

SUMMARY SECTION

THIRD-YEAR FINANCING (3YF) with INCOME DRAWDOWNS

SUMMARY SECTION: RETIREMENT PLANNING



DATE CREATED: 08/27/22

PRIMARY INSURED: M40 - 3YF 100.50

ADDITIONAL INSURED: N/A

AGENT: Darren Sugiyama

LIFE INSURANCE COMPARSION SUMMARY:

- 1 Premium Financed Life Insurance Policy (Tax-Free Gains + Tax-Free Income Drawdowns)
...vs.
- 2 Non-Financed Life Insurance Policy (Tax-Free Gains + Tax-Free Income Drawdowns)
...vs.
- 3 Non-Insurance Based Investment Account (Taxable Gains)

BACKTESTED HYPOTHETICAL SYNTHETIC PROXY COMPARSION SUMMARY:

- 1 Leveraged Hypothetical Synthetic Proxy (Tax-Free Gains + Tax-Free Income Drawdowns)
...vs.
- 2 Non-Leveraged Hypothetical Synthetic Proxy (Tax-Free Gains + Tax-Free Income Drawdowns)
...vs.
- 3 Non-Leveraged Equities & Bonds Account (Taxable Gains)

PURPOSE OF SUMMARY SECTION:

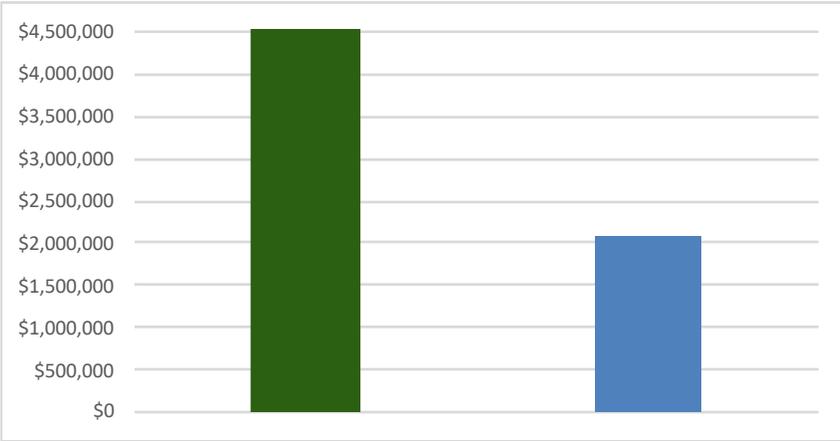
The following section is an abbreviated summary of a very expansive document. The full document includes an exhaustive articulation of granular details, including charges, fees, financial outcomes as depicted in an insurance company's illustration, as well as a "proxy" created to further explain the relationship between hypothetical charges, index credits, taxes, volatility, and sequence of returns. The methodologies of such hypothetical depictions are explained in the full document. It is recommended that all interested parties review the official carrier illustration as the primary source of any policy details, as the following document is merely a hypothetical depiction for general educational purposes only and should not be used to determine whether or not any particular product or strategy is suitable for any particular person.

LHSA PROXY vs. E&B COMPARISON GRAPHS

- ✓ Historical BEST 40 & WORST 40
- ✓ Income Drawdown Comparison
- ✓ Ongoing Account Value Comparison

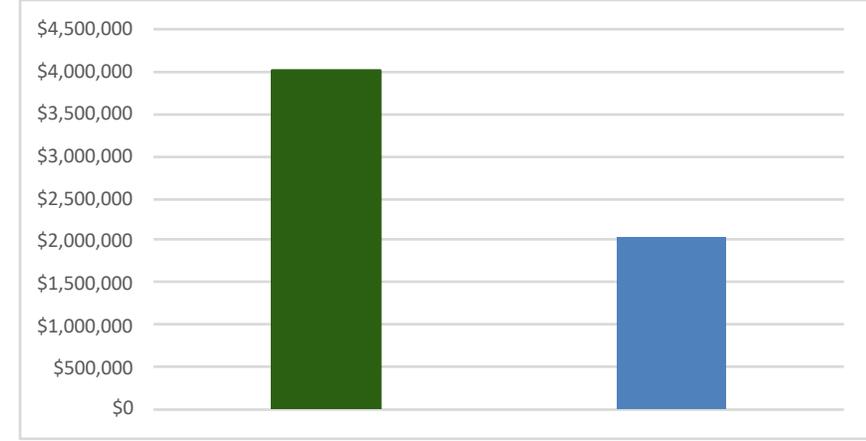
**The "Best 40" and "Worst 40" are the historical 40-year periods that produced the "highest" and "lowest" Compounded Annual Growth Rates out of 121 different 40-year periods analyzed. The "proxy" is a fictitious synthetically-produced asset, not an actual life insurance product.*

BEST CAGR PERIOD OUT OF 121 DIFFERENT 40-YEAR S&P PERIODS ANALYZED



	BEST 40:	3RD YEAR FINANCING	EQUITIES & BONDS ACCOUNT
AVE ANNUAL INCOME:		\$307,834	\$257,710
TOTAL INCOME:		\$4,617,505	\$2,061,683
YR 40 ACCOUNT VALUE:		\$6,306,019	\$0

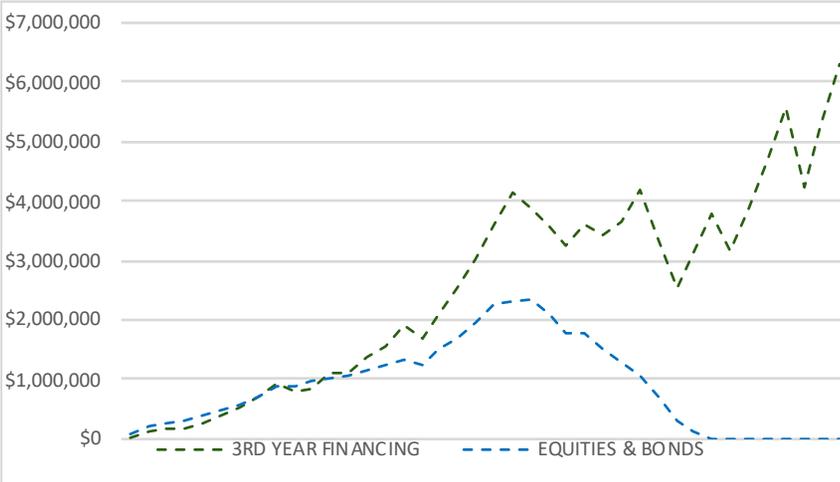
WORST CAGR PERIOD OUT OF 121 DIFFERENT 40-YEAR S&P PERIODS ANALYZED



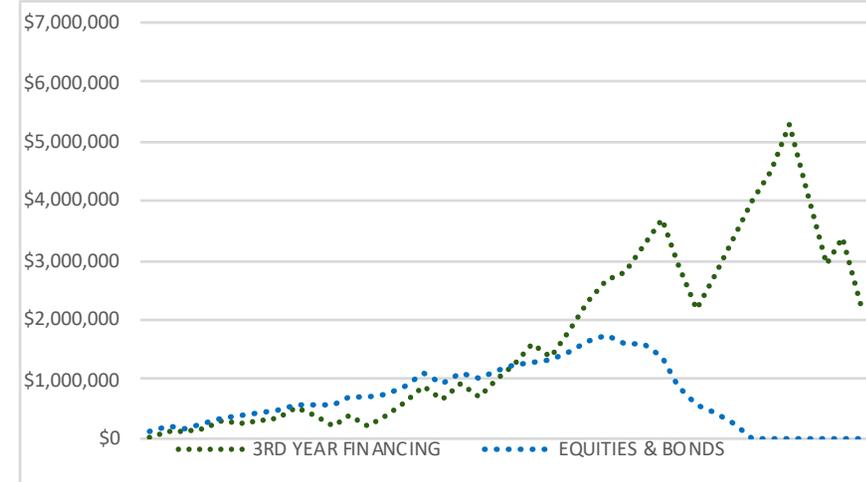
	WORST 40:	3RD YEAR FINANCING	EQUITIES & BONDS ACCOUNT
AVE ANNUAL INCOME:		\$267,422	\$227,776
TOTAL INCOME:		\$4,011,337	\$2,049,981
YR 40 ACCOUNT VALUE:		\$2,168,613	\$0

NET ACCOUNT VALUE (COMPARISON)

BEST CAGR PERIOD OUT OF 121 DIFFERENT 40-YEAR S&P PERIODS ANALYZED



WORST CAGR PERIOD OUT OF 121 DIFFERENT 40-YEAR S&P PERIODS ANALYZED



DISCLAIMER: The "Gross Equities Return" is a hypothetical return based on historical annual point-to-point S&P 500 performance (starting on the first day of a particular month) not including dividends, plus a 2.00% bonus added. The "Gross Bond Return" is a hypothetical return based on historical 10-Year T-Bond Returns during the January 1st to December 31st period. The taxation and investment fees are merely hypothetical based on certain assumptions, and would vary from client situation to client situation based on a number of factors and variables. Such variables may be changed and modeled per the client or advisor's request. The assumptions made in this document are purely hypothetical and do not represent any specific investment, fund or asset in particular. The purpose of this document is for educational purposes only.

STATIC RETURN LEDGER with LOAN PAYOFF

- ✓ Assumes a static annual return
- ✓ Static Income Drawdowns

SUMMARY OF CARRIER-ILLUSTRATED STATIC RETURNS (DESIGNED TO STAY IN FORCE UNTIL AGE 120)

version 36471.8

LP

3RD YEAR FINANCING

At This Index Credit Assumption, Death Benefit Lasts Until Age: **120**

5 of 10

08/27/22

Health Rating: **PREFERRED**

Third Party Loan Payoff Type: **PAR LOAN**

PLR: **6.10%**

Initial Gross Policy Face Amount: **\$5,150,000**

YEAR	AGE	1 TOTAL POLICY PREMIUMS	2 EQUITY PREMIUMS	3 BORROWED PREMIUMS	4 CUMULATIVE PF LOAN BALANCE	5 FINANCING INTEREST RATE	6 INTEREST DUE	7 INTEREST ACCRUED	8 CLIENT CONTRIBUTION	9 (Cash) GAP COLLATERAL	10 HYPOTHETICAL INDEX CREDIT	11 POLICY DRAWDOWNS	12 GROSS POLICY CSV	13 POLICY CSV NET OF LOANS	14 DEATH BENEFIT NET OF LOANS	15 DEATH BENEFIT +YTY INCOME DRAWDOWN IRR	YEAR	AGE
1	40	\$100,000	\$100,000	\$0	\$0	0.00%	\$0	\$0	\$100,000	\$0	6.60%	\$0	\$19,782	\$19,782	\$5,235,725	5135.72%	1	40
2	41	\$100,000	\$100,000	\$0	\$0	0.00%	\$0	\$0	\$100,000	\$0	6.60%	\$0	\$112,018	\$112,018	\$5,326,516	581.54%	2	41
3	42	\$350,000	\$50,000	\$300,000	\$300,000	5.43%	\$16,302	\$16,302	\$50,000	\$0	6.60%	\$0	\$451,822	\$151,822	\$5,364,858	242.57%	3	42
4	43	\$350,000	\$50,000	\$300,000	\$616,302	5.54%	\$34,125	\$34,125	\$50,000	\$0	6.60%	\$0	\$816,000	\$199,698	\$5,411,289	143.93%	4	43
5	44	\$350,000	\$50,000	\$300,000	\$950,427	5.64%	\$53,647	\$53,647	\$50,000	\$0	6.60%	\$0	\$1,203,328	\$252,901	\$5,463,030	99.69%	5	44
6	45	\$350,000	\$50,000	\$300,000	\$1,304,074	5.76%	\$75,066	\$75,066	\$50,000	\$0	6.60%	\$0	\$1,615,640	\$311,566	\$5,520,233	75.18%	6	45
7	46	\$350,000	\$50,000	\$300,000	\$1,679,140	5.87%	\$98,612	\$98,612	\$50,000	\$0	6.60%	\$0	\$2,054,614	\$375,474	\$5,582,679	59.79%	7	46
8	47	\$350,000	\$50,000	\$300,000	\$2,077,752	5.99%	\$124,541	\$124,541	\$50,000	\$0	6.60%	\$0	\$2,530,068	\$452,316	\$5,649,984	49.31%	8	47
9	48	\$350,000	\$50,000	\$300,000	\$2,502,293	6.12%	\$153,150	\$153,150	\$50,000	\$0	6.60%	\$0	\$3,035,897	\$533,604	\$5,721,735	41.75%	9	48
10	49	\$350,000	\$50,000	\$300,000	\$2,955,443	6.25%	\$184,772	\$184,772	\$50,000	\$0	6.60%	\$0	\$3,588,964	\$633,521	\$5,812,115	36.10%	10	49
11	50	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$3,140,215	\$489,914	\$489,914	\$3,744,238	25.38%	11	50
12	51	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$533,711	\$533,711	\$3,667,379	22.26%	12	51
13	52	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$580,378	\$580,378	\$3,573,433	19.69%	13	52
14	53	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$620,633	\$620,633	\$3,460,686	17.52%	14	53
15	54	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$664,362	\$664,362	\$3,327,493	15.63%	15	54
16	55	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$718,217	\$718,217	\$3,181,420	14.00%	16	55
17	56	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$776,368	\$776,368	\$3,166,053	12.91%	17	56
18	57	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$839,250	\$839,250	\$3,140,336	11.95%	18	57
19	58	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$907,392	\$907,392	\$3,103,373	11.09%	19	58
20	59	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$981,311	\$981,311	\$3,054,083	10.30%	20	59
21	60	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,061,465	\$1,061,465	\$2,991,155	9.57%	21	60
22	61	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,147,464	\$1,147,464	\$3,047,779	9.15%	22	61
23	62	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,239,587	\$1,239,587	\$3,101,429	8.77%	23	62
24	63	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,338,149	\$1,338,149	\$3,151,484	8.42%	24	63
25	64	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,443,440	\$1,443,440	\$3,197,219	8.09%	25	64
26	65	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,439,199	\$1,439,199	\$3,121,033	7.78%	26	65
27	66	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,435,293	\$1,435,293	\$3,120,411	7.62%	27	66
28	67	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,431,707	\$1,431,707	\$3,115,143	7.46%	28	67
29	68	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,428,436	\$1,428,436	\$3,104,714	7.32%	29	68
30	69	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,425,499	\$1,425,499	\$3,088,603	7.19%	30	69
31	70	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,423,017	\$1,423,017	\$3,066,364	7.06%	31	70
32	71	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,422,601	\$1,422,601	\$2,923,730	6.83%	32	71
33	72	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,424,996	\$1,424,996	\$2,763,810	6.61%	33	72
34	73	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,431,153	\$1,431,153	\$2,585,832	6.39%	34	73
35	74	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,442,319	\$1,442,319	\$2,389,150	6.17%	35	74
36	75	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,460,094	\$1,460,094	\$2,173,264	5.95%	36	75
37	76	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,479,838	\$1,479,838	\$2,231,767	5.99%	37	76
38	77	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,501,459	\$1,501,459	\$2,294,129	6.02%	38	77
39	78	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,524,795	\$1,524,795	\$2,360,276	6.06%	39	78
40	79	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,549,640	\$1,549,640	\$2,430,090	6.08%	40	79

-\$3,000,000 -\$600,000 -\$2,400,000

\$740,215 \$740,215

\$600,000

TOTAL INCOME DRAWN:

-\$1,646,820

(INCOME LASTS UNTIL AGE 90)

PREMIUM FINANCING INTEREST ASSUMPTIONS	
Date Base Rate Calculated:	8/27/2022
Base Rate Used:	1-Month CMT
Current 1-Month CMT Rate:	2.29%
CMT Compounded Annual Increase:	4.15%
Lender Spread:	2.95%
Total Rate Floor:	2.95%
GLOI \$300K-499K Year-1 Rate:	5.24%
POLICY INDEX CREDIT ASSUMPTIONS	
AG-49 (Average of every 25-yr run over last 65 years):	6.60%
Reduced Assumed Index Credit:	6.60%

GAP COLLATERAL REQUIREMENTS	
Type Of Gap Collateral:	Cash Index Credit
Collateral Valued At:	100.00% Assumption (ICA) 0.00%
The Gap Collateral (in years 3+) is calculated by the cumulative loan balance in a given year, minus 95% of (the EOY Gross AV two years prior, plus the sum of the premium paid in the previous year minus policy charges, plus the new premium entering the policy in the current year minus policy charges and surrender charges in the current year + ICA). This calculation is the equivalent of assuming a 0% index credit in the previous year (whose EOY index credit would not have credited at the time of the current year's loan anniversary and the current year's EOY index credit would not have credited yet either). This value is then multiplied by the % of "Collateral Valued At" above, estimating the gap collateral required based on the type of collateral chosen. The collateral depicted is purely hypothetical and may vary.	

FINANCIAL BENEFIT SUMMARY	
1ST YEAR COLLATERAL REQUIREMENT:	\$0
PREMIUMS PAID BY CLIENT:	-\$600,000
LOAN INTEREST PAID BY CLIENT:	\$0
TOTAL CLIENT OUTLAY:	-\$600,000
TOTAL DRAWDOWNS (excluding loan payoff):	\$1,646,820
40-YEAR PROGRAM NET CASH FLOW:	\$1,046,820
YEAR 40 NET CASH SURRENDER VALUE:	\$1,549,640
40-YEAR CASH GAIN (excluding death benefit):	\$2,596,460
40-YEAR NET CSV IRR:	5.44%

The rates and values shown above are not guaranteed and are subject to change by the insurer. Actual financial outcomes may be less favorable or more favorable than this hypothetical static depiction. For more information regarding Gap Collateral, see the section on the next page of this document titled "Collateral." Please see the full carrier illustration for guaranteed values and other important information. This is only a hypothetical depiction and does not imply any guarantees of outcomes whatsoever. Actual performance is subject to index returns and the carrier's underlying crediting policy charges. The insurance carrier is bound only by the terms of the life insurance contracts it issues. Additional loan fees may apply depending on the lender and lender's loan terms. Refer to lender's loan document for details.



NON-FINANCED vs. PREMIUM FINANCED

- ✓ Same Annual Outlay
- ✓ Same Static Crediting Assumption
- ✓ Ongoing CSV & DB Comparison

NON-FINANCED SOLUTION

This solution requires the client to pay premiums out of pocket throughout the period shown below in the "Annual Premium" column.

version NF38617.2

PREMIUM FINANCED SOLUTION

In this solution, the client is paying the first two years premium, then paying a portion of the premium, borrowing the remaining premium, and paying interest out-of-pocket, all within a fixed annual budget.

version 36471.8

NON-FINANCED IUL					
AGE	ANNUAL PREMIUM	INCOME DRAWDOWNS	CASH VALUE	DEATH BENEFIT	
1	40	\$100,000	\$0	\$16,617	\$3,686,439
2	41	\$100,000	\$0	\$109,970	\$3,778,262
3	42	\$50,000	\$0	\$159,966	\$3,826,710
4	43	\$50,000	\$0	\$212,726	\$3,877,940
5	44	\$50,000	\$0	\$268,465	\$3,932,131
6	45	\$50,000	\$0	\$327,528	\$3,989,646
7	46	\$50,000	\$0	\$390,150	\$4,050,720
8	47	\$50,000	\$0	\$465,107	\$4,115,579
9	48	\$50,000	\$0	\$544,149	\$4,184,523
10	49	\$50,000	\$0	\$629,643	\$4,259,919
11	50	\$0	\$0	\$669,928	\$3,600,000
12	51	\$0	\$0	\$711,978	\$3,600,000
13	52	\$0	\$0	\$755,863	\$3,600,000
14	53	\$0	\$0	\$791,547	\$3,600,000
15	54	\$0	\$0	\$829,237	\$3,600,000
16	55	\$0	\$0	\$875,582	\$3,600,000
17	56	\$0	\$0	\$924,603	\$3,600,000
18	57	\$0	\$0	\$976,527	\$3,600,000
19	58	\$0	\$0	\$1,031,670	\$3,600,000
20	59	\$0	\$0	\$1,090,280	\$3,600,000
21	60	\$0	\$0	\$1,152,513	\$3,600,000
22	61	\$0	\$0	\$1,218,144	\$3,600,000
23	62	\$0	\$0	\$1,287,160	\$3,600,000
24	63	\$0	\$0	\$1,359,554	\$3,600,000
25	64	\$0	\$0	\$1,435,223	\$3,600,000
26	65	\$0	-\$91,829	\$1,416,518	\$3,503,580
27	66	\$0	-\$91,829	\$1,395,818	\$3,402,338
28	67	\$0	-\$91,829	\$1,372,943	\$3,296,035
29	68	\$0	-\$91,829	\$1,347,712	\$3,184,416
30	69	\$0	-\$91,829	\$1,319,969	\$3,067,216
31	70	\$0	-\$91,829	\$1,289,691	\$2,944,157
32	71	\$0	-\$91,829	\$1,256,813	\$2,814,944
33	72	\$0	-\$91,829	\$1,221,277	\$2,679,271
34	73	\$0	-\$91,829	\$1,183,042	\$2,536,814
35	74	\$0	-\$91,829	\$1,142,139	\$2,387,234
36	75	\$0	-\$91,829	\$1,098,667	\$2,230,175
37	76	\$0	-\$91,829	\$1,052,799	\$2,065,263
38	77	\$0	-\$91,829	\$1,004,855	\$1,892,106
39	78	\$0	-\$91,829	\$955,281	\$1,710,291
40	79	\$0	-\$91,829	\$904,746	\$1,519,385

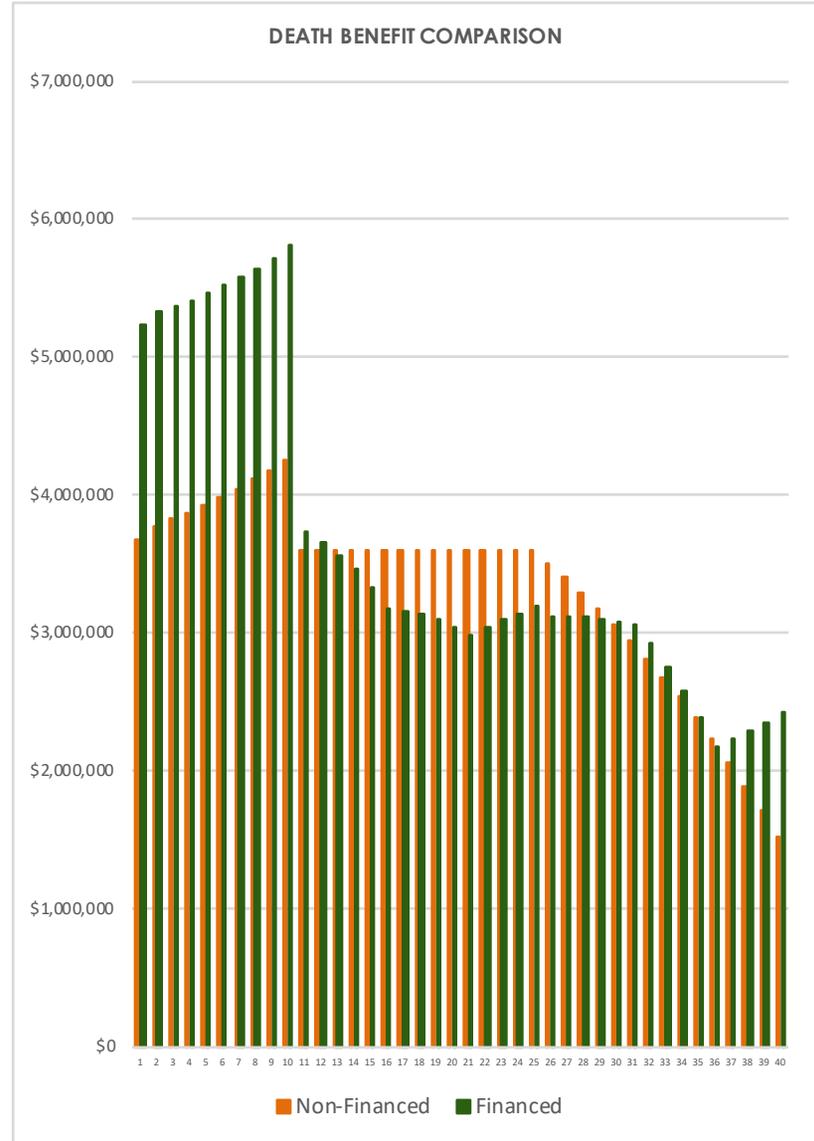
TOTAL CONTRIBUTION:	-\$600,000
TOTAL INCOME:	\$1,377,435
YEAR 40 NET CASH VALUE:	\$904,746
YEAR 40 TOTAL VALUE:	\$2,282,181

