542	4.48%	4.48%	\$0	(\$2,114,316)	\$350,360,032	\$367,878,034	9.42%	9.55%	\$293,877,490	\$311,395,492
95	45	\$0	(\$3,715,232)	\$70,320,193	\$70,320,193	4.48%	4.48%	\$0	(\$1,764,586)	\$549,331,070	\$554,824,381	9.42%	9.44%	\$479,010,877	\$484,504,188
100	50	\$0	(\$4,625,427)	\$87,547,928	\$87,547,928	4.48%	4.48%	\$0	(\$1,666,389)	\$875,897,756	\$875,897,756	9.45%	9.45%	\$788,349,828	\$788,349,828
Total at Year 40:		\$10,000,000	(\$57,273,132)					\$10,000,000	(\$17,219,108)						
		Consult Tax Professional						As Illustrated, Policy Does Not Lapse							

Account Value Break-Even 40-Year Benchmark



Summary of Income at Age 90 (Year 40)

Scenario	Total Investment	Annual Income	Cumulative Income	Net to Heirs	Net to Heirs IRR
<i>Income Starting Year 2</i>					
<b>Maximum Level Income From Taxable Account and PPLI Account</b>					
Status Quo	\$10,000,000	\$440,518	\$17,180,201	\$10,000,000	4.48%
PPLI Account		\$857,747	\$33,452,148	\$10,000,000	8.93%
<b>PPLI Advantage</b>		<b>\$417,229</b>	<b>\$16,271,947</b>	<b>\$0</b>	<b>4.45%</b>
<b>Max Level Income From Taxable Account Matched by PPLI Account</b>					
Status Quo	\$10,000,000	\$440,518	\$17,180,201	\$10,000,000	4.48%
PPLI Account		\$440,518	\$17,180,201	\$183,018,670	9.40%
<b>PPLI Advantage</b>		<b>\$0</b>	<b>\$0</b>	<b>\$173,018,670</b>	<b>4.92%</b>

Summary of Accumulation at Age 90 (Year 40)

Scenario	Total Investment	Net to Heirs	Net to Heirs IRR
Status Quo	\$10,000,000	\$56,482,542	4.48%
PPLI Account		\$367,878,034	9.55%
<b>PPLI Advantage</b>		<b>\$311,395,492</b>	<b>5.07%</b>



