

PPLI Executive Summary

Private Placement Life Insurance (PPLI) is a low-cost variable life insurance product that ultra-affluent individuals use to mitigate income taxes on a portion of their investment portfolio while delivering a tax-free death benefit. In an ever-changing and increasing tax environment, the unique benefits of PPLI coupled with trusted investment planning may be an attractive option for growing and transferring wealth.

PPLI Features:

- Keep your current investment professional to manage the investments inside the policy;
- Maintain access to all current investment choices;
- Institutionally priced, transparent fee structure
- Tax-deferred growth with tax-free access to account value;
- Tax-free death benefit to heirs;
- Protected by over 160 years of tax law precedent

What's New? Now an individual's chosen investment advisor can open an account with their current custodian and manage the money inside the PPLI policy with nearly unlimited investment options such as:

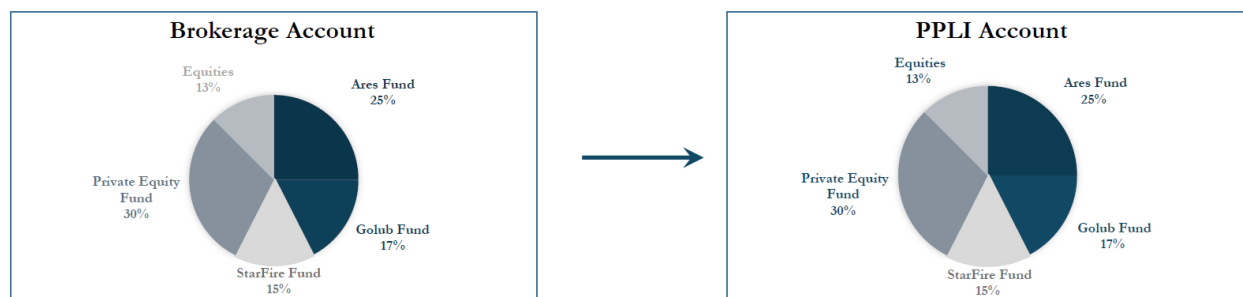
Stocks and Bonds, ETFs, Hedge Funds, Private Equity, Venture Capital, Private Credit, Managed Futures, Oil and Gas, REITs, etc.

The advantage of PPLI is the function of a simple equation - is the cost of the insurance less than the cost of the taxes on the investment portfolio?

The below table illustrates how powerful that equation can be. Both accounts invest \$20 million allocated to the exact same investment strategies with an expected return of 7.93%. In the brokerage account, the owner pays taxes. In the PPLI account, the owner pays the cost of the insurance in lieu of taxes. The results over 40 years are stunning.

Brokerage Account vs. PPLI Account at Year 40					
	Total Investment	Account Balance	Account Balance IRR	Net To Heirs	Net To Heirs IRR
Brokerage Account	\$20,000,000	\$146,242,051	5.23%	\$128,910,968	4.89%
PPLI Account		\$313,368,684	7.31%	\$329,037,118	7.44%
	PPLI Advantage	\$167,126,633	2.07%	\$200,126,150	2.55%

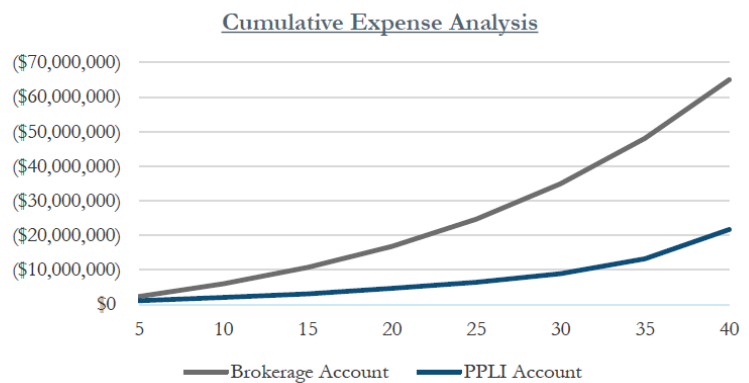
Location Change, Not Allocation Change



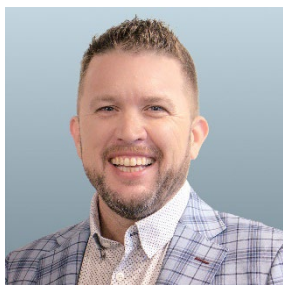
This significant outperformance occurs because the cost of insurance is less than the cost of taxes and those savings compound over time. The below chart compares those costs over five-year increments:

Cost of Taxes vs. Cost of PPLI Structure			
Year	Brokerage Account Cumulative Cost	PPLI Account Cumulative Cost	PPLI Account Cumulative Cost Savings
5	(\$2,340,094)	(\$1,122,590)	\$1,217,504
10	(\$6,009,358)	(\$2,072,367)	\$3,936,991
15	(\$10,744,420)	(\$3,110,831)	\$7,633,589
20	(\$16,854,857)	(\$4,676,134)	\$12,178,723
25	(\$24,740,169)	(\$6,423,642)	\$18,316,528
30	(\$34,915,899)	(\$8,931,488)	\$25,984,411
35	(\$48,047,334)	(\$13,214,135)	\$34,833,200
40	(\$64,993,009)	(\$21,702,550)	\$43,290,459

- Brokerage expenses consist of all income and capital gains taxes incurred
- PPLI expenses consist of premium tax charge, structuring fee, M&E charge and COI
- Investment management fees are assumed to be the same for both the brokerage and PPLI assets



As the saying goes, “it’s not how much money you make, but how much you keep that matters.” PPLI enables investors to keep more of what they make. The math is simple - the cost of insurance is significantly less than the cost of taxes. Over time the cost savings compounds to the investor’s benefit. The longer a client has that math compounding in their favor, the better the outcome. For qualified ultra-affluent clients looking for income-tax relief, PPLI can be a powerful solution.



Ben Rainey

Direct: 303.500.3360

Cell: 303.717.6228

Email: ben@wealthpoint.net

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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.

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