3RD YEAR FINANCING					
AGE	ANNUAL CONTRIBUTION	INCOME DRAWDOWNS	CASH VALUE NET OF LOANS	DEATH BENEFIT NET OF LOANS	
1	40	\$100,000	\$0	\$19,782	\$5,235,725
2	41	\$100,000	\$0	\$112,018	\$5,326,516
3	42	\$50,000	\$0	\$151,822	\$5,364,858
4	43	\$50,000	\$0	\$199,698	\$5,411,289
5	44	\$50,000	\$0	\$252,901	\$5,463,030
6	45	\$50,000	\$0	\$311,566	\$5,520,233
7	46	\$50,000	\$0	\$375,474	\$5,582,679
8	47	\$50,000	\$0	\$452,316	\$5,649,984
9	48	\$50,000	\$0	\$533,604	\$5,721,735
10	49	\$50,000	\$0	\$633,521	\$5,812,115
11	50	\$0	\$0	\$489,914	\$3,744,238
12	51	\$0	\$0	\$533,711	\$3,667,379
13	52	\$0	\$0	\$580,378	\$3,573,433
14	53	\$0	\$0	\$620,633	\$3,460,686
15	54	\$0	\$0	\$664,362	\$3,327,493
16	55	\$0	\$0	\$718,217	\$3,181,420
17	56	\$0	\$0	\$776,368	\$3,166,053
18	57	\$0	\$0	\$839,250	\$3,140,336
19	58	\$0	\$0	\$907,392	\$3,103,373
20	59	\$0	\$0	\$981,311	\$3,054,083
21	60	\$0	\$0	\$1,061,465	\$2,991,155
22	61	\$0	\$0	\$1,147,464	\$3,047,779
23	62	\$0	\$0	\$1,239,587	\$3,101,429
24	63	\$0	\$0	\$1,338,149	\$3,151,484
25	64	\$0	\$0	\$1,443,440	\$3,197,219
26	65	\$0	-\$109,788	\$1,439,199	\$3,121,033
27	66	\$0	-\$109,788	\$1,435,293	\$3,120,411
28	67	\$0	-\$109,788	\$1,431,707	\$3,115,143
29	68	\$0	-\$109,788	\$1,428,436	\$3,104,714
30	69	\$0	-\$109,788	\$1,425,499	\$3,088,603
31	70	\$0	-\$109,788	\$1,423,017	\$3,066,364
32	71	\$0	-\$109,788	\$1,422,601	\$2,923,730
33	72	\$0	-\$109,788	\$1,424,996	\$2,763,810
34	73	\$0	-\$109,788	\$1,431,153	\$2,585,832
35	74	\$0	-\$109,788	\$1,442,319	\$2,389,150
36	75	\$0	-\$109,788	\$1,460,094	\$2,173,264
37	76	\$0	-\$109,788	\$1,479,838	\$2,231,767
38	77	\$0	-\$109,788	\$1,501,459	\$2,294,129
39	78	\$0	-\$109,788	\$1,524,795	\$2,360,276
40	79	\$0	-\$109,788	\$1,549,640	\$2,430,090

TOTAL CONTRIBUTION:	-\$600,000
TOTAL INCOME:	\$1,646,820
YEAR 40 NET CASH VALUE:	\$1,549,640
YEAR 40 TOTAL VALUE:	\$3,196,460

vs.
vs.
vs.

DEATH BENEFIT COMPARISON



CUMULATIVE COST & BENEFIT COMPARISON:

- ✓ Premium-Financed Policy (green)
- ✓ Non-Financed Policy (orange)
- ✓ Non-Insurance Based Investment (blue)

**Same annual return assumption in all three assets*

3 DIFFERENT FINANCIAL SOLUTIONS



DATE CREATED: 08/27/22

PRIMARY INSURED: M40 - 3YF 100.50
ADDITIONAL INSURED: N/A

AGENT: Darren Sugiyama

PREMIUM FINANCED LIFE INSURANCE: 3RD YEAR FINANCING



NON-FINANCED LIFE INSURANCE



NON-INSURANCE BASED INVESTMENT ACCOUNT



*TOTAL NET CLIENT CONTRIBUTION is the total client outlay whether premiums and/or interest.

**TOTAL INCOME DRAWDOWNS + YEAR 40 CSV assumes a 6.6% index credit. See carrier illustration for details.

***TOTAL NET CLIENT CONTRIBUTION is the total client-paid premium.

****TOTAL INCOME DRAWDOWNS + YEAR 40 CSV assumes a 6.6% index credit. See carrier illustration for details.

*****TOTAL NET CLIENT CONTRIBUTION is the same client outlay as the premium financed life insurance solution.

*****TOTAL INCOME DRAWDOWNS + YEAR 40 VALUE assumes a 6.6% return, 1.35% investment fees, 32.6% tax on gains, and 0% estate taxes.

BACKTESTED PROXY: WORST 40-YEAR PERIOD

- ✓ Depicts Volatility & Poor Sequence of Returns
- ✓ Floor & Cap Crediting Methodology
- ✓ Percentage of Asset Value Drawdowns

**The "Worst 40-Year Period" is the historical 40-year period that produced the lowest Compounded Annual Growth Rate out of 121 different 40-year periods analyzed. The "proxy" is a fictitious synthetically-produced asset, not an actual life insurance product.*

HYPOTHETICAL SYNTHETIC PROXY

3RD YEAR FINANCING

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

Current Pre-Bonus Cap: **10.75%**

Current Post-Bonus Max Cap: **10.75%**

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		Participation Rate: 100.00%		Floor Modeled: 0.00%		Upside Design: CAPPED				Pre-Bonus Cap Modeled: 10.25%		Post-Bonus Max Cap Modeled: 10.25%		8/27/2022				
#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
YEAR	AGE	TOTAL INDEX CONTRIBUTION	CLIENT INDEX CONTRIBUTIONS	LENDER INDEX CONTRIBUTIONS	CUMULATIVE LOAN BALANCE	THIRD PARTY LOAN PAYOFF	FINANCING INTEREST RATE	INTEREST DUE	INTEREST ACCRUED	TOTAL CLIENT CONTRIBUTION	(Cash) GAP COLLATERAL	CALENDAR YEAR	INDEX RETURN (GROSS)	INDEX RETURN (FLOOR & CAP)	INDEX RETURN (EFFECTIVE)	ANNUAL INCOME DRAWNINGS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	40	\$100,000	\$100,000	\$0	\$0		0.00%	\$0	\$0	\$100,000	\$0	1971	12.42%	10.25%	10.25%	\$0	\$88,287	\$22,344
2	41	\$100,000	\$100,000	\$0	\$0		0.00%	\$0	\$0	\$100,000	\$0	1972	-1.92%	0.00%	0.00%	\$0	\$167,794	\$103,296
3	42	\$350,000	\$50,000	\$300,000	\$300,000		5.43%	\$16,302	\$16,302	\$50,000	\$0	1973	-41.40%	0.00%	0.00%	\$0	\$476,562	\$113,526
4	43	\$350,000	\$50,000	\$300,000	\$616,302		5.54%	\$34,125	\$34,125	\$50,000	\$0	1974	32.00%	10.25%	10.25%	\$0	\$864,981	\$187,088
5	44	\$350,000	\$50,000	\$300,000	\$950,427		5.64%	\$53,647	\$53,647	\$50,000	\$0	1975	25.48%	10.25%	10.25%	\$0	\$1,292,353	\$281,796
6	45	\$350,000	\$50,000	\$300,000	\$1,304,074		5.76%	\$75,066	\$75,066	\$50,000	\$0	1976	-8.28%	0.00%	0.00%	\$0	\$1,599,108	\$236,367
7	46	\$350,000	\$50,000	\$300,000	\$1,679,140		5.87%	\$98,612	\$98,612	\$50,000	\$0	1977	6.23%	6.23%	6.23%	\$0	\$2,024,056	\$287,711
8	47	\$350,000	\$50,000	\$300,000	\$2,077,752		5.99%	\$124,541	\$124,541	\$50,000	\$22,315	1978	6.61%	6.61%	6.61%	\$0	\$2,483,973	\$358,554
9	48	\$350,000	\$50,000	\$300,000	\$2,502,293		6.12%	\$153,150	\$153,150	\$50,000	\$34,871	1979	14.76%	10.25%	10.25%	\$0	\$3,075,393	\$534,969
10	49	\$350,000	\$50,000	\$300,000	\$2,955,443		6.25%	\$184,772	\$184,772	\$50,000	\$29,488	1980	-7.40%	0.00%	0.00%	\$0	\$3,394,467	\$410,431
11	50	\$0	\$0	\$0		-\$3,140,215	0.00%	\$0	\$0	\$0	\$0	1981	3.65%	3.65%	3.65%	\$0	\$3,504,488	\$207,262
12	51	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1982	37.91%	10.25%	10.25%	\$0	\$3,848,791	\$386,704
13	52	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1983	0.02%	0.02%	0.02%	\$0	\$3,835,859	\$200,667
14	53	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1984	9.62%	9.62%	9.62%	\$0	\$4,189,838	\$372,887
15	54	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1985	27.04%	10.25%	10.25%	\$0	\$4,604,162	\$596,364
16	55	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1986	39.13%	10.25%	10.25%	\$0	\$5,067,757	\$859,569
17	56	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1987	-15.51%	0.00%	0.00%	\$0	\$5,060,055	\$641,457
18	57	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1988	28.41%	10.25%	10.25%	\$0	\$5,570,172	\$930,644
19	58	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1989	-12.34%	0.00%	0.00%	\$0	\$5,562,551	\$691,047
20	59	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1990	26.73%	10.25%	10.25%	\$0	\$6,124,572	\$1,009,492
21	60	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1991	7.72%	7.72%	7.72%	\$0	\$6,589,676	\$1,218,843
22	61	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1992	9.84%	9.84%	9.84%	\$0	\$7,229,952	\$1,590,577
23	62	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1993	0.82%	0.82%	0.82%	\$0	\$7,281,028	\$1,359,684
24	63	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1994	26.30%	10.25%	10.25%	\$0	\$8,017,114	\$1,799,703
25	64	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1995	17.61%	10.25%	10.25%	\$0	\$8,827,484	\$2,299,203
26	65	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1996	37.82%	10.25%	10.25%	-\$183,936	\$9,719,513	\$2,671,685
27	66	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1997	7.36%	7.36%	7.36%	-\$213,735	\$10,421,121	\$2,796,480
28	67	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1998	26.13%	10.25%	10.25%	-\$223,718	\$11,473,479	\$3,232,702
29	68	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1999	11.99%	10.25%	10.25%	-\$258,616	\$12,631,983	\$3,707,620
30	69	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2000	-27.54%	0.00%	0.00%	-\$296,610	\$12,614,420	\$2,932,399
31	70	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2001	-21.68%	0.00%	0.00%	-\$234,592	\$12,595,178	\$2,182,734
32	71	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2002	22.16%	10.25%	10.25%	-\$174,619	\$13,864,672	\$2,748,256
33	72	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2003	11.91%	10.25%	10.25%	-\$219,860	\$15,264,506	\$3,361,416
34	73	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2004	10.25%	10.25%	10.25%	-\$268,913	\$16,808,519	\$4,027,915
35	74	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2005	8.71%	8.71%	8.71%	-\$322,233	\$18,254,351	\$4,496,372
36	75	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2006	14.29%	10.25%	10.25%	-\$359,710	\$20,109,833	\$5,286,260
37	76	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2007	-23.61%	0.00%	0.00%	-\$422,901	\$20,093,370	\$4,084,572
38	77	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2008	-9.37%	0.00%	0.00%	-\$326,766	\$20,074,215	\$2,921,873
39	78	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2009	7.96%	7.96%	7.96%	-\$233,750	\$21,647,618	\$3,392,222
40	79	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2010	-0.86%	0.00%	0.00%	-\$271,378	\$21,621,726	\$2,168,613
		\$600,000	\$2,400,000					\$740,215	\$740,215	\$600,000		AVERAGE ANNUAL INCOME DRAWDOWN:		\$267,422			WORST 40	

BORROWING INTEREST ASSUMPTIONS	
GLO1 \$300K-499K	1-Month CMT Rate: 2.29%
	Lender Spread: 2.95%
Starting Borrowing Rate: 5.24%	
Compounded Annual Base Rate Increase: 4.15%	
Total Rate Floor: 2.95%	
RETIREMENT INCOME DRAWDOWN ASSUMPTIONS	
Drawdown Type:	PARTICIPATING
PLR:	5.00%
% of Previous Year's EOY Value Drawdown:	8.00%
THIRD PARTY LENDER PAYOFF ASSUMPTIONS	
Payoff Loan In Full In Year:	11
Payoff Amount:	\$3,140,215
Third Party Loan Paid Off With:	PAR LOAN

GAP COLLATERAL REQUIREMENTS	
Type Of Gap Collateral:	Cash
Credit Assumption:	0.00%
Collateral Valued At:	100.00%
The Gap Collateral amount (in years 3+) is only an estimation and is calculated by the cumulative loan balance in a given year, minus 95% of (the EOY AV two years prior, plus the Total Index Contribution in the previous year minus all charges, plus the Total Index Contribution in the current year minus all charges and early termination fees associated with current year's Total Index Contribution with the ICA listed above). This calculation is the equivalent of assuming a 0% index credit in the previous year (since the EOY index credit in the previous year would not have credited at the time of the current year's loan anniversary. The current year's EOY index credit would obviously not have credited yet either. This value is then multiplied by the % of "Collateral Valued At" above, estimating the gap collateral required based on the "Type Of Gap Collateral" assumed. This is just a hypothetical calculation. Each lender has different collateral	

1ST YEAR COLLATERAL REQUIREMENT:	\$0
TOTAL CLIENT OUTLAY:	-\$600,000
AVERAGE ANNUAL INCOME DRAWDOWN:	\$267,422
TOTAL INCOME DRAWDOWN:	\$4,011,337
40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$2,168,613
INCOME + 40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$6,179,950
RAW S&P 500 CAGR: 6.30%	40-YEAR NET ACCOUNT IRR: 7.88%

WORST 40-YEAR S&P CAGR PERIOD (OF 121 PERIODS ANALYZED)

The hypothetical models in this document assume certain crediting methods and index account charges that are purely hypothetical and do not represent any particular investment, life insurance policy or index fund. Hypothetical crediting methods, charges, values and returns are not guaranteed. Hypothetical returns used in this document are based on historical index returns that do not include dividends and are purely modeled as a hypothetical example of index volatility over a period of time for educational purposes and are not intended to convince someone to purchase any particular product.



BACKTESTED PROXY: CHARGES & CREDITS

- ✓ Depicts charges similar to real world product
- ✓ Compares annual charges to credits during Worst 40
- ✓ Illustrates net gains & losses on an annual basis

**The "Worst 40-Year Period" is the historical 40-year period that produced the lowest Compounded Annual Growth Rate out of 121 different 40-year periods analyzed. The "proxy" is a fictitious synthetically-produced asset, not an actual life insurance product.*

HYPOTHETICAL SYNTHETIC PROXY

CHARGES + CREDITS + BONUSES

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

CHARGES & CREDITS

#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
YEAR	ASSET-BASED CHARGES (%)	ASSET-BASED CHARGES (\$)	FIXED CHARGES (\$)	BACKTESTED YEAR	INDEX GROSS RETURN	INDEX CREDIT	MULTIPLIER BONUS (x)	INDEX CREDIT w/ MULTIPLIER	PERSISTENCY BONUS (+)	TOTAL INDEX CREDIT (%)	TOTAL INDEX CREDITS (\$)	TOTAL CHARGES (\$)	YEAR-END GAIN/LOSS (\$)	EOY VALUE AFTER CHARGES B4 CREDIT	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	0.00%	\$0	-\$19,921	1971	12.42%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$8,208	-\$19,921	-\$11,713	\$80,079	\$88,287	\$22,344
2	0.00%	\$0	-\$20,493	1972	-1.92%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$20,493	-\$20,493	\$167,794	\$167,794	\$103,296
3	0.00%	\$0	-\$41,232	1973	-41.40%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$41,232	-\$41,232	\$476,562	\$476,562	\$113,526
4	0.00%	\$0	-\$41,999	1974	32.00%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$80,418	-\$41,999	\$38,419	\$784,563	\$864,981	\$187,088
5	0.00%	\$0	-\$42,779	1975	25.48%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$120,151	-\$42,779	\$77,372	\$1,172,202	\$1,292,353	\$281,796
6	0.00%	\$0	-\$43,245	1976	-8.28%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$43,245	-\$43,245	\$1,599,108	\$1,599,108	\$236,367
7	0.00%	\$0	-\$43,684	1977	6.23%	6.23%	x 1.00	= 6.23%	+ 0.00%	= 6.23%	\$118,633	-\$43,684	\$74,949	\$1,905,424	\$2,024,056	\$287,711
8	0.00%	\$0	-\$44,138	1978	6.61%	6.61%	x 1.00	= 6.61%	+ 0.00%	= 6.61%	\$154,055	-\$44,138	\$109,917	\$2,329,918	\$2,483,973	\$358,554
9	0.00%	\$0	-\$44,501	1979	14.76%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$285,921	-\$44,501	\$241,420	\$2,789,472	\$3,075,393	\$534,969
10	0.00%	\$0	-\$30,926	1980	-7.40%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$30,926	-\$30,926	\$3,394,467	\$3,394,467	\$410,431
11	0.00%	\$0	-\$13,373	1981	3.65%	3.65%	x 1.00	= 3.65%	+ 0.00%	= 3.65%	\$123,393	-\$13,373	\$110,020	\$3,381,094	\$3,504,488	\$207,262
12	0.00%	\$0	-\$13,521	1982	37.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$285,824	-\$13,521	\$344,303	\$3,490,967	\$3,848,791	\$386,704
13	0.00%	\$0	-\$13,625	1983	0.02%	0.02%	x 1.00	= 0.02%	+ 0.00%	= 0.02%	\$693	-\$13,625	-\$12,932	\$3,835,166	\$3,835,859	\$200,667
14	0.00%	\$0	-\$13,736	1984	9.62%	9.62%	x 1.00	= 9.62%	+ 0.00%	= 9.62%	\$367,715	-\$13,736	\$353,979	\$3,822,123	\$4,189,838	\$372,887
15	0.00%	\$0	-\$13,727	1985	27.04%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$428,051	-\$13,727	\$414,324	\$4,176,111	\$4,604,162	\$596,364
16	0.00%	\$0	-\$7,557	1986	39.13%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$471,152	-\$7,557	\$463,595	\$4,596,605	\$5,067,757	\$859,569
17	0.00%	\$0	-\$7,702	1987	-15.51%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$7,702	-\$7,702	\$5,060,055	\$5,060,055	\$641,457
18	0.00%	\$0	-\$7,745	1988	28.41%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$517,862	-\$7,745	\$510,117	\$5,052,310	\$5,570,172	\$930,644
19	0.00%	\$0	-\$7,621	1989	-12.34%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$7,621	-\$7,621	\$5,562,551	\$5,562,551	\$691,047
20	0.00%	\$0	-\$7,384	1990	26.73%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$569,405	-\$7,384	\$562,021	\$5,555,167	\$6,124,572	\$1,009,492
21	0.00%	\$0	-\$7,119	1991	7.72%	7.72%	x 1.00	= 7.72%	+ 0.00%	= 7.72%	\$472,223	-\$7,119	\$465,104	\$6,117,453	\$6,589,676	\$1,218,843
22	0.00%	\$0	-\$7,683	1992	9.84%	9.84%	x 1.00	= 9.84%	+ 0.00%	= 9.84%	\$647,959	-\$7,683	\$640,276	\$6,581,993	\$7,229,952	\$1,590,577
23	0.00%	\$0	-\$8,405	1993	0.82%	0.82%	x 1.00	= 0.82%	+ 0.00%	= 0.82%	\$59,481	-\$8,405	\$51,076	\$7,221,547	\$7,281,028	\$1,359,684
24	0.00%	\$0	-\$9,269	1994	26.30%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$745,355	-\$9,269	\$736,086	\$7,271,759	\$8,017,114	\$1,799,703
25	0.00%	\$0	-\$10,326	1995	17.61%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$820,696	-\$10,326	\$810,370	\$8,006,788	\$8,827,484	\$2,299,203
26	0.00%	\$0	-\$11,599	1996	37.82%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$903,628	-\$11,599	\$892,029	\$8,815,885	\$9,719,513	\$2,671,685
27	0.00%	\$0	-\$12,903	1997	7.36%	7.36%	x 1.00	= 7.36%	+ 0.00%	= 7.36%	\$714,511	-\$12,903	\$701,608	\$9,706,610	\$10,421,121	\$2,796,480
28	0.00%	\$0	-\$14,337	1998	26.13%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,066,695	-\$14,337	\$1,052,358	\$10,406,784	\$11,473,479	\$3,232,702
29	0.00%	\$0	-\$15,898	1999	11.99%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,174,402	-\$15,898	\$1,158,504	\$11,457,581	\$12,631,983	\$3,707,620
30	0.00%	\$0	-\$17,563	2000	-27.54%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$17,563	-\$17,563	\$12,614,420	\$12,614,420	\$2,932,399
31	0.00%	\$0	-\$19,242	2001	-21.68%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$19,242	-\$19,242	\$12,595,178	\$12,595,178	\$2,182,734
32	0.00%	\$0	-\$19,512	2002	22.16%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,289,006	-\$19,512	\$1,269,494	\$12,575,666	\$13,864,672	\$2,748,256
33	0.00%	\$0	-\$19,315	2003	11.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,419,149	-\$19,315	\$1,399,834	\$13,845,357	\$15,264,506	\$3,361,416
34	0.00%	\$0	-\$18,506	2004	10.25%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,562,519	-\$18,506	\$1,544,013	\$15,246,000	\$16,808,519	\$4,027,915
35	0.00%	\$0	-\$16,865	2005	8.71%	8.71%	x 1.00	= 8.71%	+ 0.00%	= 8.71%	\$1,462,697	-\$16,865	\$1,445,832	\$16,791,654	\$18,254,351	\$4,496,372
36	0.00%	\$0	-\$14,140	2006	14.29%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,869,622	-\$14,140	\$1,855,482	\$18,240,211	\$20,109,833	\$5,286,260
37	0.00%	\$0	-\$16,463	2007	-23.61%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$16,463	-\$16,463	\$20,093,370	\$20,093,370	\$4,084,572
38	0.00%	\$0	-\$19,155	2008	-9.37%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$19,155	-\$19,155	\$20,074,215	\$20,074,215	\$2,921,873
39	0.00%	\$0	-\$22,284	2009	7.96%	7.96%	x 1.00	= 7.96%	+ 0.00%	= 7.96%	\$1,595,687	-\$22,284	\$1,573,403	\$20,051,931	\$21,647,618	\$3,392,222
40	0.00%	\$0	-\$25,892	2010	-0.86%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$25,892	-\$25,892	\$21,621,726	\$21,621,726	\$2,168,613

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

ASSET-BASED CHARGES (%) Account charges as a percentage of gross account value, after new TOTAL INDEX CONTRIBUTION and 100% BOY charges and 50% of remaining FIXED CHARGES (\$) are deducted.