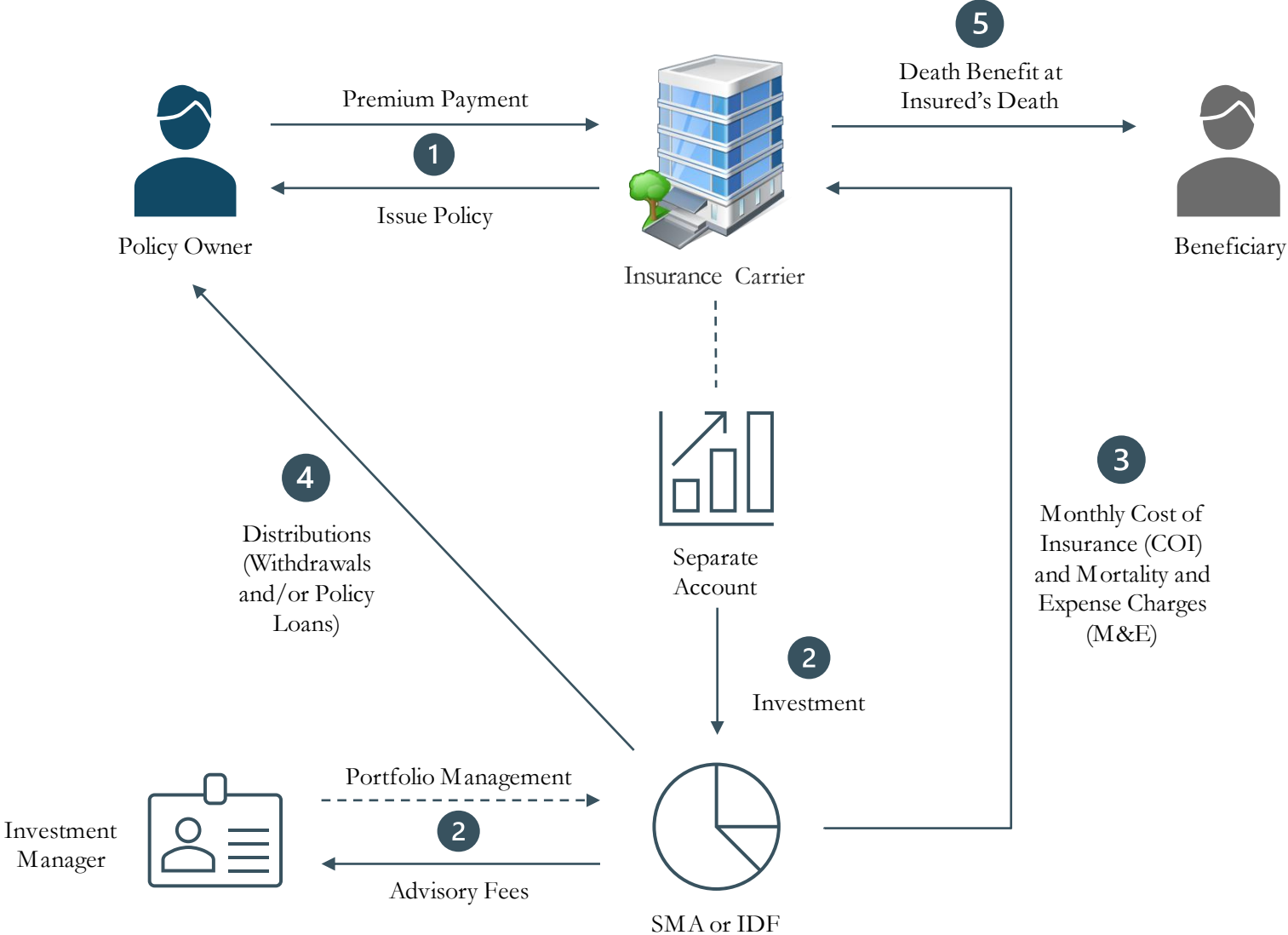


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# What is a Policy Loan?



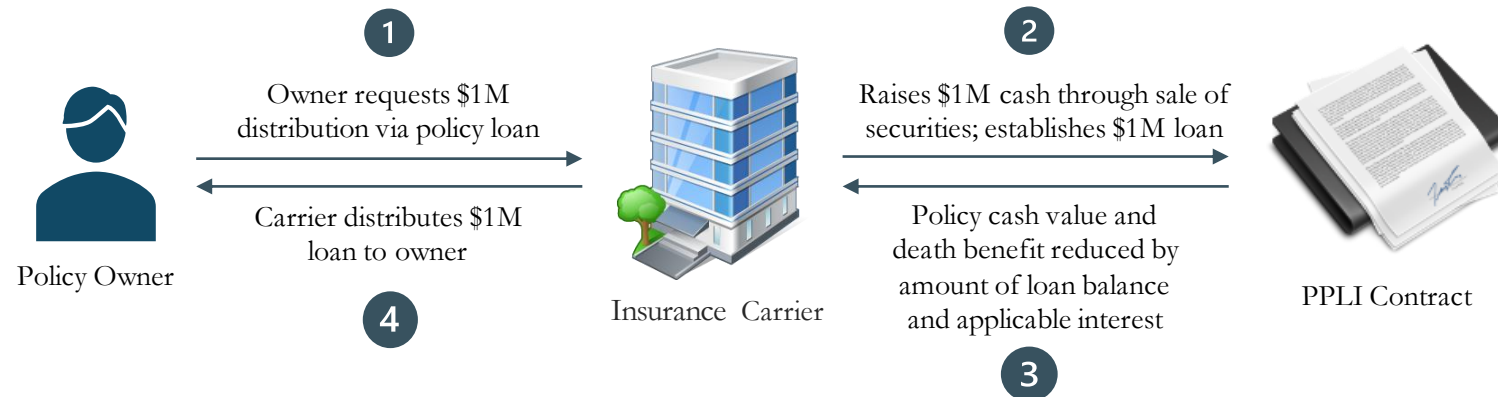
# PPLI FLOW OF FUNDS



- ④ Loan against cash value
- ④ Current interest rates (annual cost per \$1M borrowed)
  - Axcelus: 35bps (\$3,500/yr)
  - Prudential: 20bps policy years 1-10 (\$2,000/yr)  
5bps policy years 11+ (\$500/yr)
  - IPL: 50bps (\$5,000/yr)
    - Actual loan rate dependent on agent comp – could be higher
- ④ Interest can be paid or accrued
- ④ Reduction in “net” death benefit and cash value
- ④ Carrier must have cash to distribute
  - Might require sale of securities/positions
- ④ Can borrow on a fixed schedule or irregularly
- ④ Can borrow 85-90% of total cash value depending on carrier



# LOAN ILLUSTRATION



- ⊗ Example: \$1 million loan on a policy with \$10 million in cash value and \$35 million death benefit will result in a roughly \$9 million cash value and \$34 million death benefit
  - Subject to the annual loan interest and outstanding loan balance



# LOAN IN ACTION

		PPLI Account										
		Prudential Life Ins. Co.										
		Variable Life										
		Two Pay Non-MEC										
		Preferred Non-Tobacco										
		Pre-Informal										
		Gross: 10.00%										
EOY		Annual	Withdrawal	Loan	Loan	Cumulative	Account	Net Cash	Gross	Net to	Cash	Net to
Age	Year	Investment	Amount	Amount	Interest	Loan Balance	Balance	Balance	Death	Heirs	Value	Heirs
									Benefit	(Death Benefit)	IRR	IRR
51	1	\$5,000,000	\$0	\$0	\$0	\$0	\$5,334,373	\$5,334,373	\$65,801,196	\$65,801,196	6.69%	1216.02%
52	2	\$5,000,000	\$852,747	\$0	\$0	\$0	\$10,234,044	\$10,234,044	\$70,700,867	\$70,700,867	7.52%	236.89%
53	3	\$0	\$0	\$852,747	\$17,055	\$869,802	\$11,064,343	\$10,194,541	\$60,466,823	\$59,597,021	7.96%	106.10%
54	4	\$0	\$0	\$852,747	\$34,451	\$1,757,001	\$11,962,970	\$10,205,970	\$19,619,271	\$17,862,270	8.30%	24.96%
55	5	\$0	\$0	\$852,747	\$52,195	\$2,661,943	\$12,869,526	\$10,207,583	\$20,205,156	\$17,543,213	8.47%	20.35%
56	6	\$0	\$0	\$852,747	\$70,294	\$3,584,984	\$13,783,370	\$10,198,386	\$20,675,055	\$17,090,071	8.56%	17.37%
57	7	\$0	\$0	\$852,747	\$88,755	\$4,526,486	\$14,702,493	\$10,176,006	\$21,465,639	\$16,939,153	8.60%	15.62%
58	8	\$0	\$0	\$852,747	\$107,585	\$5,486,818	\$15,625,740	\$10,138,922	\$22,188,551	\$16,701,733	8.62%	14.31%
59	9	\$0	\$0	\$852,747	\$126,791	\$6,466,357	\$16,552,704	\$10,086,347	\$22,842,732	\$16,376,375	8.63%	13.27%
60	10	\$0	\$0	\$852,747	\$146,382	\$7,465,486	\$17,482,875	\$10,017,389	\$23,427,053	\$15,961,567	8.62%	12.42%
61	11	\$0	\$0	\$852,747	\$87,341	\$8,405,575	\$18,425,307	\$10,019,732	\$23,952,899	\$15,547,324	8.67%	11.75%
62	12	\$0	\$0	\$852,747	\$97,212	\$9,355,535	\$19,373,949	\$10,018,414	\$24,798,655	\$15,443,120	8.70%	11.35%
63	13	\$0	\$0	\$852,747	\$107,187	\$10,315,469	\$20,327,610	\$10,012,141	\$25,612,788	\$15,297,319	8.73%	11.01%
64	14	\$0	\$0	\$852,747	\$117,266	\$11,285,483	\$21,285,504	\$10,000,021	\$26,394,025	\$15,108,542	8.75%	10.70%
65	15	\$0	\$0	\$852,747	\$127,451	\$12,265,682	\$22,247,464	\$9,981,783	\$27,141,907	\$14,876,225	8.77%	10.44%
66	16	\$0	\$852,747	\$0	\$128,790	\$12,394,471	\$22,355,468	\$9,960,996	\$26,826,561	\$14,432,090	8.78%	10.15%
67	17	\$0	\$852,747	\$0	\$130,142	\$12,524,613	\$22,461,599	\$9,936,985	\$26,729,302	\$14,204,689	8.79%	9.97%
68	18	\$0	\$852,747	\$0	\$131,508	\$12,656,122	\$22,566,415	\$9,910,293	\$26,628,369	\$13,972,247	8.80%	9.81%
69	19	\$0	\$852,747	\$0	\$132,889	\$12,789,011	\$22,670,331	\$9,881,320	\$26,524,287	\$13,735,276	8.81%	9.68%
70	20	\$0	\$852,747	\$0	\$134,285	\$12,923,296	\$22,773,127	\$9,849,831	\$26,416,827	\$13,493,531	8.81%	9.56%
75	25	\$0	\$852,747	\$0	\$141,484	\$13,616,167	\$23,358,188	\$9,742,021	\$24,993,261	\$11,377,094	8.85%	9.06%
80	30	\$0	\$0	\$852,747	\$188,004	\$18,093,118	\$27,689,828	\$9,596,710	\$29,074,319	\$10,981,201	8.88%	8.99%
85	35	\$0	\$0	\$852,747	\$243,803	\$23,463,105	\$32,651,497	\$9,188,392	\$34,284,071	\$10,820,966	8.88%	8.96%
90	40	\$0	\$0	\$852,747	\$302,593	\$29,120,999	\$37,258,094	\$8,137,095	\$39,120,999	\$10,000,000	8.87%	8.93%
95	45	\$0	\$0	\$0	\$318,817	\$30,682,296	\$42,688,252	\$12,005,956	\$43,115,135	\$12,432,839	8.86%	8.87%
100	50	\$0	\$0	\$0	\$335,910	\$32,327,301	\$51,375,521	\$19,048,220	\$51,375,521	\$19,048,220	8.87%	8.87%
		As Illustrated, Policy Does Not Lapse										
Total at Year 40:		\$10,000,000										