ASSET-BASED CHARGES (\$) The previous year's EOY GROSS INDEX ACCUMULATED VALUE minus 100% BOY charges, minus 50% of remaining FIXED CHARGES (\$) multiplied by the ASSET-BASED CHARGES (%).

FIXED CHARGES (\$) Amounts taken from a real life product. These charges in a real life product would most likely not be fixed, as there would be some variable charges. This is merely a proxy for this category of charges.

INDEX CREDIT The after-floor after-cap index return, before any bonuses or participation rates are applied or credited. Caps are not guaranteed in a real world product. See actual product details for guarantees.

MULTIPLIER BONUS (x) A numerical number determined by a particular bonus schedule, multiplied by the basic after-floor, after-cap, INDEX CREDIT. This is not a guaranteed bonus amount. See actual product details for guarantees.

INDEX CREDIT w/ MULTIPLIER The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x). (e.g. If the MULTIPLIER BONUS (x) was 2.00, and the INDEX CREDIT was 10.00%, the INDEX CREDIT w/ MULTIPLIER would be 20.00%)

PERSISTENCY BONUS (+) A bonus credit added to the INDEX CREDIT. (e.g. If the INDEX CREDIT was 10.00% and the PERSISTENCY BONUS (+) was 0.50%, the TOTAL INDEX CREDIT (%) would be 10.50%)

TOTAL INDEX CREDIT (%) The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x) plus the PERSISTENCY BONUS (+).

TOTAL INDEX CREDITS (\$) The TOTAL INDEX CREDIT (%) multiplied by the EOY VALUE AFTER CHARGES B4 CREDIT.

TOTAL CHARGES (\$) The sum of the ASSET-BASED CHARGES (\$) and the FIXED CHARGES (\$).

YEAR-END GAIN/LOSS (\$) The EOY GROSS INDEX ACCUMULATED VALUE net gain or loss in each year based on the TOTAL INDEX CREDITS (\$) minus the TOTAL CHARGES (\$) in a given year.

EOY VALUE AFTER CHARGES B4 CREDIT The EOY account value after any new contributions in such year and after all charges have been subtracted from this cumulative value, before any index credits have been applied.

EOY GROSS INDEX ACCUMULATED VALUE The EOY account value after any new contributions, after any "Total Index Credits (\$)" have been added, and after the "Total Charges (\$)" have been subtracted.

EOY INDEX VALUE NET OF INT & EXT LOANS The EOY GROSS INDEX ACCUMULATED VALUE minus the third party Cumulative Loan Balance (if any), minus any internal cumulative loan balances as a result of Participating Loans.

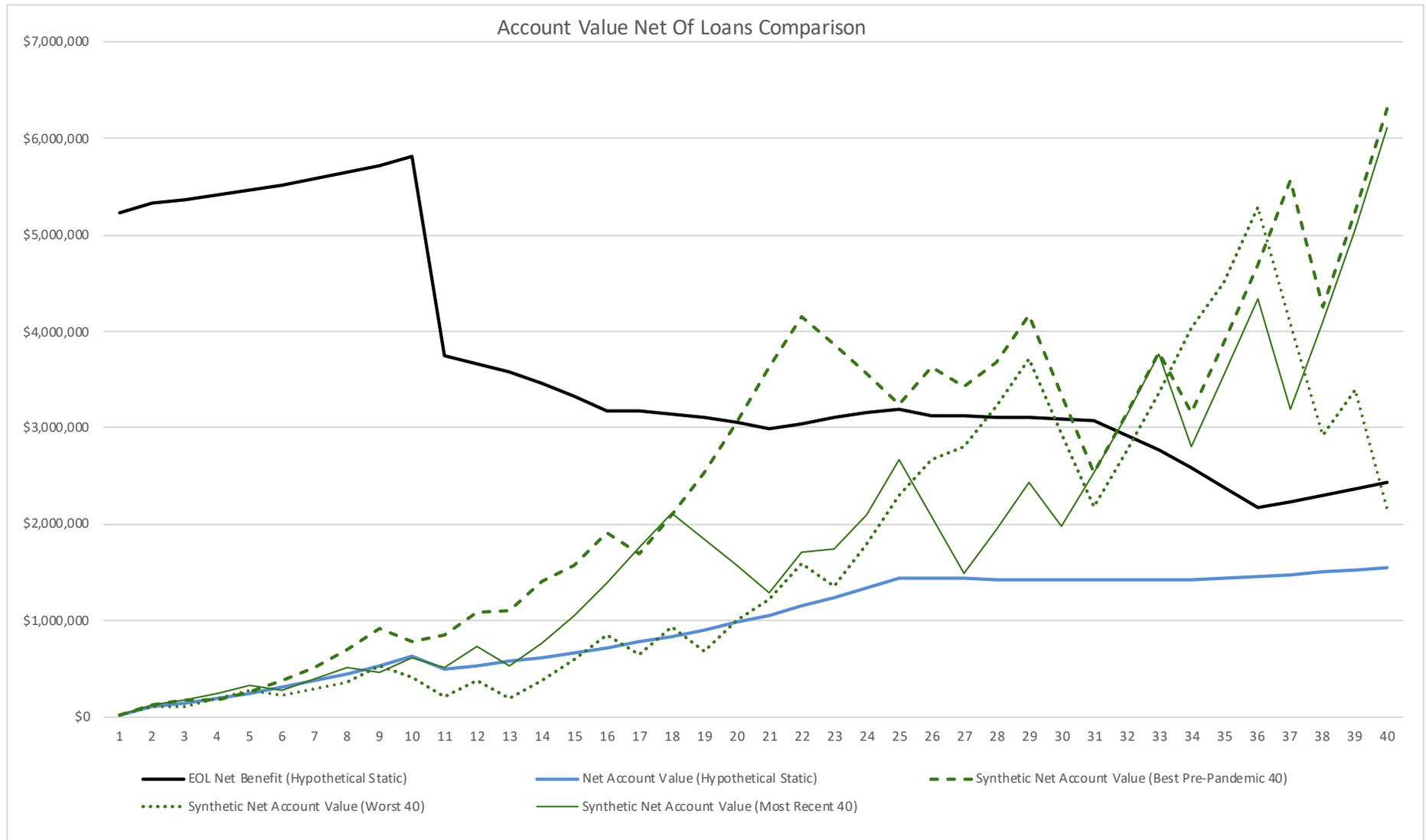
GRAPH: BACKTESTED PROXY vs. AS-ILLUSTRATED STATIC

- ✓ Leveraged Hypothetical Synthetic Asset Value (Proxy)
 - Worst 40
 - Best 40
 - Most Recent 40

vs...

- ✓ CSV & DB in As-Illustrated Static Carrier Illustration

**The "proxy" is a fictitious synthetically-produced asset, not an actual life insurance product. The "Most Recent 40" is from 1/1/1982 - 12/31/2021, assuming historical borrowing rates in such years as well. This sequence begins with a 9.40% borrowing interest rate in 1982 when Prime was 11.00%.*



SCENARIO MODELED	PAYOFF YEAR	TOTAL OUTLAY	TOTAL INCOME DRAWDOWN	NET ACCOUNT VALUE IN YEAR 40	RETURNS DEPICTED	VOLATILITY MODELED	CAGR	PAR LOAN RATE	40-YEAR IRR
— Hypothetical Static:	11	-\$600,000	\$1,646,820	\$1,549,640	hypothetical static	no	6.60%	6.10%	5.44%
- - - Synthetic Best 40*:	11	-\$600,000	\$4,617,505	\$6,306,019	actual historical*	yes	9.02%	5.00%	9.41%
..... Synthetic Worst 40*:	11	-\$600,000	\$4,011,337	\$2,168,613	actual historical*	yes	6.30%	5.00%	7.88%
— Synthetic (1982-2021):	11	-\$600,000	\$3,604,011	\$6,109,453	actual historical*	yes	9.99%	5.00%	8.77%

*In modeling every 40-year annual point-to-point period between 1/1/1970 and 12/31/2019, there were 121 different 40-year periods. Each of these 121 different 40-year periods have been analyzed and ranked based on their Compounded Annual Growth Rate (CAGR). This report highlights the Best and Worst 40-year periods limited to this sampling of 121 different 40-year periods. In real-world scenarios, it is possible for a 40-year period to produce a worse CAGR than the Worst 40 in this report. In such case, outcomes could be significantly worse than as depicted in this hypothetical report.

BACKTESTED EQUITIES & BONDS ACCOUNT

- ✓ Equities Assumes Historical Index Returns
- ✓ Bonds Assumes Historical 10-Year T-Bonds Returns

**The "Equities & Bonds Account" assumes certain investment fees, taxation on gains, and equities-to-bonds allocation. This is merely a hypothetical investment portfolio construction.*

BEST 40 vs. WORST 40

✓ Leveraged Hypothetical Synthetic Asset Value (Proxy)

vs...

✓ Non-Leveraged Hypothetical Synthetic Asset Value (Proxy)

vs...

✓ Non-Leveraged Equities & Bonds Account

**Proxy is a fictitious synthetically-produced asset, not an actual life insurance product.*

HYPOTHETICAL SYNTHETIC PROXIES: BACKTESTING REPORT

BEST CAGR IN 40-YEAR PERIOD*

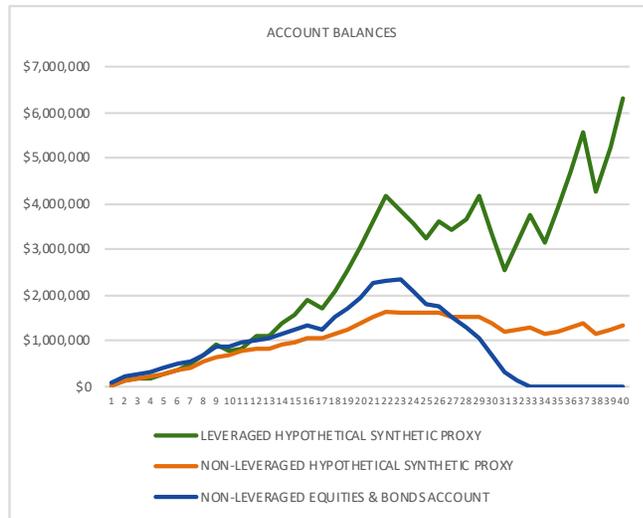
LEVERAGED HYPOTHETICAL SYNTHETIC PROXY



NON-LEVERAGED HYPOTHETICAL SYNTHETIC PROXY



NON-LEVERAGED EQUITIES & BONDS ACCOUNT



BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

BACKTESTING MODELS FOR:

1. LEVERAGED HYPOTHETICAL SYNTHETIC PROXY
2. NON-LEVERAGED HYPOTHETICAL SYNTHETIC PROXY
3. NON-LEVERAGED HYPOTHETICAL EQUITIES & BONDS ACCOUNT

WORST CAGR IN 40-YEAR PERIOD*

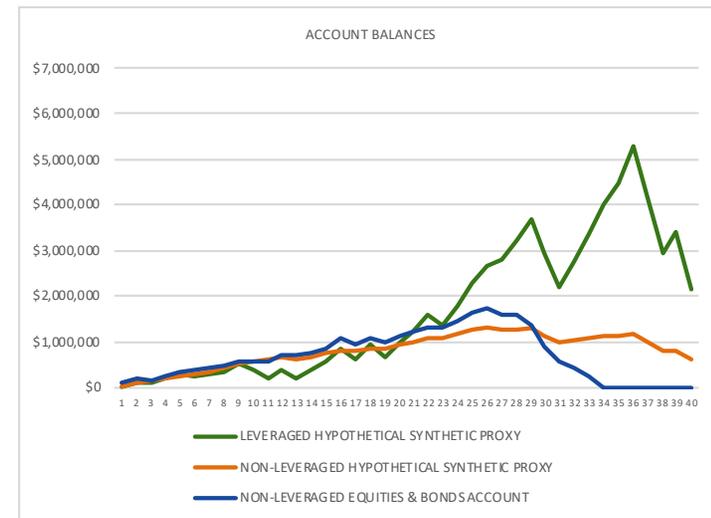
LEVERAGED HYPOTHETICAL SYNTHETIC PROXY



NON-LEVERAGED HYPOTHETICAL SYNTHETIC PROXY



NON-LEVERAGED EQUITIES & BONDS ACCOUNT



WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

SYNTHETICALLY MODELED FOR: M40 - 3YF 100.50
 ADVISOR: Darren Sugiyama
 DATE CREATED: 8/27/2022

*The following report is a hypothetical proxy that behaves similar to some real-world products, but is not an exact depiction of any specific real-world product and is for educational purposes only. All financial outcomes in this document are hypothetical and are not projections, assumptions, or guarantees of any specific real-world investment or insurance product. The "Best 40" is the historical 40-year period that produced the best Compounded Annual Growth Rate out of 121 different historical 40-year periods analyzed. The "Worst 40" is the historical 40-year period that produced the worst Compounded Annual Growth Rate out of the same 121 different historical 40-year periods analyzed. For an explanation of how these hypothetical backtesting assumptions were created, please refer to the "Backtesting" explanation on page 3 of this document.

FULL ANALYSIS REPORT

THIRD-YEAR FINANCING (3YF) with INCOME DRAWDOWNS

FULL ANALYSIS REPORT: RETIREMENT PLANNING



DATE CREATED: 08/27/22

PRIMARY INSURED: M40 - 3YF 100.50

ADDITIONAL INSURED: N/A

AGENT: Darren Sugiyama

LIFE INSURANCE COMPARISON SUMMARY:

- 1 Premium Financed Life Insurance Policy (Tax-Free Gains + Tax-Free Income Drawdowns)
...VS.
- 2 Non-Financed Life Insurance Policy (Tax-Free Gains + Tax-Free Income Drawdowns)
...VS.
- 3 Non-Insurance Based Investment Account (Taxable Gains)

BACKTESTED HYPOTHETICAL SYNTHETIC PROXY COMPARISON SUMMARY:

- 1 Leveraged Hypothetical Synthetic Proxy (Tax-Free Gains + Tax-Free Income Drawdowns)
...VS.
- 2 Non-Leveraged Hypothetical Synthetic Proxy (Tax-Free Gains + Tax-Free Income Drawdowns)
...VS.
- 3 Non-Leveraged Equities & Bonds Account (Taxable Gains)

3 DIFFERENT FINANCIAL SOLUTIONS



DATE CREATED: 08/27/22

PRIMARY INSURED: M40 - 3YF 100.50
ADDITIONAL INSURED: N/A

AGENT: Darren Sugiyama

PREMIUM FINANCED LIFE INSURANCE: 3RD YEAR FINANCING



NON-FINANCED LIFE INSURANCE



NON-INSURANCE BASED INVESTMENT ACCOUNT



*TOTAL NET CLIENT CONTRIBUTION is the total client outlay whether premiums and/or interest.

**TOTAL INCOME DRAWDOWNS + YEAR 40 CSV assumes a 6.6% index credit. See carrier illustration for details.

***TOTAL NET CLIENT CONTRIBUTION is the total client-paid premium.

****TOTAL INCOME DRAWDOWNS + YEAR 40 CSV assumes a 6.6% index credit. See carrier illustration for details.

*****TOTAL NET CLIENT CONTRIBUTION is the same client outlay as the premium financed life insurance solution.

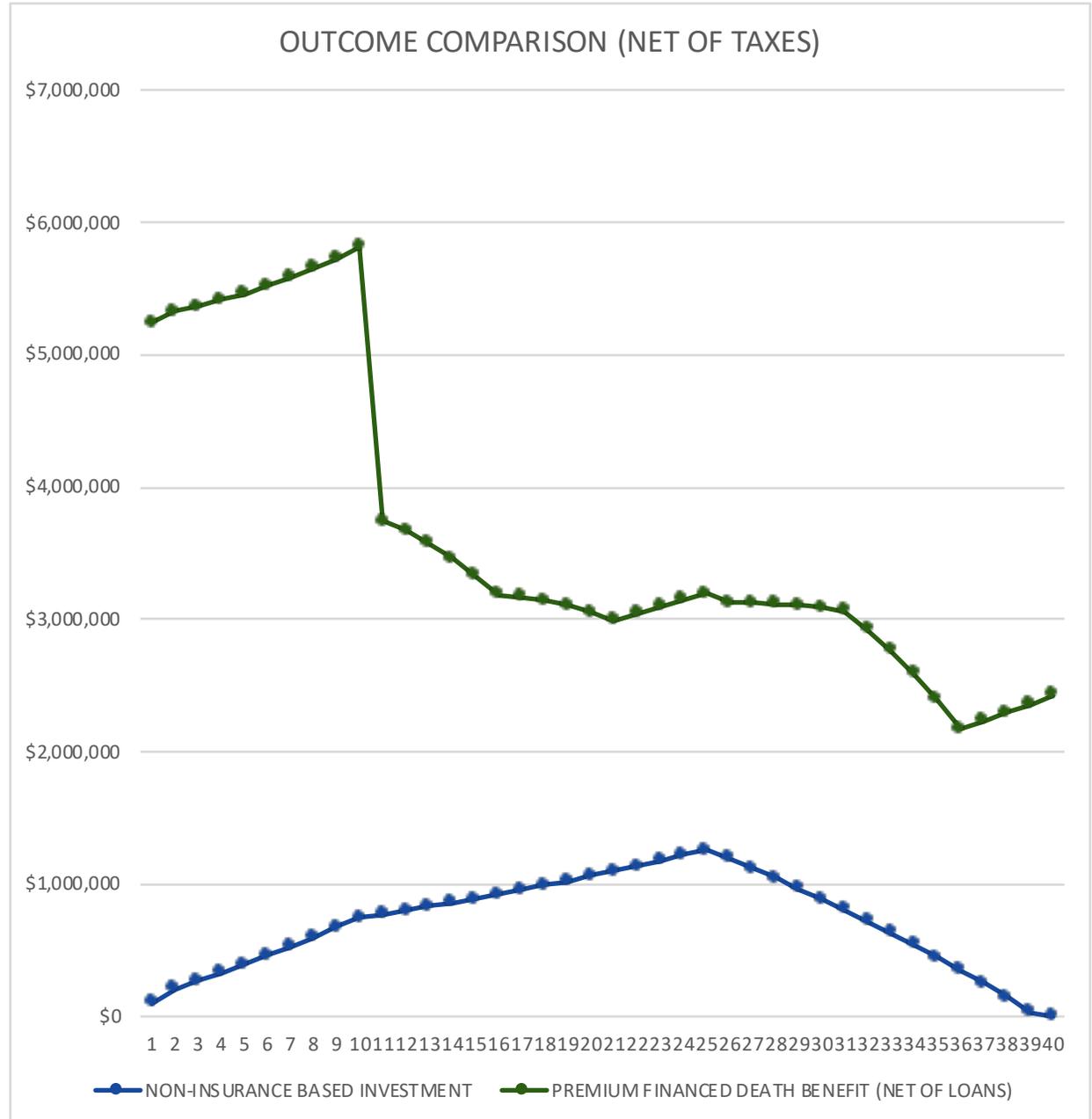
*****TOTAL INCOME DRAWDOWNS + YEAR 40 VALUE assumes a 6.6% return, 1.35% investment fees, 32.6% tax on gains, and 0% estate taxes.

Is Premium Financed Life Insurance An Effective Estate Planning Tool?

GROSS RETURN ASSUMPTION: 6.60%
 ALL-IN INVESTMENT FEE ASSUMPTION: 1.35%

SHORT-TERM CAPITAL GAINS TAX RATE ASSUMPTION: 32.60%
 ESTATE TAX RATE ASSUMPTION: 0.00%

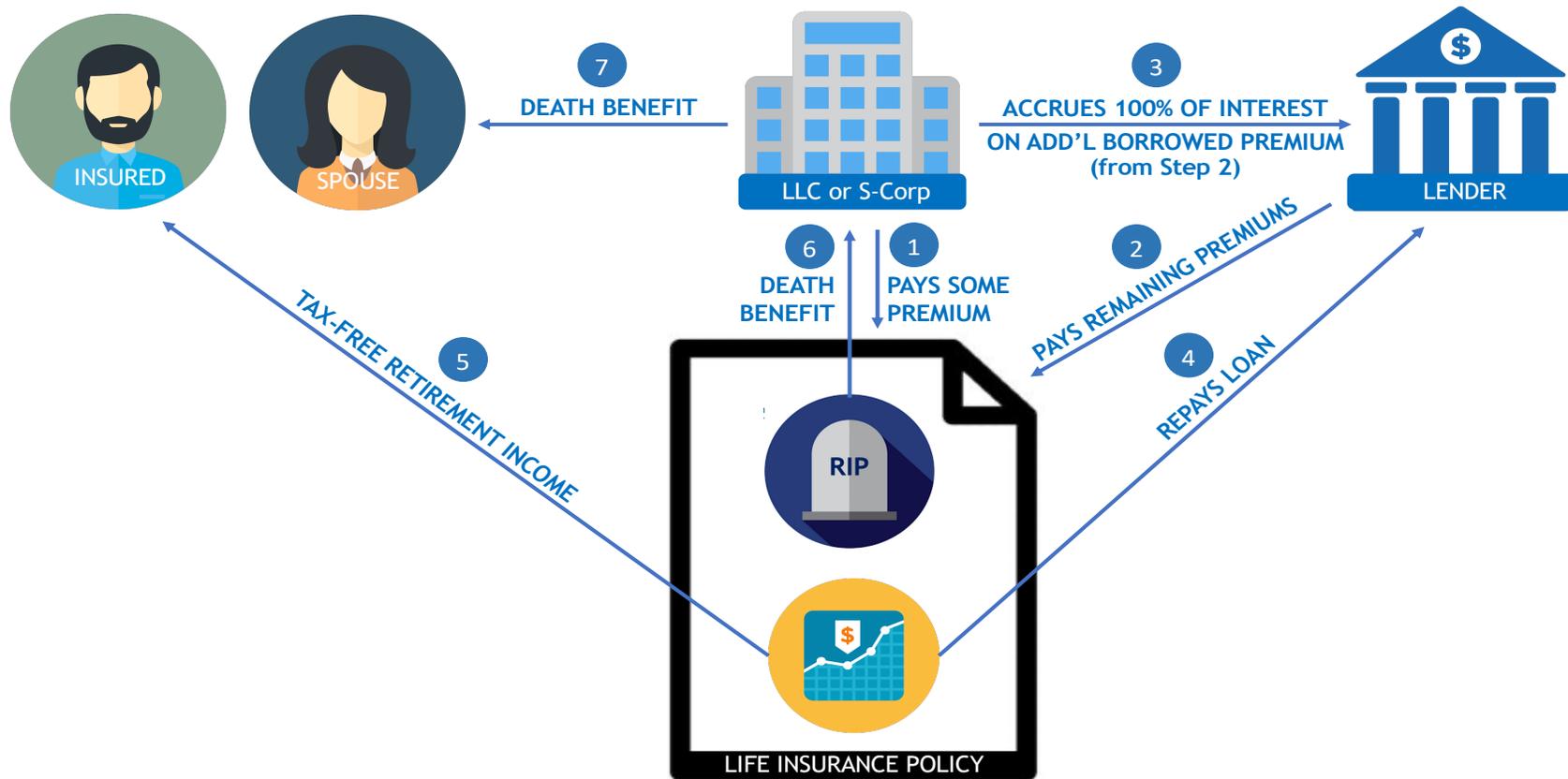
	(+) SAME ANNUAL CONTRIBUTION (-) INCOME DRAWDOWNS	NON-INSURANCE BASED INVESTMENT AFTER ESTATE TAX ACCOUNT VALUE	PREMIUM FINANCED LIFE INSURANCE TAX-FREE NET DEATH BENEFIT	
1	40	\$100,000	\$103,539	\$5,235,725
2	41	\$100,000	\$210,741	\$5,326,516
3	42	\$50,000	\$269,967	\$5,364,858
4	43	\$50,000	\$331,289	\$5,411,289
5	44	\$50,000	\$394,781	\$5,463,030
6	45	\$50,000	\$460,520	\$5,520,233
7	46	\$50,000	\$528,584	\$5,582,679
8	47	\$50,000	\$599,057	\$5,649,984
9	48	\$50,000	\$672,024	\$5,721,735
10	49	\$50,000	\$747,573	\$5,812,115
11	50	\$0	\$774,026	\$3,744,238
12	51	\$0	\$801,415	\$3,667,379
13	52	\$0	\$829,773	\$3,573,433
14	53	\$0	\$859,135	\$3,460,686
15	54	\$0	\$889,535	\$3,327,493
16	55	\$0	\$921,011	\$3,181,420
17	56	\$0	\$953,601	\$3,166,053
18	57	\$0	\$987,344	\$3,140,336
19	58	\$0	\$1,022,282	\$3,103,373
20	59	\$0	\$1,058,455	\$3,054,083
21	60	\$0	\$1,095,908	\$2,991,155
22	61	\$0	\$1,134,687	\$3,047,779
23	62	\$0	\$1,174,838	\$3,101,429
24	63	\$0	\$1,216,410	\$3,151,484
25	64	\$0	\$1,259,452	\$3,197,219
26	65	-\$109,788	\$1,190,345	\$3,121,033
27	66	-\$109,788	\$1,118,793	\$3,120,411
28	67	-\$109,788	\$1,044,708	\$3,115,143
29	68	-\$109,788	\$968,003	\$3,104,714
30	69	-\$109,788	\$888,583	\$3,088,603
31	70	-\$109,788	\$806,352	\$3,066,364
32	71	-\$109,788	\$721,212	\$2,923,730
33	72	-\$109,788	\$633,059	\$2,763,810
34	73	-\$109,788	\$541,787	\$2,585,832
35	74	-\$109,788	\$447,286	\$2,389,150
36	75	-\$109,788	\$349,440	\$2,173,264
37	76	-\$109,788	\$248,132	\$2,231,767
38	77	-\$109,788	\$143,239	\$2,294,129
39	78	-\$109,788	\$34,635	\$2,360,276
40	79	-\$109,788	\$0	\$2,430,090



FEES & TAXES: The "Non-Insurance Based Investment" is a fictitious investment that assumes the same net return as the insurance policy's gross index credit, minus hypothetical investment fees, minus hypothetical taxes on gains, minus a hypothetical estate tax rate (both fees and hypothetical tax rates shown at the top of this page). The "Premium Financed Life Insurance" net death benefit includes netting out any third-party loans, internal policy loans, policy fees, and charges. Net death benefit values of the life insurance policy are depicted as tax-free.