40-Year Benchmark



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# PPVA for Income



**Summary of Income at Life Expectancy (Age 89)**

Scenario	Total Investment	Annual Income	Cumulative Income	Account Balance	Account Balance IRR	
<i>Income Starting Year 2</i>						
Status Quo	\$10,000,000	\$524,217	\$19,920,246	\$2,826,801	4.48%	
PPVA Account		\$452,637	\$17,200,198	\$4,690,036	9.94%	
		<b><i>PPVA Advantage</i></b>	<b><i>-\$71,580</i></b>	<b><i>-\$2,720,048</i></b>	<b><i>\$1,863,235</i></b>	<b><i>5.46%</i></b>
<i>Income Starting Year 15</i>						
Status Quo	\$10,000,000	\$1,065,942	\$26,648,561	\$5,748,014	4.48%	
PPVA Account		\$1,535,052	\$38,376,307	\$15,834,185	9.69%	
		<b><i>PPVA Advantage</i></b>	<b><i>\$469,110</i></b>	<b><i>\$11,727,746</i></b>	<b><i>\$10,086,171</i></b>	<b><i>5.21%</i></b>

**Summary of Accumulation at Life Expectancy (Age 89)**

Scenario	Total Investment	Net to Heirs	Net to Heirs IRR	
Status Quo	\$10,000,000	\$55,245,053	4.48%	
PPVA Account		\$161,412,571	7.39%	
		<b><i>PPVA Advantage</i></b>	<b><i>\$106,167,518</i></b>	<b><i>2.91%</i></b>



# IMMEDIATE INCOME

		Taxable Account						PPVA Account						
		Tax Rate Assumptions: Effective Rate 55.20% See Taxable Account Projection Slide For More Information						Axcelus Financial Variable Annuity Single Premium  <i>Gross: 10.00%</i>						
		<i>Gross: 10.00% - Net: 4.48%</i>						<i>Gross: 10.00%</i>						
		EOY	Annual	Annual	Annual	EOY	Account	Annual	Annual	Tax on	Annual	Annual	Account	Account
Age	Year	Investment	Distribution Net of Tax	Annual Yield	Income Tax	Account Balance	IRR	Investment	Distribution	Distribution	Distribution Net of Tax	Yield	Balance	IRR
51	1	\$10,000,000	\$0	\$1,000,000	(\$552,000)	\$10,448,000	4.48%	\$10,000,000	\$0	\$0	\$0	\$998,134	\$10,946,393	9.46%
52	2	\$0	\$524,217	\$992,378	(\$547,793)	\$10,368,368	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,047,133	\$10,928,897	9.72%
53	3	\$0	\$524,217	\$984,415	(\$543,397)	\$10,285,169	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,045,386	\$10,909,745	9.80%
54	4	\$0	\$524,217	\$976,095	(\$538,805)	\$10,198,243	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,043,475	\$10,888,780	9.84%
55	5	\$0	\$524,217	\$967,403	(\$534,006)	\$10,107,422	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,041,382	\$10,865,832	9.87%
56	6	\$0	\$524,217	\$958,321	(\$528,993)	\$10,012,533	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,039,092	\$10,840,711	9.88%
57	7	\$0	\$524,217	\$948,832	(\$523,755)	\$9,913,393	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,036,584	\$10,813,214	9.90%
58	8	\$0	\$524,217	\$938,918	(\$518,282)	\$9,809,811	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,033,840	\$10,783,113	9.90%
59	9	\$0	\$524,217	\$928,559	(\$512,565)	\$9,701,588	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,030,835	\$10,750,164	9.91%
60	10	\$0	\$524,217	\$917,737	(\$506,591)	\$9,588,517	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,027,546	\$10,714,097	9.92%
61	11	\$0	\$524,217	\$906,430	(\$500,349)	\$9,470,381	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,023,946	\$10,674,617	9.92%
62	12	\$0	\$524,217	\$894,616	(\$493,828)	\$9,346,952	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,020,006	\$10,631,400	9.93%
63	13	\$0	\$524,217	\$882,274	(\$487,015)	\$9,217,994	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,015,692	\$10,584,093	9.93%
64	14	\$0	\$524,217	\$869,378	(\$479,896)	\$9,083,258	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,010,970	\$10,532,309	9.93%
65	15	\$0	\$524,217	\$855,904	(\$472,459)	\$8,942,486	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,005,801	\$10,475,624	9.93%
66	16	\$0	\$524,217	\$841,827	(\$464,688)	\$8,795,407	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$1,000,144	\$10,413,574	9.94%
67	17	\$0	\$524,217	\$827,119	(\$456,570)	\$8,641,740	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$993,950	\$10,345,652	9.94%
68	18	\$0	\$524,217	\$811,752	(\$448,087)	\$8,481,188	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$987,171	\$10,271,302	9.94%
69	19	\$0	\$524,217	\$795,697	(\$439,225)	\$8,313,443	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$979,750	\$10,189,916	9.94%
70	20	\$0	\$524,217	\$778,923	(\$429,965)	\$8,138,183	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$971,535	\$10,093,204	9.94%
75	25	\$0	\$524,217	\$683,081	(\$377,061)	\$7,136,835	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$909,313	\$9,408,532	9.94%
80	30	\$0	\$524,217	\$563,760	(\$311,196)	\$5,890,166	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$811,822	\$8,340,330	9.94%
85	35	\$0	\$524,217	\$415,206	(\$229,194)	\$4,338,076	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$659,720	\$6,673,761	9.94%
89	39	\$0	\$524,217	\$270,559	(\$149,349)	\$2,826,801	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$478,672	\$4,690,036	9.94%
90	40	\$0	\$524,217	\$230,258	(\$127,103)	\$2,405,739	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$422,416	\$4,073,639	9.94%
95	45	\$0	\$524,217	(\$0)	\$0	(\$0)	4.48%	\$0	\$1,010,350	(\$557,713)	\$452,637	\$52,183	\$17,022	9.95%
<b>Total at LE:</b>		<b>\$10,000,000</b>	<b>\$19,920,246</b>		<b>(\$15,706,183)</b>			<b>\$10,000,000</b>	<b>\$38,393,300</b>	<b>(\$21,193,102)</b>	<b>\$17,200,198</b>			