3RD YEAR FINANCING: TAX-FREE INCOME



THIRD-YEAR FINANCING WITH INTEREST ACCRUAL: TAX-FREE INCOME DRAWDOWN PLAN

1. The policy is owned by an entity (either an LLC or an S-corp) which pays a fixed dollar amount for 10 years, including 100% of the first two years of policy premium out-of-pocket.
2. The entity will pay a portion of the life insurance premiums due in years 3-10, and the entity will pay the remaining premiums due.
3. The entity will accrue the interest due each year on the cumulative loan balance and post the policy.
4. The appreciated policy value will repay the cumulative loan balance (including the additional compounded debt due to accruing the interest due) to the lender in year 11.
5. The entity will take policy loans and pass them through to the insured person as tax-free retirement income. Such loans are netted out of the CSV and death benefit.
6. Upon the insured's death, the policy death benefit will pay to the entity.
7. The surviving spouse shall receive the unlimited step-up in basis, and enjoy the net death benefit on a tax-free basis.

NON-FINANCED SOLUTION

This solution requires the client to pay premiums out of pocket throughout the period shown below in the "Annual Premium" column.

version NF38617.2

PREMIUM FINANCED SOLUTION

In this solution, the client is paying the first two years premium, then paying a portion of the premium, borrowing the remaining premium, and paying interest out-of-pocket, all within a fixed annual budget.

version 36471.8

NON-FINANCED IUL					
AGE	ANNUAL PREMIUM	INCOME DRAWDOWNS	CASH VALUE	DEATH BENEFIT	
1	40	\$100,000	\$0	\$16,617	\$3,686,439
2	41	\$100,000	\$0	\$109,970	\$3,778,262
3	42	\$50,000	\$0	\$159,966	\$3,826,710
4	43	\$50,000	\$0	\$212,726	\$3,877,940
5	44	\$50,000	\$0	\$268,465	\$3,932,131
6	45	\$50,000	\$0	\$327,528	\$3,989,646
7	46	\$50,000	\$0	\$390,150	\$4,050,720
8	47	\$50,000	\$0	\$465,107	\$4,115,579
9	48	\$50,000	\$0	\$544,149	\$4,184,523
10	49	\$50,000	\$0	\$629,643	\$4,259,919
11	50	\$0	\$0	\$669,928	\$3,600,000
12	51	\$0	\$0	\$711,978	\$3,600,000
13	52	\$0	\$0	\$755,863	\$3,600,000
14	53	\$0	\$0	\$791,547	\$3,600,000
15	54	\$0	\$0	\$829,237	\$3,600,000
16	55	\$0	\$0	\$875,582	\$3,600,000
17	56	\$0	\$0	\$924,603	\$3,600,000
18	57	\$0	\$0	\$976,527	\$3,600,000
19	58	\$0	\$0	\$1,031,670	\$3,600,000
20	59	\$0	\$0	\$1,090,280	\$3,600,000
21	60	\$0	\$0	\$1,152,513	\$3,600,000
22	61	\$0	\$0	\$1,218,144	\$3,600,000
23	62	\$0	\$0	\$1,287,160	\$3,600,000
24	63	\$0	\$0	\$1,359,554	\$3,600,000
25	64	\$0	\$0	\$1,435,223	\$3,600,000
26	65	\$0	-\$91,829	\$1,416,518	\$3,503,580
27	66	\$0	-\$91,829	\$1,395,818	\$3,402,338
28	67	\$0	-\$91,829	\$1,372,943	\$3,296,035
29	68	\$0	-\$91,829	\$1,347,712	\$3,184,416
30	69	\$0	-\$91,829	\$1,319,969	\$3,067,216
31	70	\$0	-\$91,829	\$1,289,691	\$2,944,157
32	71	\$0	-\$91,829	\$1,256,813	\$2,814,944
33	72	\$0	-\$91,829	\$1,221,277	\$2,679,271
34	73	\$0	-\$91,829	\$1,183,042	\$2,536,814
35	74	\$0	-\$91,829	\$1,142,139	\$2,387,234
36	75	\$0	-\$91,829	\$1,098,667	\$2,230,175
37	76	\$0	-\$91,829	\$1,052,799	\$2,065,263
38	77	\$0	-\$91,829	\$1,004,855	\$1,892,106
39	78	\$0	-\$91,829	\$955,281	\$1,710,291
40	79	\$0	-\$91,829	\$904,746	\$1,519,385

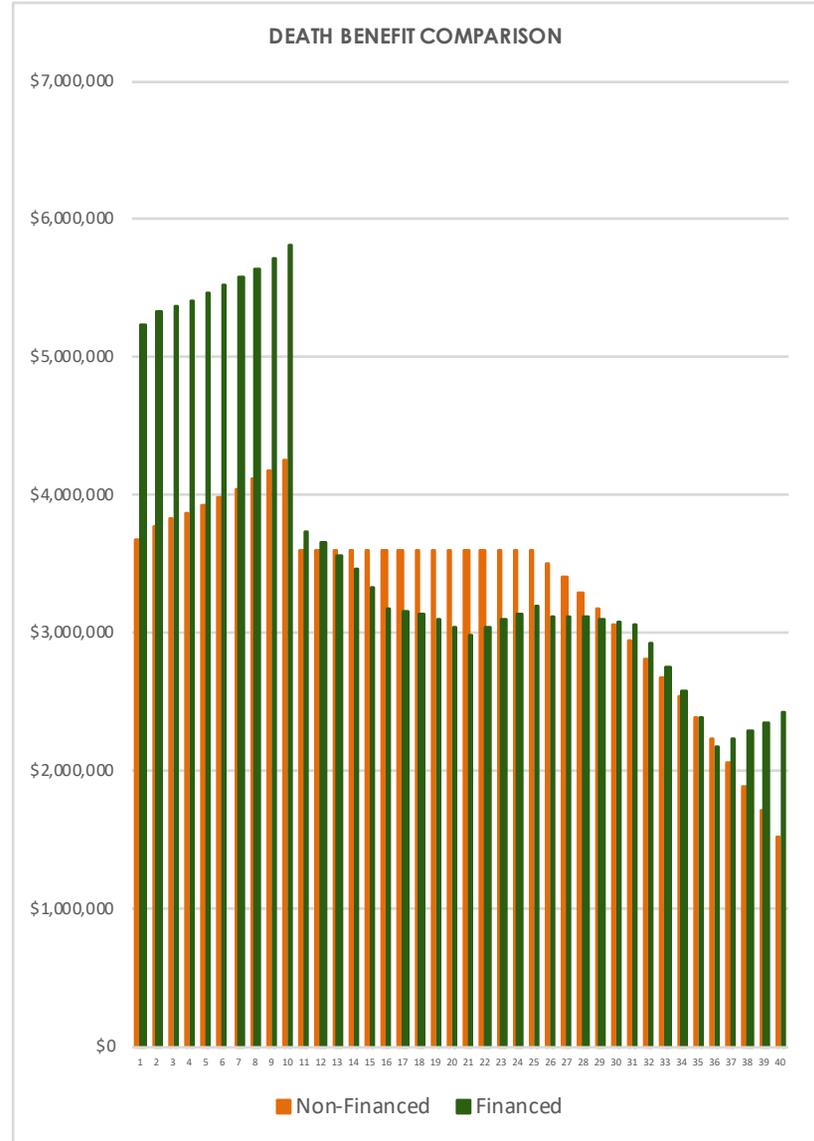
TOTAL CONTRIBUTION:	-\$600,000
TOTAL INCOME:	\$1,377,435
YEAR 40 NET CASH VALUE:	\$904,746
YEAR 40 TOTAL VALUE:	\$2,282,181

3RD YEAR FINANCING					
AGE	ANNUAL CONTRIBUTION	INCOME DRAWDOWNS	CASH VALUE NET OF LOANS	DEATH BENEFIT NET OF LOANS	
1	40	\$100,000	\$0	\$19,782	\$5,235,725
2	41	\$100,000	\$0	\$112,018	\$5,326,516
3	42	\$50,000	\$0	\$151,822	\$5,364,858
4	43	\$50,000	\$0	\$199,698	\$5,411,289
5	44	\$50,000	\$0	\$252,901	\$5,463,030
6	45	\$50,000	\$0	\$311,566	\$5,520,233
7	46	\$50,000	\$0	\$375,474	\$5,582,679
8	47	\$50,000	\$0	\$452,316	\$5,649,984
9	48	\$50,000	\$0	\$533,604	\$5,721,735
10	49	\$50,000	\$0	\$633,521	\$5,812,115
11	50	\$0	\$0	\$489,914	\$3,744,238
12	51	\$0	\$0	\$533,711	\$3,667,379
13	52	\$0	\$0	\$580,378	\$3,573,433
14	53	\$0	\$0	\$620,633	\$3,460,686
15	54	\$0	\$0	\$664,362	\$3,327,493
16	55	\$0	\$0	\$718,217	\$3,181,420
17	56	\$0	\$0	\$776,368	\$3,166,053
18	57	\$0	\$0	\$839,250	\$3,140,336
19	58	\$0	\$0	\$907,392	\$3,103,373
20	59	\$0	\$0	\$981,311	\$3,054,083
21	60	\$0	\$0	\$1,061,465	\$2,991,155
22	61	\$0	\$0	\$1,147,464	\$3,047,779
23	62	\$0	\$0	\$1,239,587	\$3,101,429
24	63	\$0	\$0	\$1,338,149	\$3,151,484
25	64	\$0	\$0	\$1,443,440	\$3,197,219
26	65	\$0	-\$109,788	\$1,439,199	\$3,121,033
27	66	\$0	-\$109,788	\$1,435,293	\$3,120,411
28	67	\$0	-\$109,788	\$1,431,707	\$3,115,143
29	68	\$0	-\$109,788	\$1,428,436	\$3,104,714
30	69	\$0	-\$109,788	\$1,425,499	\$3,088,603
31	70	\$0	-\$109,788	\$1,423,017	\$3,066,364
32	71	\$0	-\$109,788	\$1,422,601	\$2,923,730
33	72	\$0	-\$109,788	\$1,424,996	\$2,763,810
34	73	\$0	-\$109,788	\$1,431,153	\$2,585,832
35	74	\$0	-\$109,788	\$1,442,319	\$2,389,150
36	75	\$0	-\$109,788	\$1,460,094	\$2,173,264
37	76	\$0	-\$109,788	\$1,479,838	\$2,231,767
38	77	\$0	-\$109,788	\$1,501,459	\$2,294,129
39	78	\$0	-\$109,788	\$1,524,795	\$2,360,276
40	79	\$0	-\$109,788	\$1,549,640	\$2,430,090

TOTAL CONTRIBUTION:	-\$600,000
TOTAL INCOME:	\$1,646,820
YEAR 40 NET CASH VALUE:	\$1,549,640
YEAR 40 TOTAL VALUE:	\$3,196,460

vs.
vs.
vs.

DEATH BENEFIT COMPARISON



SUMMARY OF CARRIER-ILLUSTRATED STATIC RETURNS (DESIGNED TO STAY IN FORCE UNTIL AGE 120)

version 36471.8

LP

3RD YEAR FINANCING

At This Index Credit Assumption, Death Benefit Lasts Until Age:

120

5 of 10

08/27/22

Health Rating: **PREFERRED**

Third Party Loan Payoff Type:

PAR LOAN

PLR: **6.10%**

Initial Gross Policy Face Amount:

\$5,150,000

YEAR	AGE	1 TOTAL POLICY PREMIUMS	2 EQUITY PREMIUMS	3 BORROWED PREMIUMS	4 CUMULATIVE PF LOAN BALANCE	5 FINANCING INTEREST RATE	6 INTEREST DUE	7 INTEREST ACCRUED	8 CLIENT CONTRIBUTION	9 (Cash) GAP COLLATERAL	10 HYPOTHETICAL INDEX CREDIT	11 POLICY DRAWDOWNS	12 GROSS POLICY CSV	13 POLICY CSV NET OF LOANS	14 DEATH BENEFIT NET OF LOANS	15 DEATH BENEFIT + YTY INCOME DRAWDOWN IRR	YEAR	AGE
1	40	\$100,000	\$100,000	\$0	\$0	0.00%	\$0	\$0	\$100,000	\$0	6.60%	\$0	\$19,782	\$19,782	\$5,235,725	5135.72%	1	40
2	41	\$100,000	\$100,000	\$0	\$0	0.00%	\$0	\$0	\$100,000	\$0	6.60%	\$0	\$112,018	\$112,018	\$5,326,516	581.54%	2	41
3	42	\$350,000	\$50,000	\$300,000	\$300,000	5.43%	\$16,302	\$16,302	\$50,000	\$0	6.60%	\$0	\$451,822	\$151,822	\$5,364,858	242.57%	3	42
4	43	\$350,000	\$50,000	\$300,000	\$616,302	5.54%	\$34,125	\$34,125	\$50,000	\$0	6.60%	\$0	\$816,000	\$199,698	\$5,411,289	143.93%	4	43
5	44	\$350,000	\$50,000	\$300,000	\$950,427	5.64%	\$53,647	\$53,647	\$50,000	\$0	6.60%	\$0	\$1,203,328	\$252,901	\$5,463,030	99.69%	5	44
6	45	\$350,000	\$50,000	\$300,000	\$1,304,074	5.76%	\$75,066	\$75,066	\$50,000	\$0	6.60%	\$0	\$1,615,640	\$311,566	\$5,520,233	75.18%	6	45
7	46	\$350,000	\$50,000	\$300,000	\$1,679,140	5.87%	\$98,612	\$98,612	\$50,000	\$0	6.60%	\$0	\$2,054,614	\$375,474	\$5,582,679	59.79%	7	46
8	47	\$350,000	\$50,000	\$300,000	\$2,077,752	5.99%	\$124,541	\$124,541	\$50,000	\$0	6.60%	\$0	\$2,530,068	\$452,316	\$5,649,984	49.31%	8	47
9	48	\$350,000	\$50,000	\$300,000	\$2,502,293	6.12%	\$153,150	\$153,150	\$50,000	\$0	6.60%	\$0	\$3,035,897	\$533,604	\$5,721,735	41.75%	9	48
10	49	\$350,000	\$50,000	\$300,000	\$2,955,443	6.25%	\$184,772	\$184,772	\$50,000	\$0	6.60%	\$0	\$3,588,964	\$633,521	\$5,812,115	36.10%	10	49
11	50	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$3,140,215	\$489,914	\$489,914	\$3,744,238	25.38%	11	50
12	51	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$533,711	\$533,711	\$3,667,379	22.26%	12	51
13	52	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$580,378	\$580,378	\$3,573,433	19.69%	13	52
14	53	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$620,633	\$620,633	\$3,460,686	17.52%	14	53
15	54	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$664,362	\$664,362	\$3,327,493	15.63%	15	54
16	55	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$718,217	\$718,217	\$3,181,420	14.00%	16	55
17	56	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$776,368	\$776,368	\$3,166,053	12.91%	17	56
18	57	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$839,250	\$839,250	\$3,140,336	11.95%	18	57
19	58	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$907,392	\$907,392	\$3,103,373	11.09%	19	58
20	59	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$981,311	\$981,311	\$3,054,083	10.30%	20	59
21	60	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,061,465	\$1,061,465	\$2,991,155	9.57%	21	60
22	61	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,147,464	\$1,147,464	\$3,047,779	9.15%	22	61
23	62	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,239,587	\$1,239,587	\$3,101,429	8.77%	23	62
24	63	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,338,149	\$1,338,149	\$3,151,484	8.42%	24	63
25	64	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	\$0	\$1,443,440	\$1,443,440	\$3,197,219	8.09%	25	64
26	65	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,439,199	\$1,439,199	\$3,121,033	7.78%	26	65
27	66	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,435,293	\$1,435,293	\$3,120,411	7.62%	27	66
28	67	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,431,707	\$1,431,707	\$3,115,143	7.46%	28	67
29	68	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,428,436	\$1,428,436	\$3,104,714	7.32%	29	68
30	69	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,425,499	\$1,425,499	\$3,088,603	7.19%	30	69
31	70	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,423,017	\$1,423,017	\$3,066,364	7.06%	31	70
32	71	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,422,601	\$1,422,601	\$2,923,730	6.83%	32	71
33	72	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,424,996	\$1,424,996	\$2,763,810	6.61%	33	72
34	73	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,431,153	\$1,431,153	\$2,585,832	6.39%	34	73
35	74	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,442,319	\$1,442,319	\$2,389,150	6.17%	35	74
36	75	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,460,094	\$1,460,094	\$2,173,264	5.95%	36	75
37	76	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,479,838	\$1,479,838	\$2,231,767	5.99%	37	76
38	77	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,501,459	\$1,501,459	\$2,294,129	6.02%	38	77
39	78	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,524,795	\$1,524,795	\$2,360,276	6.06%	39	78
40	79	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	6.60%	-\$109,788	\$1,549,640	\$1,549,640	\$2,430,090	6.08%	40	79

-\$3,000,000 -\$600,000 -\$2,400,000

\$740,215 \$740,215

\$600,000

TOTAL INCOME DRAWN:

-\$1,646,820

(INCOME LASTS UNTIL AGE 90)

PREMIUM FINANCING INTEREST ASSUMPTIONS	
Date Base Rate Calculated:	8/27/2022
Base Rate Used:	1-Month CMT
Current 1-Month CMT Rate:	2.29%
CMT Compounded Annual Increase:	4.15%
Lender Spread:	2.95%
Total Rate Floor:	2.95%
GLOI \$300K-499K Year-1 Rate:	5.24%
POLICY INDEX CREDIT ASSUMPTIONS	
AG-49 (Average of every 25-yr run over last 65 years):	6.60%
Reduced Assumed Index Credit:	6.60%

GAP COLLATERAL REQUIREMENTS	
Type Of Gap Collateral:	Cash Index Credit
Collateral Valued At:	100.00% Assumption (ICA) 0.00%
The Gap Collateral (in years 3+) is calculated by the cumulative loan balance in a given year, minus 95% of (the EOY Gross AV two years prior, plus the sum of the premium paid in the previous year minus policy charges, plus the new premium entering the policy in the current year minus policy charges and surrender charges in the current year + ICA). This calculation is the equivalent of assuming a 0% index credit in the previous year (whose EOY index credit would not have credited at the time of the current year's loan anniversary and the current year's EOY index credit would not have credited yet either). This value is then multiplied by the % of "Collateral Valued At" above, estimating the gap collateral required based on the type of collateral chosen. The collateral depicted is purely hypothetical and may vary.	

FINANCIAL BENEFIT SUMMARY	
1ST YEAR COLLATERAL REQUIREMENT:	\$0
PREMIUMS PAID BY CLIENT:	-\$600,000
LOAN INTEREST PAID BY CLIENT:	\$0
TOTAL CLIENT OUTLAY:	-\$600,000
TOTAL DRAWDOWNS (excluding loan payoff):	\$1,646,820
40-YEAR PROGRAM NET CASH FLOW:	\$1,046,820
YEAR 40 NET CASH SURRENDER VALUE:	\$1,549,640
40-YEAR CASH GAIN (excluding death benefit):	\$2,596,460
40-YEAR NET CSV IRR:	5.44%

The rates and values shown above are not guaranteed and are subject to change by the insurer. Actual financial outcomes may be less favorable or more favorable than this hypothetical static depiction. For more information regarding Gap Collateral, see the section on the next page of this document titled "Collateral." Please see the full carrier illustration for guaranteed values and other important information. This is only a hypothetical depiction and does not imply any guarantees of outcomes whatsoever. Actual performance is subject to index returns and the carrier's underlying crediting policy charges. The insurance carrier is bound only by the terms of the life insurance contracts it issues. Additional loan fees may apply depending on the lender and lender's loan terms. Refer to lender's loan document for details.



Program Assumptions

I understand that all assumptions made in this document are hypothetical scenarios using hypothetically constructed assumptions of index returns, borrowing rates from a third party premium financing lender, carrier participating loan rates, and carrier policy charges. I understand that these assumptions are merely hypothetical and are not guaranteed by the carrier or the life insurance contract, and that such assumptions may vary based on market performance and a variety of financial variables. I attest that I have been given a copy of the full carrier illustration prior to making any decisions to purchase a life insurance policy. I also understand that this life insurance policy is not an “investment” or a “marketable securities product”; it is an insurance product.