# INCOME STARTING YEAR 15

Carrier Product Design Rate of Return		Taxable Account						PPVA Account						
		Tax Rate Assumptions: Effective Rate 55.20% See Taxable Account Projection Slide For More Information						Axcelus Financial Variable Annuity Single Premium						
		Gross: 10.00% - Net: 4.48%						Gross: 10.00%						
EOY	Year	Annual Investment	Annual Distribution Net of Tax	Annual Yield	Annual Income Tax	EOY Account Balance	Account IRR	Annual Investment	Annual Distribution	Tax on Distribution	Annual Distribution Net of Tax	Annual Yield	Account Balance	Account IRR
51	1	\$10,000,000	\$0	\$1,000,000	(\$552,000)	\$10,448,000	4.48%	\$10,000,000	\$0	\$0	\$0	\$998,134	\$10,946,393	9.46%
52	2	\$0	\$0	\$1,044,800	(\$576,730)	\$10,916,070	4.48%	\$0	\$0	\$0	\$0	\$1,092,597	\$11,982,353	9.46%
53	3	\$0	\$0	\$1,091,607	(\$602,567)	\$11,405,110	4.48%	\$0	\$0	\$0	\$0	\$1,196,000	\$13,116,354	9.46%
54	4	\$0	\$0	\$1,140,511	(\$629,562)	\$11,916,059	4.48%	\$0	\$0	\$0	\$0	\$1,309,188	\$14,357,677	9.46%
55	5	\$0	\$0	\$1,191,606	(\$657,766)	\$12,449,899	4.48%	\$0	\$0	\$0	\$0	\$1,433,089	\$15,716,478	9.46%
56	6	\$0	\$0	\$1,244,990	(\$687,234)	\$13,007,654	4.48%	\$0	\$0	\$0	\$0	\$1,568,716	\$17,203,875	9.46%
57	7	\$0	\$0	\$1,300,765	(\$718,023)	\$13,590,397	4.48%	\$0	\$0	\$0	\$0	\$1,717,178	\$18,832,038	9.46%
58	8	\$0	\$0	\$1,359,040	(\$750,190)	\$14,199,247	4.48%	\$0	\$0	\$0	\$0	\$1,879,690	\$20,614,290	9.46%
59	9	\$0	\$0	\$1,419,925	(\$783,798)	\$14,835,373	4.48%	\$0	\$0	\$0	\$0	\$2,057,583	\$22,565,212	9.46%
60	10	\$0	\$0	\$1,483,537	(\$818,913)	\$15,499,998	4.48%	\$0	\$0	\$0	\$0	\$2,252,311	\$24,700,769	9.46%
61	11	\$0	\$0	\$1,550,000	(\$855,600)	\$16,194,398	4.48%	\$0	\$0	\$0	\$0	\$2,465,469	\$27,038,433	9.46%
62	12	\$0	\$0	\$1,619,440	(\$893,931)	\$16,919,907	4.48%	\$0	\$0	\$0	\$0	\$2,698,799	\$29,597,332	9.46%
63	13	\$0	\$0	\$1,691,991	(\$933,979)	\$17,677,919	4.48%	\$0	\$0	\$0	\$0	\$2,954,211	\$32,398,404	9.46%
64	14	\$0	\$0	\$1,767,792	(\$975,821)	\$18,469,889	4.48%	\$0	\$0	\$0	\$0	\$3,233,796	\$35,464,567	9.46%
65	15	\$0	\$1,065,942	\$1,740,395	(\$960,698)	\$18,183,644	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$3,385,654	\$35,248,268	9.50%
66	16	\$0	\$1,065,942	\$1,711,770	(\$944,897)	\$17,884,574	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$3,364,065	\$35,011,498	9.52%
67	17	\$0	\$1,065,942	\$1,681,863	(\$928,388)	\$17,572,107	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$3,340,432	\$34,752,321	9.55%
68	18	\$0	\$1,065,942	\$1,650,616	(\$911,140)	\$17,245,640	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$3,314,563	\$34,468,616	9.57%
69	19	\$0	\$1,065,942	\$1,617,970	(\$893,119)	\$16,904,548	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$3,286,245	\$34,158,060	9.58%
70	20	\$0	\$1,065,942	\$1,583,861	(\$874,291)	\$16,548,176	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$3,255,247	\$33,818,114	9.60%
75	25	\$0	\$1,065,942	\$1,388,977	(\$766,715)	\$14,512,034	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$3,050,294	\$31,570,417	9.64%
80	30	\$0	\$1,065,942	\$1,146,349	(\$632,785)	\$11,977,059	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$2,728,179	\$28,037,829	9.67%
85	35	\$0	\$1,065,942	\$844,280	(\$466,043)	\$8,821,040	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$2,221,927	\$22,485,845	9.68%
89	39	\$0	\$1,065,942	\$550,154	(\$303,685)	\$5,748,014	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$1,615,403	\$15,834,185	9.69%
90	40	\$0	\$1,065,942	\$468,207	(\$258,450)	\$4,891,828	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$1,426,278	\$13,760,080	9.69%
95	45	\$0	\$1,065,942	(\$0)	\$0	(\$0)	4.48%	\$0	\$3,426,456	(\$1,891,404)	\$1,535,052	\$172,716	\$11,118	9.70%
<b>Total at LE:</b>		<b>\$10,000,000</b>	<b>\$26,648,561</b>		<b>(\$27,595,780)</b>			<b>\$10,000,000</b>	<b>\$85,661,400</b>	<b>(\$47,285,093)</b>	<b>\$38,376,307</b>			