Financing Premiums

I understand that I am purchasing a life insurance policy. My intention is to pay the premiums depicted in this document out-of-pocket, or finance such premiums through a third-party lender in the arrangement and in the amounts as shown in this document. I understand that there are certain minimum premiums that will be required to keep the policy in force. I attest that the payments depicted in this document are affordable to me and that the death benefit amounts are appropriate and suitable based on my liquid net worth, my current and future cash flow situation, and my aspirational personal financial plan. I acknowledge that I have been shown one or more premium financed options wherein a third party lender funds some or all of the premiums and interest on such third party loan is due each year (whether paid or accrued), as well as one or more non-financed options wherein I would be responsible for paying 100% of the policy premiums myself. I acknowledge that I have not been forced, coerced or incentivized to finance premiums through a lender or bank, however I understand that it is within my right as the policy owner to exercise this right, pending carrier approval and lender approval. I acknowledge that the decision to finance premiums, per carrier and lender parameters, is my own decision based on my own discernment regarding the suitability and appropriateness of such arrangement due to my current financial situation and my own projected future financial situation.

Collateral

I understand that the policy cash surrender value may be used as some or all of the collateral required in the premium financing loan, and that the third party lender will take a collateral assignment against the policy in such arrangement. I understand that the Loan-To-Value (LTV) requirement is different for each lender, and I may be required to post additional outside collateral (in addition to the policy surrender value) based on the lender's requirements. I understand that such outside collateral amounts shall be determined by the lender (prior to funding the loan in each policy year) based on the type of outside collateral I am posting, and that such collateral requirement amounts shall be fully disclosed in the official loan document. I have been made aware that such collateral amounts depicted in this document are only hypothetical and may vary in real-world scenarios based on lender requirements, actual cumulative loan balances, actual type of funds used as collateral, and actual policy cash surrender values. I acknowledge that I have been advised to analyze scenarios less favorable than the policy values illustrated in this document to anticipate the potential of greater outside collateral amounts I may need to post in this premium financing arrangement. I also acknowledge that Lionsmark Capital, its representatives, and all agents of record on this policy have recommended that I should have (or have access to) a minimum of 2.0 times the peak collateral (the maximum collateral in a given year depicted in this document) in lender-approved assets in the event of potential collateral increases. Though this recommendation is not necessarily a requirement of the lender or carrier, I understand that should the policy cash surrender value become less than what is depicted in this document due to unfavorable index performance, and/or my collateral decreases in value due to unfavorable market conditions, that I may have to post significantly more collateral than what is depicted in this document based on the lender's LTV requirements, hence the recommendation of having (or having access to) the additional collateral-approved assets in reserve.

Interest Due & Client Contributions

I understand that should I elect to borrow some or all premiums in this design, interest due on such financed premiums shall be due each year, and I attest that I intend to either pay such interest payments to the lender each year in full, or pay some premium amounts myself and accrue some or all of the interest due. Should I elect to accrue interest, I understand that this decision results in compounding debt, increasing my cumulative loan balance with the third-party lender. I have been made aware by Lionsmark Capital the fundamental risks of interest accrual, and that should the compounding debt outpace the growth of the policy cash values, I may be required to either pay down the third-party loan with outside funds earlier than what is depicted in this document, or infuse more of my own outside capital into the policy than what is depicted in this document to increase the policy cash value and/or pay for the cost of insurance in order to keep the policy in force. I acknowledge that any decision to accrue interest is my decision and my decision alone, that any such decision is NOT due to my inability to afford paying the interest, rather due to my preference of repositioning such capital in other assets that I feel would yield higher returns, and that I have not been encouraged to accrue interest as a way to reduce my financial contributions to this premium financing program. I acknowledge that Lionsmark Capital has offered me programs - both financed and non-financed life insurance solutions - wherein I would either pay all premiums or all interest due out-of-pocket. Should the carrier and lender allow me to accrue interest due to my liquidity and net worth, and should I elect to do so, I attest that Lionsmark Capital has advised me against any premium financed life insurance strategies wherein 100% of premiums are borrowed, 100% of interest is accrued, and outside collateral is merely posted (sometimes referred to as a "zero cash contribution strategy") because of the substantial risk incurred. I attest that any depiction and/or execution of this aforementioned high-risk premium financing arrangement illustrated was neither endorsed nor encouraged by Lionsmark Capital, and was designed per my specific request, and that Lionsmark Capital was merely taking direct orders from me per my specific request. Should I decide to execute such "zero cash contributions strategy" (or any strategy wherein I pay less than 20.00% of premium and I accrue 100.00% of the interest due), I acknowledge such risk and attest that I intimately understand the mathematical and financial risk associated with such financing design, and hold harmless Lionsmark Capital and the "Released Parties" mentioned later in this document.

Interest Rates & Loan Fees

I understand that there are loan fees associated with this program that may include loan origination and arrangement fees, loan document fees, and closing costs, and that such fees will be disclosed in the official loan document that shall be made available to me prior to accepting the third party loan. I understand that the borrowing rates shown in this document are purely hypothetical and do not represent any specific lender or loan agreement and do not guarantee any specific loan terms. I understand that actual borrowing rates may increase and greatly exceed borrowing rates as depicted in this document by 2x, 3x, or greater, and I am prepared to absorb such increases.

Loan Renewal

I understand that at the end of each loan term, the lender will require me to produce the most recent tax return of the policy owner or proof of filing an extension, a copy of the life insurance policy in force illustration, a copy of the most recent life insurance policy statement, an updated personal financial statement signed by the insured person or an updated corporate financial statement (if owned by a company) signed by an authorized company officer.

Loan Payoff

Should I use policy values to payoff the third-party loan, I understand that I may elect to do so using either a withdrawal, a fixed policy loan, or a participating policy loan. I acknowledge that Lionsmark Capital has explained the potential benefits and potential risks of each of these options regarding such policy loans. I understand that the example illustrated in this document is a hypothetical example of using one of these policy loan options, and that I may also elect to pay off the third-party lender using outside funds instead of policy values. I understand that the year in which the loan is paid off using policy values as illustrated in this document is a hypothetical example, and that should policy values allow, I may exercise my right to payoff the third-party lender earlier. I also understand that I may elect to pay off the loan at a later date than as illustrated in this

document. It has been communicated to me by Lionsmark Capital that exercising a loan exit strategy using policy values to payoff the third-party lender is largely due to the policy value at such time, and that I should have an inforce policy illustration run by the carrier using a conservative crediting assumption that depicts future hypothetical policy values based on this third-party payoff assumption to evaluate policy sustainability at such time. I acknowledge that it is recommended by Lionsmark Capital that such illustration be run with the goal of keeping the policy in force until it endows with no policy lapse prior to endowment, typically until age 120 (policy endowment may vary from carrier to carrier and product to product), and that this inforce illustration should be done prior to any policy drawdown. I also acknowledge that such figures depicted in any illustration are hypothetical depictions based on certain assumptions that may or may not happen in a real-world scenario, similar to any hypothetical financial projection in any insurance policy or any non-insurance based investment product.

Policy Design - Death Benefit

I understand that my policy allows for a face reduction wherein the death benefit of the life insurance policy may be intentionally designed (or redesigned after the policy is in force) to decrease after a certain number of years in order to maximize the cash value accumulation potential by reducing the cost of insurance within the policy due to a lesser death benefit amount. I understand that although this life insurance policy may be used for cash value accumulation (as a separate asset class within my overall financial portfolio), there is a legitimate and definite insurable need congruent with the death benefit of this policy. I acknowledge that it is both my personal desire and a quantifiable need to have such death benefit amount, and that such death benefit amount is suitable for me based on my income, net worth, earning potential, and the current and future economic value of my life as it pertains to the financial sustenance of my beneficiaries.

Policy Design - Crediting Methodology

I understand that the crediting method used within this policy is based on the returns of a particular index, fixed account, or dividend scale (depending on the product design election that I have made), and that such crediting occurs after all policy charges have been deducted. It has been disclosed to me that even in such cases wherein the credit the policy receives a 0.00% credit in a given year (e.g. IUL policies with a 0.00% floor), the policy net cash surrender value may decrease due to the policy charges, despite the "0.00% floor." I understand that the static annual crediting assumption as illustrated in this document is merely a hypothetical percentage, and that actual future annual returns will vary based on market performance, resulting in a greater or lesser policy cash value, and that should policy cash values be less than illustrated in this document, that I may need to contribute more capital towards this program in the form of premium, interest, or collateral. I understand that such crediting assumptions depicted in this document are not guaranteed and are merely hypothetical depictions. I understand that should I elect to use a *Dollar Cost Averaging* method wherein not all net premium values go into the primary account receiving the annual credit, the net policy value at the policy/loan anniversary will not reflect the annual credit on 100% of the policy gross accumulated value (typically only 1/12 of the value), which may result in a greater collateral requirement than as depicted in this document.

Policy Design - Charges Methodology

I understand that there are policy charges, including but not limited to premium loads that include state taxes, cost of insurance charges, rider charges, and administrative charges. There may also be asset-based charges should I elect to purchase certain crediting/multiplier/high-cap enhancements/bonuses (if available) that may not be depicted in this premium financing document. Such enhancements/bonuses and their associated charges have been transparently articulated to me by Lionsmark Capital. I understand that some of these charges are fixed and some are variable, all of which are disclosed in the full carrier illustration, which I have received. In such cases wherein multiplier or high-cap options that may enhance the annual crediting are available, it has been disclosed to me how such associated asset-based charges may affect outcomes, relative to the crediting

enhancements. I understand that should I elect to purchase such enhancement riders in the policy, that in a given year wherein the policy receives a 0.00% index credit, both the standard policy charges AND the additional asset-based charges would cause the net cash surrender value to decrease in such given year despite a 0.00% floor (if one exists in the policy design). Should I elect any such credit enhancement options, I acknowledge that I have been made aware of such scenarios wherein this cash surrender value loss may occur. I also attest that I have been provided a report that depicts a hypothetical scenario in which similar charges and credits are applied to a hypothetical synthetic asset during different periods wherein volatility exists. I understand that such report does NOT depict a re-creation of this life insurance policy I am purchasing, but rather a proxy - a made up, fictitious asset whose crediting and charges methodology is similar (but not exact) to the crediting method used in this policy, and that such proxy/report is for educational purposes only, used to explain the methodology of how certain credits and charges are calculated. It has been explained to me that such report is NOT a projection or assumption that the future outcomes of the life insurance policy I am purchasing will be similar to the outcomes depicted in the hypothetical synthetic asset (the proxy).

Crediting & Drawdown Assumptions

I acknowledge that the crediting assumption made in this document has been restricted to "AG 49-A" (Actuarial Guideline 49A) which is a guideline created by the *National Association of Insurance Commissioners (NAIC)*, which limits the maximum allowable index credit to the average of every 25-year period over the last 65 years. It has been explained to me that any *Participating Loan Rate (PLR)* depicted in the carrier illustration cannot be less than 0.50% less than the illustrated crediting assumption despite what the actual current, future, or guaranteed carrier participating loan rate is. I understand that in reality, the potential positive or negative arbitrage between the actual policy crediting rate in a given year and the participating loan rate in a given year may result in a more favorable result or a more less favorable result than as depicted in this document.

Election To Modify The Program

I understand that there may be a cash surrender value within the policy during certain years, and that I may exercise my right to either make tax-free withdrawals up to basis, and/or tax-free policy loans on my own volition (AFTER the third party loan is paid off completely, or per the lender's approval during the term of the loan). I also understand that the policy - in general - is not designed to take significant withdrawals or policy loans within the first 1-10 years of the policy, regardless of the premiums being financed or not, and that doing so poses great risk to the sustainability of the policy. I understand that the scheduled premium payments as shown in the carrier illustration are one of many ways to fund this life insurance policy. I understand that I may exercise my right to decrease the face amount (death benefit) of the policy and decrease the annual premiums after a certain number of years should I choose to do so, but that by doing so, the cash value of the policy may be substantially less than the numbers as illustrated in this document. I also understand that I may exercise my right to skip premium payments and/or end annual premium payments earlier in the policy than the scheduled premium payments as shown in the carrier illustration, however should I choose to do so, the cash value accumulation and death benefit may not perform as well as depicted in this document and may put the policy in jeopardy of lapsing. I understand that such benefits should be re-evaluated at the time of such policy alterations, and I understand that it is advisable that I should consult my financial professionals including but not limited to my life insurance agent, my financial advisor, and my estate planning attorney when appropriate, prior to independently making such changes despite my right to make such changes independent of any outside counsel. I attest that should I make any modifications to the as-illustrated program that result in any adverse results, including but not limited to reducing or increasing premium amounts funded in any given year, type of collateral posted, dollar cost averaging premium contributions, a different crediting method, a different index or underlying account, accruing more interest than as depicted, or changing the loan terms with a lender, I hereby hold harmless Lionsmark Capital, Darren Sugiyama as an individual, and any entities Darren Sugiyama has a beneficial interest in (hereinafter referred to as the "Released Parties") from any and all claims, causes of action, damages, demands, liens, rights, controversies, losses, costs and expenses (including without limitation attorneys' fees and costs) or charges of whatever nature. I also, on behalf of my agents, attorneys, executors, administrators, legal representative, successors, heirs, next of kin, assigns, and the like, agree to never institute any action or any suit at law or in equity against the Released Parties, or institute or prosecute, or in any way aid in the institution or

prosecution of any claim arising from any unfavorable outcomes that may result from any changes made to the policy design or the third party loan design as illustrated in this document. I also hold harmless the Released Parties for negative outcomes that may come from poor market performance; policy changes instituted by insurance carriers; any future financial hardships incurred by either my business, myself as an individual person or my estate; or any other unforeseen factors that my contribute to an outcome less desirable that what is depicted in this document.

Acknowledgement Of Suitability

I attest that the Released Parties have not attempted to influence my decision regarding the size of this policy, the death benefit amount, nor the decision to finance premiums versus paying premiums out-of-pocket. I also attest that the overall program depicted in this document, including but not limited to the death benefit amount, the annual program contribution amounts (the premium paid out-of-pocket requirements and/or the interest paid out-of-pocket), the risk of any future borrowing rate increases at the end of each loan term, the risk of interest accrual (should I elect to accrue any interest), the type of life insurance product and its chassis design, the way in which the policy's crediting and charges methods are designed, the third party lender loan terms which I have read in the term sheet and the entire loan document provided to me by the third party lender, and any other assumptions made in this document were designed based on my own requests, my own sound mind and judgement, as well as any outside counsel I may have received from my attorney, CPA, and/or trusted advisors, and not by the Released Parties. I attest that Lionsmark Capital and Darren T. Sugiyama as an individual have merely designed and modeled this program based on my own personal requests and I am purchasing this life insurance policy using the knowledge I have personally procured through my own independent research and due diligence. I attest that I have been given ample time to consult my attorney, CPA and/or my trusted advisors that manage and/or advise me on my estate and financial matters prior to making any decision to purchase this life insurance policy.

PROPOSED INSURED:

M40 - 3YF 100.50



X

Signature Date Signed

ADDITIONAL INSURED (if applicable):

N/A



X

Signature Date Signed

POLICY OWNER:

,



X

Signature Date Signed

As the soliciting agent, I acknowledge that I am not an employee, contractor, partner, representative, nor agent of Lionsmark Capital, and that I am acting on behalf of myself as an independent, licensed insurance agent with my own E&O coverage. I irrevocably and unconditionally release and discharge the Released Parties from all liabilities that may result from my independent actions.

SOLICITING AGENT:

Darren Sugiyama



X

Signature Date Signed

This document is only valid if it bears the signature of Darren Sugiyama. Any and all other versions of life insurance designs modeled for or discussed with the proposed insured before the date signed below are not valid and are not approved Lionsmark Capital documents. Lionsmark Capital and the Released Parties shall not be held liable for any representations made or data illustrated in such invalid documents.

LIONSMARK CAPITAL:

Darren Sugiyama



X

Signature Date Signed

HYPOTHETICAL SYNTHETIC PROXIES: BACKTESTING REPORT

BEST CAGR IN 40-YEAR PERIOD*

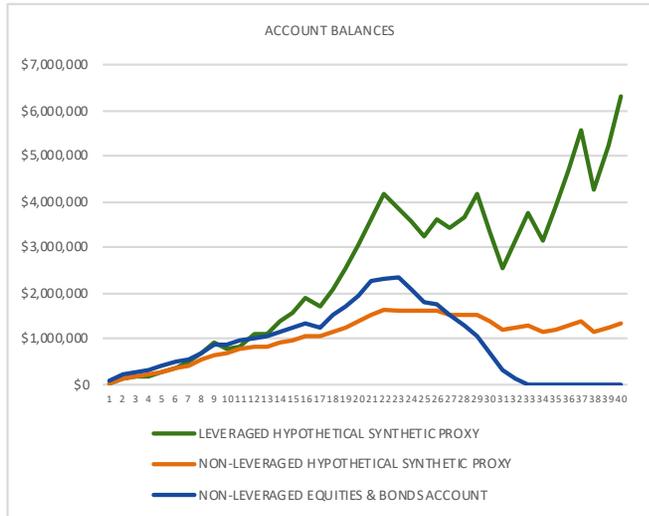
LEVERAGED HYPOTHETICAL SYNTHETIC PROXY



NON-LEVERAGED HYPOTHETICAL SYNTHETIC PROXY



NON-LEVERAGED EQUITIES & BONDS ACCOUNT



BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

BACKTESTING MODELS FOR:

1. LEVERAGED HYPOTHETICAL SYNTHETIC PROXY
2. NON-LEVERAGED HYPOTHETICAL SYNTHETIC PROXY
3. NON-LEVERAGED HYPOTHETICAL EQUITIES & BONDS ACCOUNT

WORST CAGR IN 40-YEAR PERIOD*

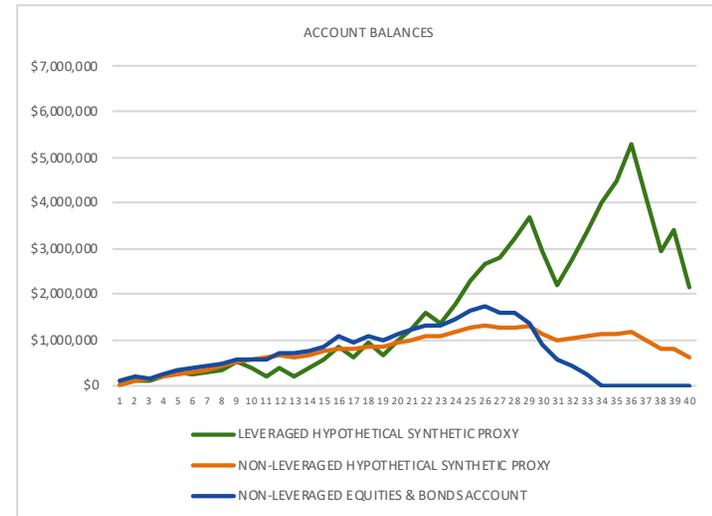
LEVERAGED HYPOTHETICAL SYNTHETIC PROXY



NON-LEVERAGED HYPOTHETICAL SYNTHETIC PROXY



NON-LEVERAGED EQUITIES & BONDS ACCOUNT



WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

SYNTHETICALLY MODELED FOR: M40 - 3YF 100.50
 ADVISOR: Darren Sugiyama
 DATE CREATED: 8/27/2022

*The following report is a hypothetical proxy that behaves similar to some real-world products, but is not an exact depiction of any specific real-world product and is for educational purposes only. All financial outcomes in this document are hypothetical and are not projections, assumptions, or guarantees of any specific real-world investment or insurance product. The "Best 40" is the historical 40-year period that produced the best Compounded Annual Growth Rate out of 121 different historical 40-year periods analyzed. The "Worst 40" is the historical 40-year period that produced the worst Compounded Annual Growth Rate out of the same 121 different historical 40-year periods analyzed. For an explanation of how these hypothetical backtesting assumptions were created, please refer to the "Backtesting" explanation on page 3 of this document.

PURPOSE OF THIS DOCUMENT

The purpose of this document is to educate interested parties how different charges and crediting methods may affect financial outcomes during various historical 40-year sequences of returns with volatility as opposed to the same static average return in each given year. To do so, we have created a "proxy" that behaves similar to some real-world products, but is not an exact depiction of any product. This report is analogous to a scientific experiment wherein one may want to study the behavior of the sun, the behavior of the electromagnetic fields around the sun, and the solar wind. If one was to build a "proxy" for the sun in a laboratory (similar to what the University of Wisconsin-Madison did in their plasma physics laboratory in 2010), some of these behaviors could be observed, creating a better understanding of solar phenomena. At Lionsmark Capital, we have created a "proxy" in our "laboratory" to better understand how certain charges and crediting methods commonly used in real-world indexed products and investment accounts may affect outcomes during different types of 40-year sequences. This report is merely a "laboratory-produced proxy" and is not an actual product or investment. We call this a "Hypothetical Synthetic Proxy." Lionsmark Capital is a third-party analytics company - not an insurance agency, insurance brokerage, investment advisory firm, CPA firm, law firm, or tax advisor - and does not receive any revenue or commission from any insured person or insurance policy owner, and assumes no liability for any financial outcomes related to the purchase of any investments, insurance products, or financial instruments. Lionsmark Capital does not endorse any tax strategies that may include the purchase of a life insurance policy.

LEVERAGED HYPOTHETICAL SYNTHETIC PROXY

This hypothetical proxy may be funded with client capital, or a third-party lender's capital, or a combination of both. Its returns are correlated with the S&P 500 and models actual historical returns of the S&P 500 (not including dividends) using these parameters:

0.00% Protective Floor
10.25% Cap

In this hypothetical asset, the *Protective Floor* is the minimum gross return in a given year, excluding any additional bonuses that may exist. The *cap* is the maximum return allowable in a given year, excluding any additional bonuses that may exist. In some real-world products, floors and caps may not be guaranteed and may increase or decrease within the parameters of the contract.

In some cases, there may be a multiplier bonus factor applied to the after-floor/cap return explained above, depending on the hypothetical charges and crediting design of this fictitious account. For example, if the multiplier bonus factor was 2.00x and the S&P 500 produced a 5.00% return in a given year, the after-floor/cap/multiplier index credit would be 10.00% (5.00% multiplied by 2.00x equals 10.00%). In some real-world products, such bonus features may not be guaranteed and may change over time within the parameters of the contract.

There are account charges applied to this hypothetical model. Some charges are applied in-full at BOY, and some charges are applied monthly. Some charges are static charges, while others may be asset-based charges (a percentage charged to the monthly value of the account). Not all models will include asset-based charges and not all models will include a multiplier bonus credit either. For more information about these variables, go to the *Account Charges+Credits+Bonuses* section of this document.

The *Hypothetical Synthetic Proxy* also allows the client to take loans against the asset's value. In this report, the borrowed amount continues to earn a return that is also correlated with the S&P 500 using the same floor/cap/multiplier crediting method used in the primary index account. The borrowed amount is charged an interest rate (referred to as the *Participating Loan Rate*) and is explained in the *Account Loans* section of this document.

INTEREST ACCRUAL

Interest accrual is the act of not paying the interest due and capitalizing (rolling) such amount into the cumulative loan balance. Should the client exercise any sort of interest accrual in a real-world situation, they should be aware that the element of compound debt - as a result of accruing any interest due - introduces an additional variable of risk that should be considered - relative to their net worth, liquidity, and risk tolerance. It is recommended that all clients consult their financial professional(s) on such risk factors to determine whether or not interest accrual is appropriate and suitable for their unique situation. Lionsmark Capital may model the concept and hypothetical outcomes of doing so upon the client's request, however should the client decide to accrue interest in any of their own financial strategies, they do so on their own volition at their own risk and hold harmless Lionsmark Capital and all of its principals from any unfavorable outcomes that may arise. Interest accrual does introduce an additional element of risk that may or may not be suitable for some clients, however each client may make their own independent decision to do so based on their relationship with the lender regardless of Lionsmark Capital's subjective opinion on this issue, which is to either pay the interest out-of-pocket each year or pay a minimum of 20% of the premium out-of-pocket if accruing interest. It is important to understand that even paying 20% of the premium does not completely eliminate the risk of accruing interest resulting in compound debt.