Consult Tax Professional



# ACCUMULATION ONLY

Carrier Product Design Rate of Return:		Taxable Account							PPVA Account							PPVA Advantage
		Tax Rate Assumptions: Effective Rate 55.20% See Taxable Account Projection Slide For More Information							Excelus Financial Variable Annuity Single Premium							
		Gross: 10.00% - Net: 4.48%							Gross: 10.00%							
EOY	Age	Year	Annual Investment	Annual Yield	Annual Income Tax	Account Balance	After Tax Net to Heirs	Account Balance IRR	Net to Heirs IRR	Annual Investment	Annual Yield	Annual Cost	Account Balance	After Tax Net to Heirs	Account Balance IRR	Net to Heirs IRR
51	1		\$10,000,000	\$1,000,000	(\$552,000)	\$10,448,000	\$10,448,000	4.48%	4.48%	\$10,000,000	\$998,134	(\$51,741)	\$10,946,393	\$10,423,984	9.46%	4.24%
52	2		\$0	\$1,044,800	(\$576,730)	\$10,916,070	\$10,916,070	4.48%	4.48%	\$0	\$1,092,597	(\$56,638)	\$11,982,353	\$10,888,094	9.46%	4.35%
53	3		\$0	\$1,091,607	(\$602,567)	\$11,405,110	\$11,405,110	4.48%	4.48%	\$0	\$1,196,000	(\$61,998)	\$13,116,354	\$11,396,127	9.46%	4.45%
54	4		\$0	\$1,140,511	(\$629,562)	\$11,916,059	\$11,916,059	4.48%	4.48%	\$0	\$1,309,188	(\$67,865)	\$14,357,677	\$11,952,239	9.46%	4.56%
55	5		\$0	\$1,191,606	(\$657,766)	\$12,449,899	\$12,449,899	4.48%	4.48%	\$0	\$1,433,089	(\$74,288)	\$15,716,478	\$12,560,982	9.46%	4.67%
56	6		\$0	\$1,244,990	(\$687,234)	\$13,007,654	\$13,007,654	4.48%	4.48%	\$0	\$1,568,716	(\$81,319)	\$17,203,875	\$13,227,336	9.46%	4.77%
57	7		\$0	\$1,300,765	(\$718,023)	\$13,590,397	\$13,590,397	4.48%	4.48%	\$0	\$1,717,178	(\$89,015)	\$18,832,038	\$13,956,753	9.46%	4.88%
58	8		\$0	\$1,359,040	(\$750,190)	\$14,199,247	\$14,199,247	4.48%	4.48%	\$0	\$1,879,690	(\$97,439)	\$20,614,290	\$14,755,202	9.46%	4.98%
59	9		\$0	\$1,419,925	(\$783,798)	\$14,835,373	\$14,835,373	4.48%	4.48%	\$0	\$2,057,583	(\$106,661)	\$22,565,212	\$15,629,215	9.46%	5.09%
60	10		\$0	\$1,483,537	(\$818,913)	\$15,499,998	\$15,499,998	4.48%	4.48%	\$0	\$2,252,311	(\$116,755)	\$24,700,769	\$16,585,945	9.46%	5.19%
61	11		\$0	\$1,550,000	(\$855,600)	\$16,194,398	\$16,194,398	4.48%	4.48%	\$0	\$2,465,469	(\$127,804)	\$27,038,433	\$17,633,218	9.46%	5.29%
62	12		\$0	\$1,619,440	(\$893,931)	\$16,919,907	\$16,919,907	4.48%	4.48%	\$0	\$2,698,799	(\$139,900)	\$29,597,332	\$18,779,605	9.46%	5.39%
63	13		\$0	\$1,691,991	(\$933,979)	\$17,677,919	\$17,677,919	4.48%	4.48%	\$0	\$2,954,211	(\$153,140)	\$32,398,404	\$20,034,485	9.46%	5.49%
64	14		\$0	\$1,767,792	(\$975,821)	\$18,469,889	\$18,469,889	4.48%	4.48%	\$0	\$3,233,796	(\$167,633)	\$35,464,567	\$21,408,126	9.46%	5.59%
65	15		\$0	\$1,846,989	(\$1,019,538)	\$19,297,340	\$19,297,340	4.48%	4.48%	\$0	\$3,539,840	(\$183,497)	\$38,820,909	\$22,911,767	9.46%	5.68%
66	16		\$0	\$1,929,734	(\$1,065,213)	\$20,161,861	\$20,161,861	4.48%	4.48%	\$0	\$3,875,093	(\$180,333)	\$42,515,669	\$24,567,020	9.47%	5.78%
67	17		\$0	\$2,016,186	(\$1,112,935)	\$21,065,113	\$21,065,113	4.48%	4.48%	\$0	\$4,245,220	(\$176,050)	\$46,584,839	\$26,390,008	9.47%	5.87%
68	18		\$0	\$2,106,511	(\$1,162,794)	\$22,008,830	\$22,008,830	4.48%	4.48%	\$0	\$4,651,530	(\$192,900)	\$51,043,469	\$28,387,474	9.48%	5.97%
69	19		\$0	\$2,200,883	(\$1,214,887)	\$22,994,825	\$22,994,825	4.48%	4.48%	\$0	\$5,096,727	(\$211,362)	\$55,928,834	\$30,576,118	9.48%	6.06%
70	20		\$0	\$2,299,483	(\$1,269,314)	\$24,024,993	\$24,024,993	4.48%	4.48%	\$0	\$5,584,534	(\$231,592)	\$61,281,777	\$32,974,236	9.49%	6.15%
75	25		\$0	\$2,862,832	(\$1,580,284)	\$29,910,874	\$29,910,874	4.48%	4.48%	\$0	\$8,819,925	(\$365,764)	\$96,785,268	\$48,879,800	9.50%	6.55%
80	30		\$0	\$3,564,197	(\$1,967,437)	\$37,238,735	\$37,238,735	4.48%	4.48%	\$0	\$13,929,733	(\$577,669)	\$152,857,646	\$74,000,225	9.52%	6.90%
85	35		\$0	\$4,437,390	(\$2,449,439)	\$46,361,848	\$46,361,848	4.48%	4.48%	\$0	\$21,999,900	(\$912,341)	\$241,415,459	\$113,674,126	9.52%	7.19%
89	39		\$0	\$5,287,620	(\$2,918,766)	\$55,245,053	\$55,245,053	4.48%	4.48%	\$0	\$31,710,496	(\$1,315,041)	\$347,974,488	\$161,412,571	9.53%	7.39%
90	40		\$0	\$5,524,505	(\$3,049,527)	\$57,720,031	\$57,720,031	4.48%	4.48%	\$0	\$34,745,504	(\$1,440,904)	\$381,279,088	\$176,333,031	9.53%	7.44%
95	45		\$0	\$6,877,953	(\$3,796,630)	\$71,860,854	\$71,860,854	4.48%	4.48%	\$0	\$54,875,252	(\$2,275,689)	\$602,172,469	\$275,293,266	9.53%	7.65%
Total at LE:			\$10,000,000		(\$55,748,369)					\$10,000,000		(\$14,971,520)				





## Upcoming PPLI Resources

Deep Dives resume in the fall

PPLI eBook and  
corresponding videos





Ben Rainey | Partner  
[ben@wealthpoint.net](mailto:ben@wealthpoint.net)  
(303) 500-3360



Frank Hirsch | Partner  
[fhirsch@wealthpoint.net](mailto:fhirsch@wealthpoint.net)  
(312) 925-4574

- ④ Visit [wealthpoint.net](http://wealthpoint.net) for more information and to see our upcoming events
  - A copy of this recording and presentation will be published shortly in the Thought Leadership section of our website



# IMPORTANT DISCLOSURES

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This material is intended for informational purposes only and should not be construed as legal or tax advice and is not intended to replace the advice of a qualified attorney, tax advisor, personal investment advisor or retirement plan or employee benefit plan provider. This report is not intended as an offer or solicitation to purchase insurance or any other product. Any discussion of US tax matters contained herein is not intended to be used and cannot be used for purposes of avoiding US tax-related penalties.

The financial information included in this report has been taken from sources, which we believe to be reliable, but there is no guarantee as to its accuracy. All information provided should be confirmed to any official account statement and is not a replacement for any account statement or transaction confirmation issued by the custodian or investment/insurance provider. WealthPoint (WP) has made reasonable steps to accurately reproduce the information from your official account custodian statements. Differences in positions and valuations may occur due to the reporting dates used and differences in valuation sources and methods. Please contact the carrier or your financial representative if you have any questions about your statements. In the event of a discrepancy your official account statement valuations would prevail.