WHAT THIS DOCUMENT IS NOT

This document is not intended to model any specific investment fund, index fund, life insurance policy, annuity policy, or any real-world financial instrument/product. This is merely a tool to teach interested parties how different hypothetical crediting methods, charges, volatility, sequence of returns, drawdowns, and tax consequences may affect outcomes for the purpose of enriching all interest parties' understanding of how these features may affect future financial outcomes. This is not a projection tool for any specific product or a re-creation of any prospectus or insurance illustration whatsoever. This is not intended to be a "sales tool" to sell any specific product or validate any specific product's viability. This report is purely for educational purposes only.

BACKTESTING

In many hypothetical projections of accumulation/insurance/investment/retirement products, an average rate of return is assumed and credited each year into perpetuity. This assumption of a static (and perpetually positive) annual return is not realistic, for volatility is everpresent in most products. Historically speaking, any type of underlying investment/index/bond portfolio will experience volatility and negative return years. This report models such volatility throughout several different 40-year periods of historical market performance.

In order to illustrate outcomes that may exist in these different market scenarios, we have analyzed 121 different 40-year scenarios using historical returns of a particular index. Such backtested models in the following pages are hypothetical synthetic assets with various charges and crediting methods that may be similar to some real-world products, however these models are purely proxies and are not exact depictions of any specific real-world products. These models are merely constructed to analyze the general concept of how volatility may positively or negatively affect accumulation values over time using hypothetical crediting methods, fixed charges, and asset-based charges in these hypothetically constructed assets.

We have backtested 121 different 40-year historical periods in various annual point-to-point segments using different monthly starting and ending points.

The Compounded Annual Growth Rates (CAGR) has been calculated during each of these 121 different 40-year periods analyzed. This report highlights two of these 40-year periods: The 40-year period with the best CAGR, and the 40-year period with the worst CAGR.

1 BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

Out of every 121 different 40-year period of S&P 500 performance we analyzed, this 40-year period had the best compounded annual growth rate.

9.02% Compounded Annual Growth Rate (CAGR) of the raw S&P 500 during this 40-year annual point-to-point period

2 WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

Out of every 121 different 40-year period of S&P 500 performance we analyzed, this 40-year period had the worst compounded annual growth rate.

6.30% Compounded Annual Growth Rate (CAGR) of the raw S&P 500 during this 40-year annual point-to-point period

3 MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

This is the most recent calendar-year annual point-to-point 40-year period, rolling back 40 years from the most recent December 31st date.

9.99% Compounded Annual Growth Rate (CAGR) of the raw S&P 500 during this 40-year annual point-to-point period

It is important to note that the "Worst 40" only depicts the 40-year period with the worst CAGR of the 121 periods analyzed. It is possible that future 40-year periods could in fact produce an even worse outcome than this "Worst 40" period analyzed, and that this period analyzed is not the "absolute worse case scenario that could ever happen." It is only the 40-year period that produced the worst CAGR of the 40-year periods analyzed in this particular report.

It is also possible that future 40-year periods could in fact produce an even better outcome than the "Best 40" period analyzed.

Neither the "Best 40" nor the "Worst 40" are meant to be benchmarks, expectations, projections, or guarantees of future outcomes, rather they are meant to demonstrate a range of hypothetical outcomes for the purposes of educating all interested parties.

In both 40-year scenarios modeled, in any hypothetical year wherein the EOY INDEX VALUE NET OF INT & EXT LOANS displays a negative balance, in a real-world scenario, the client may be required to post additional collateral, pay additional policy premiums, or pay down the loan balance.

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

3RD YEAR FINANCING

HYPOTHETICAL SYNTHETIC PROXY

3RD YEAR FINANCING

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/11/1978)

Current Pre-Bonus Cap: **10.75%**

Current Post-Bonus Max Cap: **10.75%**

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		Participation Rate: 100.00%		Floor Modeled: 0.00%		Upside Design: CAPPED		Pre-Bonus Cap Modeled: 10.25%		Post-Bonus Max Cap Modeled: 10.25%		8/27/2022						
#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
YEAR	AGE	TOTAL INDEX CONTRIBUTION	CLIENT INDEX CONTRIBUTIONS	LENDER INDEX CONTRIBUTIONS	CUMULATIVE LOAN BALANCE	THIRD PARTY LOAN PAYOFF	FINANCING INTEREST RATE	INTEREST DUE	INTEREST ACCRUED	TOTAL CLIENT CONTRIBUTION	(Cash) GAP COLLATERAL	CALENDAR YEAR	INDEX RETURN (GROSS)	INDEX RETURN (FLOOR & CAP)	INDEX RETURN (EFFECTIVE)	ANNUAL INCOME DRAWDOWNS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	40	\$100,000	\$100,000	\$0	\$0		0.00%	\$0	\$0	\$100,000	\$0	1978	11.97%	10.25%	10.25%	\$0	\$88,287	\$22,344
2	41	\$100,000	\$100,000	\$0	\$0		0.00%	\$0	\$0	\$100,000	\$0	1979	14.24%	10.25%	10.25%	\$0	\$184,993	\$120,495
3	42	\$350,000	\$50,000	\$300,000	\$300,000		5.43%	\$16,302	\$16,302	\$50,000	\$0	1980	13.48%	10.25%	10.25%	\$0	\$544,371	\$181,335
4	43	\$350,000	\$50,000	\$300,000	\$616,302		5.54%	\$34,125	\$34,125	\$50,000	\$0	1981	-7.06%	0.00%	0.00%	\$0	\$852,372	\$174,479
5	44	\$350,000	\$50,000	\$300,000	\$950,427		5.64%	\$53,647	\$53,647	\$50,000	\$0	1982	20.68%	10.25%	10.25%	\$0	\$1,278,452	\$267,896
6	45	\$350,000	\$50,000	\$300,000	\$1,304,074		5.76%	\$75,066	\$75,066	\$50,000	\$0	1983	12.46%	10.25%	10.25%	\$0	\$1,747,691	\$384,950
7	46	\$350,000	\$50,000	\$300,000	\$1,679,140		5.87%	\$98,612	\$98,612	\$50,000	\$0	1984	9.93%	9.93%	9.93%	\$0	\$2,257,886	\$521,541
8	47	\$350,000	\$50,000	\$300,000	\$2,077,752		5.99%	\$124,541	\$124,541	\$50,000	\$0	1985	17.90%	10.25%	10.25%	\$0	\$2,826,532	\$701,113
9	48	\$350,000	\$50,000	\$300,000	\$2,502,293		6.12%	\$153,150	\$153,150	\$50,000	\$0	1986	29.42%	10.25%	10.25%	\$0	\$3,453,065	\$912,641
10	49	\$350,000	\$50,000	\$300,000	\$2,955,443		6.25%	\$184,772	\$184,772	\$50,000	\$0	1987	-6.21%	0.00%	0.00%	\$0	\$3,772,139	\$788,102
11	50	\$0	\$0	\$0	\$0	-\$3,140,215	0.00%	\$0	\$0	\$0	\$0	1988	15.72%	10.25%	10.25%	\$0	\$4,144,039	\$846,813
12	51	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1989	10.63%	10.25%	10.25%	\$0	\$4,553,896	\$1,091,809
13	52	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1990	4.51%	4.51%	4.51%	\$0	\$4,745,155	\$1,109,963
14	53	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1991	18.86%	10.25%	10.25%	\$0	\$5,216,389	\$1,399,438
15	54	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1992	7.34%	7.34%	7.34%	\$0	\$5,584,481	\$1,576,682
16	55	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1993	9.76%	9.76%	9.76%	\$0	\$6,121,296	\$1,913,108
17	56	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1994	-2.32%	0.00%	0.00%	\$0	\$6,113,594	\$1,694,996
18	57	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1995	35.20%	10.25%	10.25%	\$0	\$6,731,699	\$2,092,171
19	58	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1996	23.61%	10.25%	10.25%	\$0	\$7,413,295	\$2,541,791
20	59	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1997	24.69%	10.25%	10.25%	\$0	\$8,165,017	\$3,049,938
21	60	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1998	30.54%	10.25%	10.25%	\$0	\$8,994,083	\$3,623,250
22	61	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1999	8.97%	8.97%	8.97%	\$0	\$9,792,735	\$4,153,360
23	62	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2000	-2.04%	0.00%	0.00%	\$0	\$9,784,330	\$3,862,986
24	63	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2001	-17.26%	0.00%	0.00%	\$0	\$9,775,061	\$3,557,650
25	64	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2002	-24.29%	0.00%	0.00%	\$0	\$9,764,735	\$3,236,453
26	65	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2003	32.19%	10.25%	10.25%	-\$258,916	\$10,752,832	\$3,626,274
27	66	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2004	4.43%	4.43%	4.43%	-\$290,102	\$11,216,002	\$3,428,509
28	67	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2005	8.36%	8.36%	8.36%	-\$274,281	\$12,138,653	\$3,673,791
29	68	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2006	12.36%	10.25%	10.25%	-\$293,903	\$13,365,337	\$4,168,634
30	69	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2007	-4.15%	0.00%	0.00%	-\$333,491	\$13,347,774	\$3,341,070
31	70	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2008	-40.09%	0.00%	0.00%	-\$267,286	\$13,328,532	\$2,540,843
32	71	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2009	30.03%	10.25%	10.25%	-\$203,267	\$14,673,195	\$3,132,690
33	72	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2010	19.76%	10.25%	10.25%	-\$250,615	\$16,155,902	\$3,775,227
34	73	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2011	2.04%	2.04%	2.04%	-\$302,018	\$16,467,266	\$3,150,438
35	74	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2012	14.15%	10.25%	10.25%	-\$252,035	\$18,136,568	\$3,889,261
36	75	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2013	18.99%	10.25%	10.25%	-\$311,141	\$19,979,976	\$4,693,607
37	76	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2014	11.92%	10.25%	10.25%	-\$375,489	\$22,009,774	\$5,564,823
38	77	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2015	-2.74%	0.00%	0.00%	-\$445,176	\$21,990,619	\$4,255,975
39	78	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2016	17.45%	10.25%	10.25%	-\$340,478	\$24,220,089	\$5,241,211
40	79	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2017	23.91%	10.25%	10.25%	-\$419,297	\$26,674,102	\$6,306,019
		\$600,000	\$2,400,000					\$740,215	\$740,215	\$600,000		AVERAGE ANNUAL INCOME DRAWDOWN:		\$307,834			BEST 40	

BORROWING INTEREST ASSUMPTIONS	
GLO1 \$300K-499K	1-Month CMT Rate: 2.29%
	Lender Spread: 2.95%
Starting Borrowing Rate: 5.24%	
Compounded Annual Base Rate Increase: 4.15%	
Total Rate Floor: 2.95%	
RETIREMENT INCOME DRAWDOWN ASSUMPTIONS	
Drawdown Type:	PARTICIPATING
PLR:	5.00%
% of Previous Year's EOY Value Drawdown:	8.00%
THIRD PARTY LENDER PAYOFF ASSUMPTIONS	
Payoff Loan In Full In Year:	11
Payoff Amount:	\$3,140,215
Third Party Loan Paid Off With:	PAR LOAN

GAP COLLATERAL REQUIREMENTS	
Type Of Gap Collateral:	Cash
Credit Assumption:	0.00%
Collateral Valued At:	100.00%
The Gap Collateral amount (in years 3+) is only an estimation and is calculated by the cumulative loan balance in a given year, minus 95% of (the EOY AV two years prior, plus the Total Index Contribution in the previous year minus all charges, plus the Total Index Contribution in the current year minus all charges and early termination fees associated with current year's Total Index Contribution with the ICA listed above). This calculation is the equivalent of assuming a 0% index credit in the previous year (since the EOY index credit in the previous year would not have credited at the time of the current year's loan anniversary. The current year's EOY index credit would obviously not have credited yet either. This value is then multiplied by the % of "Collateral Valued At" above, estimating the gap collateral required based on the "Type Of Gap Collateral" assumed. This is just a hypothetical calculation. Each lender has different collateral	

CASH FLOW SUMMARY	
1ST YEAR COLLATERAL REQUIREMENT:	\$0
TOTAL CLIENT OUTLAY:	-\$600,000
AVERAGE ANNUAL INCOME DRAWDOWN:	\$307,834
TOTAL INCOME DRAWDOWN:	\$4,617,505
40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$6,306,019
INCOME + 40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$10,923,523
RAW S&P 500 CAGR:	9.02%
40-YEAR NET ACCOUNT IRR:	9.41%

BEST 40-YEAR S&P CAGR PERIOD (OF 121 PERIODS ANALYZED)

The hypothetical models in this document assume certain crediting methods and index account charges that are purely hypothetical and do not represent any particular investment, life insurance policy or index fund. Hypothetical crediting methods, charges, values and returns are not guaranteed. Hypothetical returns used in this document are based on historical index returns that do not include dividends and are purely modeled as a hypothetical example of index volatility over a period of time for educational purposes and are not intended to convince someone to purchase any particular product.



WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

3RD YEAR FINANCING

HYPOTHETICAL SYNTHETIC PROXY

3RD YEAR FINANCING

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

Current Pre-Bonus Cap: **10.75%**

Current Post-Bonus Max Cap: **10.75%**

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		Participation Rate: 100.00%		Floor Modeled: 0.00%		Upside Design: CAPPED				Pre-Bonus Cap Modeled: 10.25%		Post-Bonus Max Cap Modeled: 10.25%		8/27/2022				
#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
YEAR	AGE	TOTAL INDEX CONTRIBUTION	CLIENT INDEX CONTRIBUTIONS	LENDER INDEX CONTRIBUTIONS	CUMULATIVE LOAN BALANCE	THIRD PARTY LOAN PAYOFF	FINANCING INTEREST RATE	INTEREST DUE	INTEREST ACCRUED	TOTAL CLIENT CONTRIBUTION	(Cash) GAP COLLATERAL	CALENDAR YEAR	INDEX RETURN (GROSS)	INDEX RETURN (FLOOR & CAP)	INDEX RETURN (EFFECTIVE)	ANNUAL INCOME DRAWNINGS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	40	\$100,000	\$100,000	\$0	\$0		0.00%	\$0	\$0	\$100,000	\$0	1971	12.42%	10.25%	10.25%	\$0	\$88,287	\$22,344
2	41	\$100,000	\$100,000	\$0	\$0		0.00%	\$0	\$0	\$100,000	\$0	1972	-1.92%	0.00%	0.00%	\$0	\$167,794	\$103,296
3	42	\$350,000	\$50,000	\$300,000	\$300,000		5.43%	\$16,302	\$16,302	\$50,000	\$0	1973	-41.40%	0.00%	0.00%	\$0	\$476,562	\$113,526
4	43	\$350,000	\$50,000	\$300,000	\$616,302		5.54%	\$34,125	\$34,125	\$50,000	\$0	1974	32.00%	10.25%	10.25%	\$0	\$864,981	\$187,088
5	44	\$350,000	\$50,000	\$300,000	\$950,427		5.64%	\$53,647	\$53,647	\$50,000	\$0	1975	25.48%	10.25%	10.25%	\$0	\$1,292,353	\$281,796
6	45	\$350,000	\$50,000	\$300,000	\$1,304,074		5.76%	\$75,066	\$75,066	\$50,000	\$0	1976	-8.28%	0.00%	0.00%	\$0	\$1,599,108	\$236,367
7	46	\$350,000	\$50,000	\$300,000	\$1,679,140		5.87%	\$98,612	\$98,612	\$50,000	\$0	1977	6.23%	6.23%	6.23%	\$0	\$2,024,056	\$287,711
8	47	\$350,000	\$50,000	\$300,000	\$2,077,752		5.99%	\$124,541	\$124,541	\$50,000	\$22,315	1978	6.61%	6.61%	6.61%	\$0	\$2,483,973	\$358,554
9	48	\$350,000	\$50,000	\$300,000	\$2,502,293		6.12%	\$153,150	\$153,150	\$50,000	\$34,871	1979	14.76%	10.25%	10.25%	\$0	\$3,075,393	\$534,969
10	49	\$350,000	\$50,000	\$300,000	\$2,955,443		6.25%	\$184,772	\$184,772	\$50,000	\$29,488	1980	-7.40%	0.00%	0.00%	\$0	\$3,394,467	\$410,431
11	50	\$0	\$0	\$0		-\$3,140,215	0.00%	\$0	\$0	\$0	\$0	1981	3.65%	3.65%	3.65%	\$0	\$3,504,488	\$207,262
12	51	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1982	37.91%	10.25%	10.25%	\$0	\$3,848,791	\$386,704
13	52	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1983	0.02%	0.02%	0.02%	\$0	\$3,835,859	\$200,667
14	53	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1984	9.62%	9.62%	9.62%	\$0	\$4,189,838	\$372,887
15	54	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1985	27.04%	10.25%	10.25%	\$0	\$4,604,162	\$596,364
16	55	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1986	39.13%	10.25%	10.25%	\$0	\$5,067,757	\$859,569
17	56	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1987	-15.51%	0.00%	0.00%	\$0	\$5,060,055	\$641,457
18	57	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1988	28.41%	10.25%	10.25%	\$0	\$5,570,172	\$930,644
19	58	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1989	-12.34%	0.00%	0.00%	\$0	\$5,562,551	\$691,047
20	59	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1990	26.73%	10.25%	10.25%	\$0	\$6,124,572	\$1,009,492
21	60	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1991	7.72%	7.72%	7.72%	\$0	\$6,589,676	\$1,218,843
22	61	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1992	9.84%	9.84%	9.84%	\$0	\$7,229,952	\$1,590,577
23	62	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1993	0.82%	0.82%	0.82%	\$0	\$7,281,028	\$1,359,684
24	63	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1994	26.30%	10.25%	10.25%	\$0	\$8,017,114	\$1,799,703
25	64	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1995	17.61%	10.25%	10.25%	\$0	\$8,827,484	\$2,299,203
26	65	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1996	37.82%	10.25%	10.25%	-\$183,936	\$9,719,513	\$2,671,685
27	66	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1997	7.36%	7.36%	7.36%	-\$213,735	\$10,421,121	\$2,796,480
28	67	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1998	26.13%	10.25%	10.25%	-\$223,718	\$11,473,479	\$3,232,702
29	68	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	1999	11.99%	10.25%	10.25%	-\$258,616	\$12,631,983	\$3,707,620
30	69	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2000	-27.54%	0.00%	0.00%	-\$296,610	\$12,614,420	\$2,932,399
31	70	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2001	-21.68%	0.00%	0.00%	-\$234,592	\$12,595,178	\$2,182,734
32	71	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2002	22.16%	10.25%	10.25%	-\$174,619	\$13,864,672	\$2,748,256
33	72	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2003	11.91%	10.25%	10.25%	-\$219,860	\$15,264,506	\$3,361,416
34	73	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2004	10.25%	10.25%	10.25%	-\$268,913	\$16,808,519	\$4,027,915
35	74	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2005	8.71%	8.71%	8.71%	-\$322,233	\$18,254,351	\$4,496,372
36	75	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2006	14.29%	10.25%	10.25%	-\$359,710	\$20,109,833	\$5,286,260
37	76	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2007	-23.61%	0.00%	0.00%	-\$422,901	\$20,093,370	\$4,084,572
38	77	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2008	-9.37%	0.00%	0.00%	-\$326,766	\$20,074,215	\$2,921,873
39	78	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2009	7.96%	7.96%	7.96%	-\$233,750	\$21,647,618	\$3,392,222
40	79	\$0	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	2010	-0.86%	0.00%	0.00%	-\$271,378	\$21,621,726	\$2,168,613
		\$600,000	\$2,400,000					\$740,215	\$740,215	\$600,000		AVERAGE ANNUAL INCOME DRAWDOWN:		\$267,422			WORST 40	

BORROWING INTEREST ASSUMPTIONS	
GLO1 \$300K-499K	1-Month CMT Rate: 2.29%
	Lender Spread: 2.95%
Starting Borrowing Rate: 5.24%	
Compounded Annual Base Rate Increase: 4.15%	
Total Rate Floor: 2.95%	
RETIREMENT INCOME DRAWDOWN ASSUMPTIONS	
Drawdown Type:	PARTICIPATING
PLR:	5.00%
% of Previous Year's EOY Value Drawdown:	8.00%
THIRD PARTY LENDER PAYOFF ASSUMPTIONS	
Payoff Loan In Full In Year:	11
Payoff Amount:	\$3,140,215
Third Party Loan Paid Off With:	PAR LOAN

GAP COLLATERAL REQUIREMENTS	
Type Of Gap Collateral:	Cash
Credit Assumption:	0.00%
Collateral Valued At:	100.00%
The Gap Collateral amount (in years 3+) is only an estimation and is calculated by the cumulative loan balance in a given year, minus 95% of (the EOY AV two years prior, plus the Total Index Contribution in the previous year minus all charges, plus the Total Index Contribution in the current year minus all charges and early termination fees associated with current year's Total Index Contribution with the ICA listed above). This calculation is the equivalent of assuming a 0% index credit in the previous year (since the EOY index credit in the previous year would not have credited at the time of the current year's loan anniversary. The current year's EOY index credit would obviously not have credited yet either. This value is then multiplied by the % of "Collateral Valued At" above, estimating the gap collateral required based on the "Type Of Gap Collateral" assumed. This is just a hypothetical calculation. Each lender has different collateral	

1ST YEAR COLLATERAL REQUIREMENT:	\$0
TOTAL CLIENT OUTLAY:	-\$600,000
AVERAGE ANNUAL INCOME DRAWDOWN:	\$267,422
TOTAL INCOME DRAWDOWN:	\$4,011,337
40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$2,168,613
INCOME + 40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$6,179,950
RAW S&P 500 CAGR: 6.30%	40-YEAR NET ACCOUNT IRR: 7.88%

WORST 40-YEAR S&P CAGR PERIOD (OF 121 PERIODS ANALYZED)

The hypothetical models in this document assume certain crediting methods and index account charges that are purely hypothetical and do not represent any particular investment, life insurance policy or index fund. Hypothetical crediting methods, charges, values and returns are not guaranteed. Hypothetical returns used in this document are based on historical index returns that do not include dividends and are purely modeled as a hypothetical example of index volatility over a period of time for educational purposes and are not intended to convince someone to purchase any particular product.



MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)
3RD YEAR FINANCING

HYPOTHETICAL SYNTHETIC PROXY

3RD YEAR FINANCING

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

Current Pre-Bonus Cap: **10.75%**

Current Post-Bonus Max Cap: **10.75%**

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		Participation Rate: 100.00%		Floor Modeled: 0.00%		Upside Design: CAPPED		Pre-Bonus Cap Modeled: 10.25%		Post-Bonus Max Cap Modeled: 10.25%		8/27/2022						
#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
YEAR	AGE	TOTAL INDEX CONTRIBUTION	CLIENT INDEX CONTRIBUTIONS	LENDER INDEX CONTRIBUTIONS	CUMULATIVE LOAN BALANCE	THIRD PARTY LOAN PAYOFF	FINANCING INTEREST RATE	INTEREST DUE	INTEREST ACCRUED	TOTAL CLIENT CONTRIBUTION	(Cash) GAP COLLATERAL	CALENDAR YEAR	INDEX RETURN (GROSS)	INDEX RETURN (FLOOR & CAP)	INDEX RETURN (EFFECTIVE)	ANNUAL INCOME DRAWDOWNS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	40	\$100,000	\$100,000	\$0	\$0		0.00%	\$0	\$0	\$100,000	\$0	1982	20.68%	10.25%	10.25%	\$0	\$88,287	\$22,344
2	41	\$100,000	\$100,000	\$0	\$0		0.00%	\$0	\$0	\$100,000	\$0	1983	12.46%	10.25%	10.25%	\$0	\$184,993	\$120,495
3	42	\$350,000	\$50,000	\$300,000	\$300,000		9.15%	\$27,450	\$27,450	\$50,000	\$0	1984	9.93%	10.25%	9.93%	\$0	\$542,771	\$179,735
4	43	\$350,000	\$50,000	\$300,000	\$627,450		7.90%	\$49,569	\$49,569	\$50,000	\$0	1985	17.90%	10.25%	10.25%	\$0	\$937,977	\$248,936
5	44	\$350,000	\$50,000	\$300,000	\$977,019		5.90%	\$57,644	\$57,644	\$50,000	\$0	1986	29.42%	10.25%	10.25%	\$0	\$1,372,830	\$335,683
6	45	\$350,000	\$50,000	\$300,000	\$1,334,663		7.15%	\$95,428	\$95,428	\$50,000	\$0	1987	-6.21%	10.25%	0.00%	\$0	\$1,679,585	\$286,256
7	46	\$350,000	\$50,000	\$300,000	\$1,730,091		8.90%	\$153,978	\$153,978	\$50,000	\$0	1988	15.72%	10.25%	10.25%	\$0	\$2,189,456	\$402,160
8	47	\$350,000	\$50,000	\$300,000	\$2,184,069		9.90%	\$216,223	\$216,223	\$50,000	\$52,178	1989	10.63%	10.25%	10.25%	\$0	\$2,751,088	\$519,351
9	48	\$350,000	\$50,000	\$300,000	\$2,700,292		8.40%	\$226,825	\$226,825	\$50,000	\$75,740	1990	4.51%	10.25%	4.51%	\$0	\$3,194,518	\$456,096
10	49	\$350,000	\$50,000	\$300,000	\$3,227,116		6.90%	\$222,671	\$222,671	\$50,000	\$47,402	1991	18.86%	10.25%	10.25%	\$0	\$3,873,736	\$618,025
11	50	\$0	\$0	\$0	\$0	-\$3,449,788	0.00%	\$0	\$0	\$0	\$0	1992	7.34%	7.34%	7.34%	\$0	\$4,143,671	\$521,394
12	51	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1993	9.76%	9.76%	9.76%	\$0	\$4,533,301	\$729,910
13	52	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1994	-2.32%	0.00%	0.00%	\$0	\$4,519,676	\$526,115
14	53	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1995	35.20%	10.25%	10.25%	\$0	\$4,967,798	\$774,560
15	54	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1996	23.61%	10.25%	10.25%	\$0	\$5,461,864	\$1,058,963
16	55	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1997	24.69%	10.25%	10.25%	\$0	\$6,013,373	\$1,390,328
17	56	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1998	30.54%	10.25%	10.25%	\$0	\$6,621,252	\$1,767,055
18	57	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	1999	8.97%	8.97%	8.97%	\$0	\$7,206,926	\$2,110,019
19	58	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2000	-2.04%	0.00%	0.00%	\$0	\$7,199,305	\$1,847,553
20	59	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2001	-17.26%	0.00%	0.00%	\$0	\$7,191,921	\$1,572,581
21	60	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2002	-24.29%	0.00%	0.00%	\$0	\$7,184,802	\$1,284,495
22	61	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2003	32.19%	10.25%	10.25%	\$0	\$7,912,774	\$1,717,451
23	62	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2004	4.43%	4.43%	4.43%	\$0	\$8,254,749	\$1,749,660
24	63	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2005	8.36%	8.36%	8.36%	\$0	\$8,935,191	\$2,104,848
25	64	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2006	12.36%	10.25%	10.25%	\$0	\$9,839,664	\$2,667,803
26	65	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2007	-4.15%	0.00%	0.00%	-\$213,424	\$9,828,065	\$2,073,516
27	66	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2008	-40.09%	0.00%	0.00%	-\$165,881	\$9,815,162	\$1,498,710
28	67	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2009	30.03%	10.25%	10.25%	-\$119,897	\$10,805,409	\$1,947,243
29	68	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2010	19.76%	10.25%	10.25%	-\$155,779	\$11,895,436	\$2,430,794
30	69	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2011	2.04%	2.04%	2.04%	-\$194,463	\$12,120,673	\$1,978,612
31	70	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2012	14.15%	10.25%	10.25%	-\$158,289	\$13,341,828	\$2,526,460
32	71	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2013	18.99%	10.25%	10.25%	-\$202,117	\$14,687,853	\$3,119,494
33	72	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2014	11.92%	10.25%	10.25%	-\$249,560	\$16,172,064	\$3,763,249
34	73	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2015	-2.74%	0.00%	0.00%	-\$301,060	\$16,153,558	\$2,808,189
35	74	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2016	17.45%	10.25%	10.25%	-\$224,655	\$17,790,704	\$3,542,179
36	75	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2017	23.91%	10.25%	10.25%	-\$283,374	\$19,598,661	\$4,340,167
37	76	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2018	-4.41%	0.00%	0.00%	-\$347,213	\$19,582,198	\$3,196,206
38	77	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2019	31.74%	10.25%	10.25%	-\$255,696	\$21,568,255	\$4,094,482
39	78	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2020	18.38%	10.25%	10.25%	-\$327,559	\$23,754,433	\$5,063,035
40	79	\$0	\$0	\$0	\$0		0.00%	\$0	\$0	\$0	\$0	2021	28.83%	10.25%	10.25%	-\$405,043	\$26,160,717	\$6,109,453
		\$600,000	\$2,400,000					\$1,049,788	\$1,049,788	\$600,000		AVERAGE ANNUAL INCOME DRAWDOWN:		\$240,267	MOST RECENT 40			

BORROWING INTEREST ASSUMPTIONS	
Hypothetical Loan Rate	Prime: 2.29%
	Lender Spread: -1.60%
Starting Borrowing Rate:	0.69%
Borrowing Rate Volatility:	HistoricalRates
RETIREMENT INCOME DRAWDOWN ASSUMPTIONS	
Drawdown Type:	PARTICIPATING
PLR:	5.00%
% of Previous Year's EOY Value Drawdown:	8.00%
THIRD PARTY LENDER PAYOFF ASSUMPTIONS	
Payoff Loan In Full In Year:	11
Payoff Amount:	\$3,449,788
Third Party Loan Paid Off With:	PAR LOAN

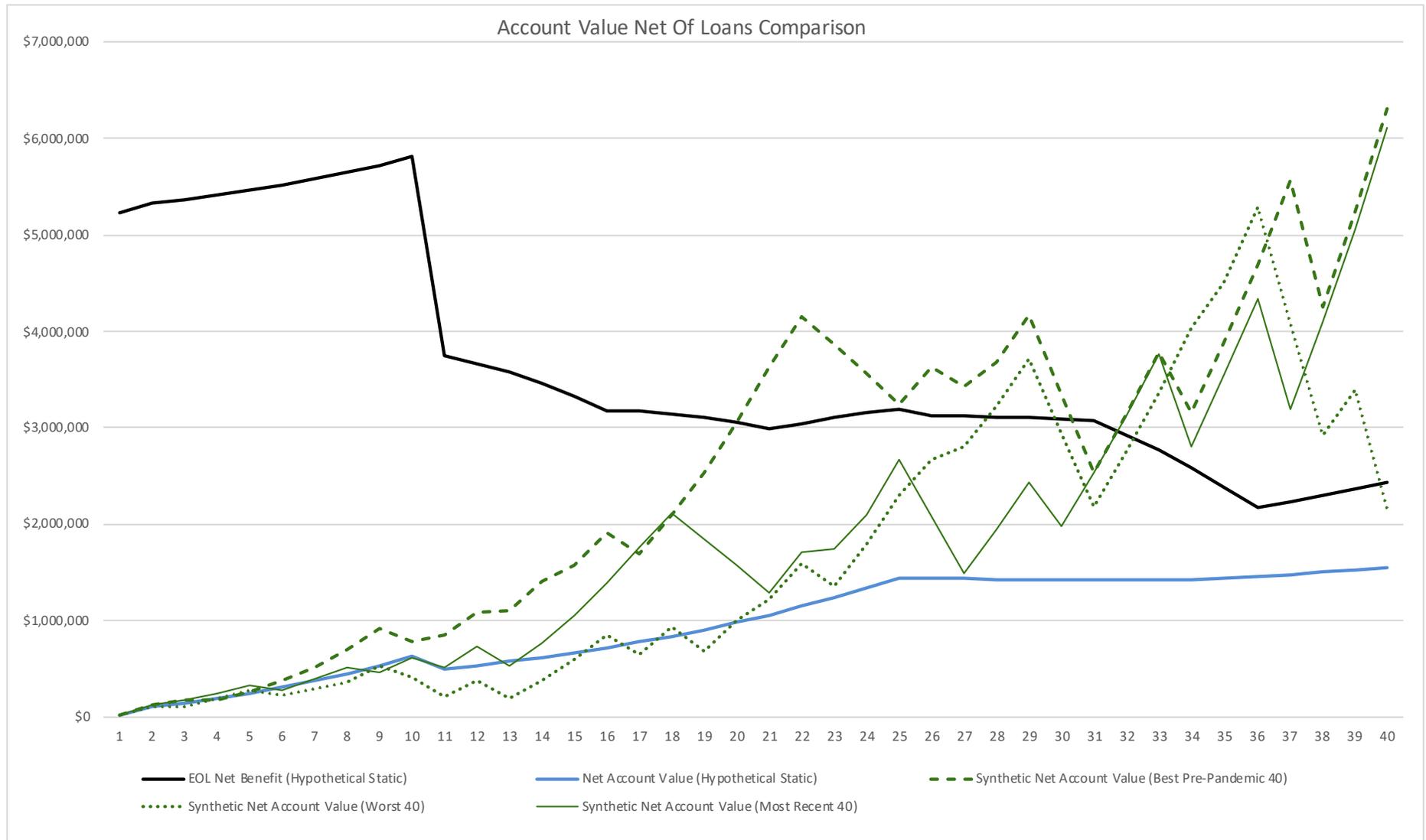
GAP COLLATERAL REQUIREMENTS	
Type Of Gap Collateral:	Cash
Credit Assumption:	0.00%
Collateral Valued At:	100.00%
The Gap Collateral amount (in years 3+) is only an estimation and is calculated by the cumulative loan balance in a given year, minus 95% of (the EOY AV two years prior, plus the Total Index Contribution in the previous year minus all charges, plus the Total Index Contribution in the current year minus all charges and early termination fees associated with current year's Total Index Contribution with the ICA listed above). This calculation is the equivalent of assuming a 0% index credit in the previous year (since the EOY index credit in the previous year would not have credited at the time of the current year's loan anniversary. The current year's EOY index credit would obviously not have credited yet either. This value is then multiplied by the % of "Collateral Valued At" above, estimating the gap collateral required based on the "Type Of Gap Collateral" assumed. This is just a hypothetical calculation. Each lender has different collateral	

1ST YEAR COLLATERAL REQUIREMENT:	\$0
TOTAL CLIENT OUTLAY:	-\$600,000
AVERAGE ANNUAL INCOME DRAWDOWN:	\$240,267
TOTAL INCOME DRAWDOWN:	\$3,604,011
40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$6,109,453
INCOME + 40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$9,713,464
RAW S&P 500 CAGR: 9.99%	40-YEAR NET ACCOUNT IRR: 8.77%

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

The hypothetical models in this document assume certain crediting methods and index account charges that are purely hypothetical and do not represent any particular investment, life insurance policy or index fund. Hypothetical crediting methods, charges, values and returns are not guaranteed. Hypothetical returns used in this document are based on historical index returns that do not include dividends and are purely modeled as a hypothetical example of index volatility over a period of time for educational purposes and are not intended to convince someone to purchase any particular product.





SCENARIO MODELED	PAYOFF YEAR	TOTAL OUTLAY	TOTAL INCOME DRAWDOWN	NET ACCOUNT VALUE IN YEAR 40	RETURNS DEPICTED	VOLATILITY MODELED	CAGR	PAR LOAN RATE	40-YEAR IRR
— Hypothetical Static:	11	-\$600,000	\$1,646,820	\$1,549,640	hypothetical static	no	6.60%	6.10%	5.44%
- - - Synthetic Best 40*:	11	-\$600,000	\$4,617,505	\$6,306,019	actual historical*	yes	9.02%	5.00%	9.41%
..... Synthetic Worst 40*:	11	-\$600,000	\$4,011,337	\$2,168,613	actual historical*	yes	6.30%	5.00%	7.88%
— Synthetic (1982-2021):	11	-\$600,000	\$3,604,011	\$6,109,453	actual historical*	yes	9.99%	5.00%	8.77%

*In modeling every 40-year annual point-to-point period between 1/1/1970 and 12/31/2019, there were 121 different 40-year periods. Each of these 121 different 40-year periods have been analyzed and ranked based on their Compounded Annual Growth Rate (CAGR). This report highlights the Best and Worst 40-year periods limited to this sampling of 121 different 40-year periods. In real-world scenarios, it is possible for a 40-year period to produce a worse CAGR than the Worst 40 in this report. In such case, outcomes could be significantly worse than as depicted in this hypothetical report.

ACCOUNT CHARGES + INDEX CREDITS + BONUSES

AN ANNUAL EXPLANATION OF POSITIVE & NEGATIVE ARBITRAGE

HYPOTHETICAL SYNTHETIC PROXY

CHARGES + CREDITS + BONUSES

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

CHARGES & CREDITS

#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
YEAR	ASSET-BASED CHARGES (%)	ASSET-BASED CHARGES (\$)	FIXED CHARGES (\$)	BACKTESTED YEAR	INDEX GROSS RETURN	INDEX CREDIT	MULTIPLIER BONUS (x)	INDEX CREDIT w/ MULTIPLIER	PERSISTENCY BONUS (+)	TOTAL INDEX CREDIT (%)	TOTAL INDEX CREDITS (\$)	TOTAL CHARGES (\$)	YEAR-END GAIN/LOSS (\$)	EOY VALUE AFTER CHARGES B4 CREDIT	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	0.00%	\$0	-\$19,921	1978	11.97%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$8,208	-\$19,921	-\$11,713	\$80,079	\$88,287	\$22,344
2	0.00%	\$0	-\$20,493	1979	14.24%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$17,199	-\$20,493	-\$3,294	\$167,794	\$184,993	\$120,495
3	0.00%	\$0	-\$41,232	1980	13.48%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$50,611	-\$41,232	\$9,379	\$493,761	\$544,371	\$181,335
4	0.00%	\$0	-\$41,999	1981	-7.06%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$41,999	-\$41,999	\$852,372	\$852,372	\$174,479
5	0.00%	\$0	-\$42,779	1982	20.68%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$118,858	-\$42,779	\$76,079	\$1,159,593	\$1,278,452	\$267,896
6	0.00%	\$0	-\$43,245	1983	12.46%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$162,484	-\$43,245	\$119,239	\$1,585,207	\$1,747,691	\$384,950
7	0.00%	\$0	-\$43,684	1984	9.93%	9.93%	x 1.00	= 9.93%	+ 0.00%	= 9.93%	\$203,880	-\$43,684	\$160,196	\$2,054,007	\$2,257,886	\$521,541
8	0.00%	\$0	-\$44,138	1985	17.90%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$262,784	-\$44,138	\$218,646	\$2,563,748	\$2,826,532	\$701,113
9	0.00%	\$0	-\$44,501	1986	29.42%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$321,033	-\$44,501	\$276,532	\$3,132,031	\$3,453,065	\$912,641
10	0.00%	\$0	-\$30,926	1987	-6.21%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$30,926	-\$30,926	\$3,772,139	\$3,772,139	\$788,102
11	0.00%	\$0	-\$13,373	1988	15.72%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$385,273	-\$13,373	\$371,900	\$3,758,766	\$4,144,039	\$846,813
12	0.00%	\$0	-\$13,521	1989	10.63%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$423,378	-\$13,521	\$409,857	\$4,130,518	\$4,553,896	\$1,091,809
13	0.00%	\$0	-\$13,625	1990	4.51%	4.51%	x 1.00	= 4.51%	+ 0.00%	= 4.51%	\$204,883	-\$13,625	\$191,258	\$4,540,271	\$4,745,155	\$1,109,963
14	0.00%	\$0	-\$13,736	1991	18.86%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$484,970	-\$13,736	\$471,234	\$4,731,419	\$5,216,389	\$1,399,438
15	0.00%	\$0	-\$13,727	1992	7.34%	7.34%	x 1.00	= 7.34%	+ 0.00%	= 7.34%	\$381,819	-\$13,727	\$368,092	\$5,202,662	\$5,584,481	\$1,576,682
16	0.00%	\$0	-\$7,557	1993	9.76%	9.76%	x 1.00	= 9.76%	+ 0.00%	= 9.76%	\$544,372	-\$7,557	\$536,815	\$5,576,924	\$6,121,296	\$1,913,108
17	0.00%	\$0	-\$7,702	1994	-2.32%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$7,702	-\$7,702	\$6,113,594	\$6,113,594	\$1,694,996
18	0.00%	\$0	-\$7,745	1995	35.20%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$625,850	-\$7,745	\$618,105	\$6,105,849	\$6,731,699	\$2,092,171
19	0.00%	\$0	-\$7,621	1996	23.61%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$689,218	-\$7,621	\$681,597	\$6,724,078	\$7,413,295	\$2,541,791
20	0.00%	\$0	-\$7,384	1997	24.69%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$759,106	-\$7,384	\$751,722	\$7,405,911	\$8,165,017	\$3,049,938
21	0.00%	\$0	-\$7,119	1998	30.54%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$836,185	-\$7,119	\$829,066	\$8,157,898	\$8,994,083	\$3,623,250
22	0.00%	\$0	-\$7,683	1999	8.97%	8.97%	x 1.00	= 8.97%	+ 0.00%	= 8.97%	\$806,335	-\$7,683	\$798,652	\$8,986,400	\$9,792,735	\$4,153,360
23	0.00%	\$0	-\$8,405	2000	-2.04%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$8,405	-\$8,405	\$9,784,330	\$9,784,330	\$3,862,986
24	0.00%	\$0	-\$9,269	2001	-17.26%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$9,269	-\$9,269	\$9,775,061	\$9,775,061	\$3,557,650
25	0.00%	\$0	-\$10,326	2002	-24.29%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$10,326	-\$10,326	\$9,764,735	\$9,764,735	\$3,236,453
26	0.00%	\$0	-\$11,599	2003	32.19%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$999,696	-\$11,599	\$988,097	\$9,753,136	\$10,752,832	\$3,626,274
27	0.00%	\$0	-\$12,903	2004	4.43%	4.43%	x 1.00	= 4.43%	+ 0.00%	= 4.43%	\$476,073	-\$12,903	\$463,170	\$10,739,929	\$11,216,002	\$3,428,509
28	0.00%	\$0	-\$14,337	2005	8.36%	8.36%	x 1.00	= 8.36%	+ 0.00%	= 8.36%	\$936,988	-\$14,337	\$922,651	\$11,201,665	\$12,138,653	\$3,673,791
29	0.00%	\$0	-\$15,898	2006	12.36%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,242,582	-\$15,898	\$1,226,684	\$12,122,755	\$13,365,337	\$4,168,634
30	0.00%	\$0	-\$17,563	2007	-4.15%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$17,563	-\$17,563	\$13,347,774	\$13,347,774	\$3,341,070
31	0.00%	\$0	-\$19,242	2008	-40.09%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$19,242	-\$19,242	\$13,328,532	\$13,328,532	\$2,540,843
32	0.00%	\$0	-\$19,512	2009	30.03%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,364,175	-\$19,512	\$1,344,663	\$13,309,020	\$14,673,195	\$3,132,690
33	0.00%	\$0	-\$19,315	2010	19.76%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,502,023	-\$19,315	\$1,482,708	\$14,653,880	\$16,155,902	\$3,775,227
34	0.00%	\$0	-\$18,506	2011	2.04%	2.04%	x 1.00	= 2.04%	+ 0.00%	= 2.04%	\$329,870	-\$18,506	\$311,364	\$16,137,396	\$16,467,266	\$3,150,438
35	0.00%	\$0	-\$16,865	2012	14.15%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,686,166	-\$16,865	\$1,669,301	\$16,450,401	\$18,136,568	\$3,889,261
36	0.00%	\$0	-\$14,140	2013	18.99%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,857,549	-\$14,140	\$1,843,409	\$18,122,428	\$19,979,976	\$4,693,607
37	0.00%	\$0	-\$16,463	2014	11.92%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$2,046,260	-\$16,463	\$2,029,797	\$19,963,513	\$22,009,774	\$5,564,823
38	0.00%	\$0	-\$19,155	2015	-2.74%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$19,155	-\$19,155	\$21,990,619	\$21,990,619	\$4,255,975
39	0.00%	\$0	-\$22,284	2016	17.45%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$2,251,754	-\$22,284	\$2,229,470	\$21,968,335	\$24,220,089	\$5,241,211
40	0.00%	\$0	-\$25,892	2017	23.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$2,479,905	-\$25,892	\$2,454,013	\$24,194,197	\$26,674,102	\$6,306,019

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

ASSET-BASED CHARGES (%) Account charges as a percentage of gross account value, after new TOTAL INDEX CONTRIBUTION and 100% BOY charges and 50% of remaining FIXED CHARGES (\$) are deducted.

ASSET-BASED CHARGES (\$) The previous year's EOY GROSS INDEX ACCUMULATED VALUE minus 100% BOY charges, minus 50% of remaining FIXED CHARGES (\$) multiplied by the ASSET-BASED CHARGES (%).

FIXED CHARGES (\$) Amounts taken from a real life product. These charges in a real life product would most likely not be fixed, as there would be some variable charges. This is merely a proxy for this category of charges.

INDEX CREDIT The after-floor after-cap index return, before any bonuses or participation rates are applied or credited. Caps are not guaranteed in a real world product. See actual product details for guarantees.

MULTIPLIER BONUS (x) A numerical number determined by a particular bonus schedule, multiplied by the basic after-floor, after-cap, INDEX CREDIT. This is not a guaranteed bonus amount. See actual product details for guarantees.

INDEX CREDIT w/ MULTIPLIER The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x). (e.g. If the MULTIPLIER BONUS (x) was 2.00, and the INDEX CREDIT was 10.00%, the INDEX CREDIT w/ MULTIPLIER would be 20.00%)

PERSISTENCY BONUS (+) A bonus credit added to the INDEX CREDIT. (e.g. If the INDEX CREDIT was 10.00% and the PERSISTENCY BONUS (+) was 0.50%, the TOTAL INDEX CREDIT (%) would be 10.50%)

TOTAL INDEX CREDIT (%) The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x) plus the PERSISTENCY BONUS (+).

TOTAL INDEX CREDITS (\$) The TOTAL INDEX CREDIT (%) multiplied by the EOY VALUE AFTER CHARGES B4 CREDIT.

TOTAL CHARGES (\$) The sum of the ASSET-BASED CHARGES (\$) and the FIXED CHARGES (\$).

YEAR-END GAIN/LOSS (\$) The EOY GROSS INDEX ACCUMULATED VALUE net gain or loss in each year based on the TOTAL INDEX CREDITS (\$) minus the TOTAL CHARGES (\$) in a given year.

EOY VALUE AFTER CHARGES B4 CREDIT The EOY account value after any new contributions in such year and after all charges have been subtracted from this cumulative value, before any index credits have been applied.

EOY GROSS INDEX ACCUMULATED VALUE The EOY account value after any new contributions, after any "Total Index Credits (\$)" have been added, and after the "Total Charges (\$)" have been subtracted.

EOY INDEX VALUE NET OF INT & EXT LOANS The EOY GROSS INDEX ACCUMULATED VALUE minus the third party Cumulative Loan Balance (if any), minus any internal cumulative loan balances as a result of Participating Loans.