## Nature of Services, and Responsibilities

The business advisory services, and possible resulting recommendations (estate planning solutions, need for liquidity planning, etc) will vary in type and complexity, depending on a client's individual personal and business circumstances and goals. Services and responsibilities are outlined in our Proposal Letter and Relationship and Engagement Agreement. It is important that you provide accurate and complete responses to the questions asked by the WP Partner, that you review the information provided to you in the initial Instinct Verification, Decision Dialogue, financial modeling or other report, as well as any final report, and that you promptly inform the Partner of any subsequent changes to your situation or the information provided. You are solely responsible for the accuracy or completeness of the information you have provided, which may affect the results of any recommendations contained in the report. Information should be kept up to date, as results may vary over time and as assumptions change.

## Methods of Analysis and Projection

Information collected is intended to project future financial scenarios to meet your future goals or liquidity requirements. Financial Projections and other information prepared by WP are based on assumptions provided by and/or reviewed with the client in their final report, are hypothetical in nature, do not reflect actual investment or business results and are not guarantees of future performance. Actual results will vary, perhaps to a significant degree.

- Personal Investments - WP uses simple aggregate growth rates to project personal investments and retirement accounts, and all inputs are either provided by the client or client's financial advisor/provider or are jointly agreed on by WP and the client. Return assumptions do not reflect the deduction of any commissions, fees or product charges that may apply to any particular investment, which may negatively impact returns.
- Insurance Illustrated Performance - All policy values used reflect current policy charges, current cost of insurance rates, current mortality and expense risk charges, average fund expenses and the stated hypothetical gross rate of return. The policy values are hypothetical for illustration purposes only and may not be used to project or predict investment results. Policy values will vary based on the actual performance of sub-account investments selected, actual insurance charges over the life of the plan and the timing of the premium payments. A WP illustration may utilize a supplemental illustration from an insurance provider, that is only part of the basic illustration and must be read in conjunction with the actual basic illustration. Please refer to the actual illustration for more information about the guaranteed elements of the policy and other important details.
- Business Income Statement, Cash Flow Statement and Balance Sheet – Current company financial statement information is provided by the client, as well as revenue and expense growth assumptions for future years. These assumptions are used to project future Net Income, and business valuation based upon an appropriate multiplier disclosed to the client.
- Personal Cash Flow – Cash flows are projected based on information obtained from the client (tax returns, personal financial statements, bank statements, W-2s, 1099s, K-1s, etc.). Future cash inflows and outflows are based on input from the client and the client's advisors.



# IMPORTANT DISCLOSURES (CONT'D)

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- Estate/Trust Cash Flow – Cash flows due to and from Trusts will be based on trust documents and financial information (tax returns, financial statements, etc.) obtained from the client.
- Personal Assets – In some situations, WP may project the value of an asset (i.e. real estate, other assets, etc.) based on input from the client and the client's advisors.
- Taxes – Taxes are being calculated in the analysis. However, WP does not provide tax advice and the tax calculations are for illustrative and hypothetical purposes only. The client should consult with their tax advisor to evaluate their tax situation.

## Other Compensation

In addition to WP's business consulting services, and the fees charged to clients as outlined in the Relationship and Engagement Agreement, WP Partners are licensed agents to sell insurance. WP may receive fees from life insurance companies, if insurance is purchased through WP relationships. Any commissions or fees will be disclosed to you in any life insurance proposal and agreement. WP is a member firm of Partners Financial and has access to all insurance providers on their network. The needs and circumstances of the client will drive the choice of the insurance provider.

## Insurance Product

An investment in variable life insurance is subject to fluctuating values of the underlying investment options and entails risk, including the possible loss of principal. The performance of your account will vary and you may receive more or less than the amount invested. Product guarantees, including the death benefit, are subject to the claims-paying ability of the issuing insurance company. Loans and partial withdrawals will decrease the death benefit and cash value and may be subject to policy limitations and income tax.

An insurer's financial strength rating represents an opinion by the issuing agency regarding the ability of an insurance company to meet its financial obligations to its policyholders and contract holders. A rating is an opinion of the rating agency only, and not a statement of fact or recommendation to purchase, sell or hold any security, policy or contract. These ratings do not apply to the safety or performance of any separate account.

## Sub Account Performance Disclosures (for Variable Universal Life policies)

The fund performance data shown in this report that relates to variable life insurance policies was obtained through Morningstar and represents the individual net returns of the underlying funds shown in the report. Morningstar is a non-affiliated third party investment research and management firm that provides mutual fund information, news, commentary, portfolio analysis, comparison reporting and other services. Past performance does not guarantee future results. The fund performance data is being provided for informational purposes only and does not reflect the actual returns of the sub accounts in the variable component of the insurance policies that are invested in those funds, which may be lower or higher than the performance quoted due to the timing of cash flows, holding periods, sub account allocation changes, policy fees and other expenses. Policy fees or expenses include premium loads, cost of insurance, administration fees, mortality and expense risk charges, or any other charges that may be incurred under the policy. Policy returns would be significantly lower after all policy fees and expenses are deducted.

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