HYPOTHETICAL SYNTHETIC PROXY

CHARGES + CREDITS + BONUSES

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

CHARGES & CREDITS

#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
YEAR	ASSET-BASED CHARGES (%)	ASSET-BASED CHARGES (\$)	FIXED CHARGES (\$)	BACKTESTED YEAR	INDEX GROSS RETURN	INDEX CREDIT	MULTIPLIER BONUS (x)	INDEX CREDIT w/ MULTIPLIER	PERSISTENCY BONUS (+)	TOTAL INDEX CREDIT (%)	TOTAL INDEX CREDITS (\$)	TOTAL CHARGES (\$)	YEAR-END GAIN/LOSS (\$)	EOY VALUE AFTER CHARGES B4 CREDIT	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	0.00%	\$0	-\$19,921	1971	12.42%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$8,208	-\$19,921	-\$11,713	\$80,079	\$88,287	\$22,344
2	0.00%	\$0	-\$20,493	1972	-1.92%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$20,493	-\$20,493	\$167,794	\$167,794	\$103,296
3	0.00%	\$0	-\$41,232	1973	-41.40%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$41,232	-\$41,232	\$476,562	\$476,562	\$113,526
4	0.00%	\$0	-\$41,999	1974	32.00%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$80,418	-\$41,999	\$38,419	\$784,563	\$864,981	\$187,088
5	0.00%	\$0	-\$42,779	1975	25.48%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$120,151	-\$42,779	\$77,372	\$1,172,202	\$1,292,353	\$281,796
6	0.00%	\$0	-\$43,245	1976	-8.28%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$43,245	-\$43,245	\$1,599,108	\$1,599,108	\$236,367
7	0.00%	\$0	-\$43,684	1977	6.23%	6.23%	x 1.00	= 6.23%	+ 0.00%	= 6.23%	\$118,633	-\$43,684	\$74,949	\$1,905,424	\$2,024,056	\$287,711
8	0.00%	\$0	-\$44,138	1978	6.61%	6.61%	x 1.00	= 6.61%	+ 0.00%	= 6.61%	\$154,055	-\$44,138	\$109,917	\$2,329,918	\$2,483,973	\$358,554
9	0.00%	\$0	-\$44,501	1979	14.76%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$285,921	-\$44,501	\$241,420	\$2,789,472	\$3,075,393	\$534,969
10	0.00%	\$0	-\$30,926	1980	-7.40%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$30,926	-\$30,926	\$3,394,467	\$3,394,467	\$410,431
11	0.00%	\$0	-\$13,373	1981	3.65%	3.65%	x 1.00	= 3.65%	+ 0.00%	= 3.65%	\$123,393	-\$13,373	\$110,020	\$3,381,094	\$3,504,488	\$207,262
12	0.00%	\$0	-\$13,521	1982	37.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$285,824	-\$13,521	\$344,303	\$3,490,967	\$3,848,791	\$386,704
13	0.00%	\$0	-\$13,625	1983	0.02%	0.02%	x 1.00	= 0.02%	+ 0.00%	= 0.02%	\$693	-\$13,625	-\$12,932	\$3,835,166	\$3,835,859	\$200,667
14	0.00%	\$0	-\$13,736	1984	9.62%	9.62%	x 1.00	= 9.62%	+ 0.00%	= 9.62%	\$367,715	-\$13,736	\$353,979	\$3,822,123	\$4,189,838	\$372,887
15	0.00%	\$0	-\$13,727	1985	27.04%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$428,051	-\$13,727	\$414,324	\$2,789,472	\$4,604,162	\$596,364
16	0.00%	\$0	-\$7,557	1986	39.13%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$471,152	-\$7,557	\$463,595	\$4,596,605	\$5,067,757	\$859,569
17	0.00%	\$0	-\$7,702	1987	-15.51%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$7,702	-\$7,702	\$5,060,055	\$5,060,055	\$641,457
18	0.00%	\$0	-\$7,745	1988	28.41%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$517,862	-\$7,745	\$510,117	\$5,052,310	\$5,570,172	\$930,644
19	0.00%	\$0	-\$7,621	1989	-12.34%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$7,621	-\$7,621	\$5,562,551	\$5,562,551	\$691,047
20	0.00%	\$0	-\$7,384	1990	26.73%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$569,405	-\$7,384	\$562,021	\$5,555,167	\$6,124,572	\$1,009,492
21	0.00%	\$0	-\$7,119	1991	7.72%	7.72%	x 1.00	= 7.72%	+ 0.00%	= 7.72%	\$472,223	-\$7,119	\$465,104	\$6,117,453	\$6,589,676	\$1,218,843
22	0.00%	\$0	-\$7,683	1992	9.84%	9.84%	x 1.00	= 9.84%	+ 0.00%	= 9.84%	\$647,959	-\$7,683	\$640,276	\$6,581,993	\$7,229,952	\$1,590,577
23	0.00%	\$0	-\$8,405	1993	0.82%	0.82%	x 1.00	= 0.82%	+ 0.00%	= 0.82%	\$59,481	-\$8,405	\$51,076	\$7,221,547	\$7,281,028	\$1,359,684
24	0.00%	\$0	-\$9,269	1994	26.30%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$745,355	-\$9,269	\$736,086	\$7,271,759	\$8,017,114	\$1,799,703
25	0.00%	\$0	-\$10,326	1995	17.61%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$820,696	-\$10,326	\$810,370	\$8,006,788	\$8,827,484	\$2,299,203
26	0.00%	\$0	-\$11,599	1996	37.82%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$903,628	-\$11,599	\$892,029	\$8,815,885	\$9,719,513	\$2,671,685
27	0.00%	\$0	-\$12,903	1997	7.36%	7.36%	x 1.00	= 7.36%	+ 0.00%	= 7.36%	\$714,511	-\$12,903	\$701,608	\$9,706,610	\$10,421,121	\$2,796,480
28	0.00%	\$0	-\$14,337	1998	26.13%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,066,695	-\$14,337	\$1,052,358	\$10,406,784	\$11,473,479	\$3,232,702
29	0.00%	\$0	-\$15,898	1999	11.99%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,174,402	-\$15,898	\$1,158,504	\$11,457,581	\$12,631,983	\$3,707,620
30	0.00%	\$0	-\$17,563	2000	-27.54%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$17,563	-\$17,563	\$12,614,420	\$12,614,420	\$2,932,399
31	0.00%	\$0	-\$19,242	2001	-21.68%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$19,242	-\$19,242	\$12,595,178	\$12,595,178	\$2,182,734
32	0.00%	\$0	-\$19,512	2002	22.16%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,289,006	-\$19,512	\$1,269,494	\$12,575,666	\$13,864,672	\$2,748,256
33	0.00%	\$0	-\$19,315	2003	11.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,419,149	-\$19,315	\$1,399,834	\$13,845,357	\$15,264,506	\$3,361,416
34	0.00%	\$0	-\$18,506	2004	10.25%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,562,519	-\$18,506	\$1,544,013	\$15,246,000	\$16,808,519	\$4,027,915
35	0.00%	\$0	-\$16,865	2005	8.71%	8.71%	x 1.00	= 8.71%	+ 0.00%	= 8.71%	\$1,462,697	-\$16,865	\$1,445,832	\$16,791,654	\$18,254,351	\$4,496,372
36	0.00%	\$0	-\$14,140	2006	14.29%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,869,622	-\$14,140	\$1,855,482	\$18,240,211	\$20,109,833	\$5,286,260
37	0.00%	\$0	-\$16,463	2007	-23.61%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$16,463	-\$16,463	\$20,093,370	\$20,093,370	\$4,084,572
38	0.00%	\$0	-\$19,155	2008	-9.37%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$19,155	-\$19,155	\$20,074,215	\$20,074,215	\$2,921,873
39	0.00%	\$0	-\$22,284	2009	7.96%	7.96%	x 1.00	= 7.96%	+ 0.00%	= 7.96%	\$1,595,687	-\$22,284	\$1,573,403	\$20,051,931	\$21,647,618	\$3,392,222
40	0.00%	\$0	-\$25,892	2010	-0.86%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$25,892	-\$25,892	\$21,621,726	\$21,621,726	\$2,168,613

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

ASSET-BASED CHARGES (%) Account charges as a percentage of gross account value, after new TOTAL INDEX CONTRIBUTION and 100% BOY charges and 50% of remaining FIXED CHARGES (\$) are deducted.

ASSET-BASED CHARGES (\$) The previous year's EOY GROSS INDEX ACCUMULATED VALUE minus 100% BOY charges, minus 50% of remaining FIXED CHARGES (\$) multiplied by the ASSET-BASED CHARGES (%).

FIXED CHARGES (\$) Amounts taken from a real life product. These charges in a real life product would most likely not be fixed, as there would be some variable charges. This is merely a proxy for this category of charges.

INDEX CREDIT The after-floor after-cap index return, before any bonuses or participation rates are applied or credited. Caps are not guaranteed in a real world product. See actual product details for guarantees.

MULTIPLIER BONUS (x) A numerical number determined by a particular bonus schedule, multiplied by the basic after-floor, after-cap, INDEX CREDIT. This is not a guaranteed bonus amount. See actual product details for guarantees.

INDEX CREDIT w/ MULTIPLIER The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x). (e.g. If the MULTIPLIER BONUS (x) was 2.00, and the INDEX CREDIT was 10.00%, the INDEX CREDIT w/ MULTIPLIER would be 20.00%)

PERSISTENCY BONUS (+) A bonus credit added to the INDEX CREDIT. (e.g. If the INDEX CREDIT was 10.00% and the PERSISTENCY BONUS (+) was 0.50%, the TOTAL INDEX CREDIT (%) would be 10.50%)

TOTAL INDEX CREDIT (%) The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x) plus the PERSISTENCY BONUS (+).

TOTAL INDEX CREDITS (\$) The TOTAL INDEX CREDIT (%) multiplied by the EOY VALUE AFTER CHARGES B4 CREDIT.

TOTAL CHARGES (\$) The sum of the ASSET-BASED CHARGES (\$) and the FIXED CHARGES (\$).

YEAR-END GAIN/LOSS (\$) The EOY GROSS INDEX ACCUMULATED VALUE net gain or loss in each year based on the TOTAL INDEX CREDITS (\$) minus the TOTAL CHARGES (\$) in a given year.

EOY VALUE AFTER CHARGES B4 CREDIT The EOY account value after any new contributions in such year and after all charges have been subtracted from this cumulative value, before any index credits have been applied.

EOY GROSS INDEX ACCUMULATED VALUE The EOY account value after any new contributions, after any "Total Index Credits (\$)" have been added, and after the "Total Charges (\$)" have been subtracted.

EOY INDEX VALUE NET OF INT & EXT LOANS The EOY GROSS INDEX ACCUMULATED VALUE minus the third party Cumulative Loan Balance (if any), minus any internal cumulative loan balances as a result of Participating Loans.

HYPOTHETICAL SYNTHETIC PROXY

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

CHARGES & CREDITS

#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
YEAR	ASSET-BASED CHARGES (%)	ASSET-BASED CHARGES (\$)	FIXED CHARGES (\$)	BACKTESTED YEAR	INDEX GROSS RETURN	INDEX CREDIT	MULTIPLIER BONUS (x)	INDEX CREDIT w/ MULTIPLIER	PERSISTENCY BONUS (+)	TOTAL INDEX CREDIT (%)	TOTAL INDEX CREDITS (\$)	TOTAL CHARGES (\$)	YEAR-END GAIN/LOSS (\$)	EOY VALUE AFTER CHARGES B4 CREDIT	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	0.00%	\$0	-\$19,921	1982	20.68%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$8,208	-\$19,921	-\$11,713	\$80,079	\$88,287	\$22,344
2	0.00%	\$0	-\$20,493	1983	12.46%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$17,199	-\$20,493	-\$3,294	\$167,794	\$184,993	\$120,495
3	0.00%	\$0	-\$41,232	1984	9.93%	9.93%	x 1.00	= 9.93%	+ 0.00%	= 9.93%	\$49,010	-\$41,232	\$7,778	\$493,761	\$542,771	\$179,735
4	0.00%	\$0	-\$41,999	1985	17.90%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$87,204	-\$41,999	\$45,205	\$850,772	\$937,977	\$248,936
5	0.00%	\$0	-\$42,779	1986	29.42%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$127,633	-\$42,779	\$84,854	\$1,245,198	\$1,372,830	\$335,683
6	0.00%	\$0	-\$43,245	1987	-6.21%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$43,245	-\$43,245	\$1,679,585	\$1,679,585	\$286,256
7	0.00%	\$0	-\$43,684	1988	15.72%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$203,555	-\$43,684	\$159,871	\$1,985,901	\$2,189,456	\$402,160
8	0.00%	\$0	-\$44,138	1989	10.63%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$255,770	-\$44,138	\$211,632	\$2,495,318	\$2,751,088	\$519,351
9	0.00%	\$0	-\$44,501	1990	4.51%	4.51%	x 1.00	= 4.51%	+ 0.00%	= 4.51%	\$137,931	-\$44,501	\$93,430	\$3,056,587	\$3,194,518	\$456,096
10	0.00%	\$0	-\$30,926	1991	18.86%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$360,143	-\$30,926	\$329,217	\$3,513,592	\$3,873,736	\$618,025
11	0.00%	\$0	-\$13,373	1992	7.34%	7.34%	x 1.00	= 7.34%	+ 0.00%	= 7.34%	\$283,309	-\$13,373	\$269,936	\$3,860,363	\$4,143,671	\$521,394
12	0.00%	\$0	-\$13,521	1993	9.76%	9.76%	x 1.00	= 9.76%	+ 0.00%	= 9.76%	\$403,150	-\$13,521	\$389,629	\$4,130,150	\$4,533,301	\$729,910
13	0.00%	\$0	-\$13,625	1994	-2.32%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$13,625	-\$13,625	\$4,519,676	\$4,519,676	\$526,115
14	0.00%	\$0	-\$13,736	1995	35.20%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$461,859	-\$13,736	\$448,123	\$4,505,940	\$4,967,798	\$774,560
15	0.00%	\$0	-\$13,727	1996	23.61%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$507,792	-\$13,727	\$494,065	\$4,954,071	\$5,461,864	\$1,058,963
16	0.00%	\$0	-\$7,557	1997	24.69%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$559,066	-\$7,557	\$551,509	\$5,454,307	\$6,013,373	\$1,390,328
17	0.00%	\$0	-\$7,702	1998	30.54%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$615,581	-\$7,702	\$607,879	\$6,005,671	\$6,621,252	\$1,767,055
18	0.00%	\$0	-\$7,745	1999	8.97%	8.97%	x 1.00	= 8.97%	+ 0.00%	= 8.97%	\$593,419	-\$7,745	\$585,674	\$6,613,507	\$7,206,926	\$2,110,019
19	0.00%	\$0	-\$7,621	2000	-2.04%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$7,621	-\$7,621	\$7,199,305	\$7,199,305	\$1,847,553
20	0.00%	\$0	-\$7,384	2001	-17.26%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$7,384	-\$7,384	\$7,191,921	\$7,191,921	\$1,572,581
21	0.00%	\$0	-\$7,119	2002	-24.29%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$7,119	-\$7,119	\$7,184,802	\$7,184,802	\$1,284,495
22	0.00%	\$0	-\$7,683	2003	32.19%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$735,655	-\$7,683	\$727,972	\$7,177,119	\$7,912,774	\$1,717,451
23	0.00%	\$0	-\$8,405	2004	4.43%	4.43%	x 1.00	= 4.43%	+ 0.00%	= 4.43%	\$350,380	-\$8,405	\$341,975	\$7,904,369	\$8,254,749	\$1,749,660
24	0.00%	\$0	-\$9,269	2005	8.36%	8.36%	x 1.00	= 8.36%	+ 0.00%	= 8.36%	\$689,711	-\$9,269	\$680,442	\$8,245,480	\$8,935,191	\$2,104,848
25	0.00%	\$0	-\$10,326	2006	12.36%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$914,799	-\$10,326	\$904,473	\$8,924,865	\$9,839,664	\$2,667,803
26	0.00%	\$0	-\$11,599	2007	-4.15%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$11,599	-\$11,599	\$9,828,065	\$9,828,065	\$2,073,516
27	0.00%	\$0	-\$12,903	2008	-40.09%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$12,903	-\$12,903	\$9,815,162	\$9,815,162	\$1,498,710
28	0.00%	\$0	-\$14,337	2009	30.03%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,004,585	-\$14,337	\$990,248	\$9,800,825	\$10,805,409	\$1,947,243
29	0.00%	\$0	-\$15,898	2010	19.76%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,105,925	-\$15,898	\$1,090,027	\$10,789,511	\$11,895,436	\$2,430,794
30	0.00%	\$0	-\$17,563	2011	2.04%	2.04%	x 1.00	= 2.04%	+ 0.00%	= 2.04%	\$242,800	-\$17,563	\$225,237	\$11,877,873	\$12,120,673	\$1,978,612
31	0.00%	\$0	-\$19,242	2012	14.15%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,240,397	-\$19,242	\$1,221,155	\$12,101,431	\$13,341,828	\$2,526,460
32	0.00%	\$0	-\$19,512	2013	18.99%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,365,537	-\$19,512	\$1,346,025	\$13,322,316	\$14,687,853	\$3,119,494
33	0.00%	\$0	-\$19,315	2014	11.92%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,503,525	-\$19,315	\$1,484,210	\$14,668,538	\$16,172,064	\$3,763,249
34	0.00%	\$0	-\$18,506	2015	-2.74%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$18,506	-\$18,506	\$16,153,558	\$16,153,558	\$2,808,189
35	0.00%	\$0	-\$16,865	2016	17.45%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,654,011	-\$16,865	\$1,637,146	\$16,136,693	\$17,790,704	\$3,542,179
36	0.00%	\$0	-\$14,140	2017	23.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$1,822,098	-\$14,140	\$1,807,958	\$17,776,564	\$19,598,661	\$4,340,167
37	0.00%	\$0	-\$16,463	2018	-4.41%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$16,463	-\$16,463	\$19,582,198	\$19,582,198	\$3,196,206
38	0.00%	\$0	-\$19,155	2019	31.74%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$2,005,212	-\$19,155	\$1,986,057	\$19,563,043	\$21,568,255	\$4,094,482
39	0.00%	\$0	-\$22,284	2020	18.38%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$2,208,462	-\$22,284	\$2,186,178	\$21,545,971	\$23,754,433	\$5,063,035
40	0.00%	\$0	-\$25,892	2021	28.83%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$2,432,175	-\$25,892	\$2,406,283	\$23,728,541	\$26,160,717	\$6,109,453

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

ASSET-BASED CHARGES (%) Account charges as a percentage of gross account value, after new TOTAL INDEX CONTRIBUTION and 100% BOY charges and 50% of remaining FIXED CHARGES (\$) are deducted.

ASSET-BASED CHARGES (\$) The previous year's EOY GROSS INDEX ACCUMULATED VALUE minus 100% BOY charges, minus 50% of remaining FIXED CHARGES (\$) multiplied by the ASSET-BASED CHARGES (%).

FIXED CHARGES (\$) Amounts taken from a real life product. These charges in a real life product would most likely not be fixed, as there would be some variable charges. This is merely a proxy for this category of charges.

INDEX CREDIT The after-floor after-cap index return, before any bonuses or participation rates are applied or credited. Caps are not guaranteed in a real world product. See actual product details for guarantees.

MULTIPLIER BONUS (x) A numerical number determined by a particular bonus schedule, multiplied by the basic after-floor, after-cap, INDEX CREDIT. This is not a guaranteed bonus amount. See actual product details for guarantees.

INDEX CREDIT w/ MULTIPLIER The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x). (e.g. If the MULTIPLIER BONUS (x) was 2.00, and the INDEX CREDIT was 10.00%, the INDEX CREDIT w/ MULTIPLIER would be 20.00%)

PERSISTENCY BONUS (+) A bonus credit added to the INDEX CREDIT. (e.g. If the INDEX CREDIT was 10.00% and the PERSISTENCY BONUS (+) was 0.50%, the TOTAL INDEX CREDIT (%) would be 10.50%)

TOTAL INDEX CREDIT (%) The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x) plus the PERSISTENCY BONUS (+).

TOTAL INDEX CREDITS (\$) The TOTAL INDEX CREDIT (%) multiplied by the EOY VALUE AFTER CHARGES B4 CREDIT.

TOTAL CHARGES (\$) The sum of the ASSET-BASED CHARGES (\$) and the FIXED CHARGES (\$).

YEAR-END GAIN/LOSS (\$) The EOY GROSS INDEX ACCUMULATED VALUE net gain or loss in each year based on the TOTAL INDEX CREDITS (\$) minus the TOTAL CHARGES (\$) in a given year.

EOY VALUE AFTER CHARGES B4 CREDIT The EOY account value after any new contributions in such year and after all charges have been subtracted from this cumulative value, before any index credits have been applied.

EOY GROSS INDEX ACCUMULATED VALUE The EOY account value after any new contributions, after any "Total Index Credits (\$)" have been added, and after the "Total Charges (\$)" have been subtracted.

EOY INDEX VALUE NET OF INT & EXT LOANS The EOY GROSS INDEX ACCUMULATED VALUE minus the third party Cumulative Loan Balance (if any), minus any internal cumulative loan balances as a result of Participating Loans.

ACCOUNT LOANS

AN ANNUAL EXPLANATION OF INDEX LOAN DEBT ACCRUAL

HYPOTHETICAL SYNTHETIC PROXY

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

INTERNAL ACCOUNT LOANS: PARTICIPATING										PLR: 5.00%	
YEAR	3RD PARTY PAYOFF USING PARTICIPATING LOAN	INCOME DRAWDOWNS PARTICIPATING LOANS	CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL	ACCRUED INTERNAL LOAN INTEREST	INDEX CREDIT AFTER CHARGES	CUMULATIVE INTERNAL DEBT BALANCE	CUMULATIVE INDEXED LOAN ACCOUNT VALUE	CUMULATIVE PAR LOAN GAIN/LOSS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS	
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$88,287	\$22,344	
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$184,993	\$120,495	
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$544,371	\$181,335	
4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$852,372	\$174,479	
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,278,452	\$267,896	
6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,747,691	\$384,950	
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,257,886	\$521,541	
8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,826,532	\$701,113	
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,453,065	\$912,641	
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,772,139	\$788,102	
11	-\$3,140,215	\$0	-\$3,140,215	-\$157,011	\$320,731	-\$3,297,226	\$3,449,813	\$152,587	\$4,144,039	\$846,813	
12	\$0	\$0	-\$3,297,226	-\$164,861	\$352,452	-\$3,462,087	\$3,791,009	\$328,922	\$4,553,896	\$1,091,809	
13	\$0	\$0	-\$3,462,087	-\$173,104	\$170,561	-\$3,635,191	\$3,950,227	\$315,036	\$4,745,155	\$1,109,963	
14	\$0	\$0	-\$3,635,191	-\$181,760	\$403,726	-\$3,816,951	\$4,342,519	\$525,568	\$5,216,389	\$1,399,438	
15	\$0	\$0	-\$3,816,951	-\$190,848	\$317,855	-\$4,007,798	\$4,648,946	\$641,148	\$5,584,481	\$1,576,682	
16	\$0	\$0	-\$4,007,798	-\$200,390	\$453,177	-\$4,208,188	\$5,095,832	\$887,644	\$6,121,296	\$1,913,108	
17	\$0	\$0	-\$4,208,188	-\$210,409	\$0	-\$4,418,598	\$5,089,420	\$670,823	\$6,113,594	\$1,694,996	
18	\$0	\$0	-\$4,418,598	-\$220,930	\$521,005	-\$4,639,528	\$5,603,978	\$964,450	\$6,731,699	\$2,092,171	
19	\$0	\$0	-\$4,639,528	-\$231,976	\$573,757	-\$4,871,504	\$6,171,391	\$1,299,887	\$7,413,295	\$2,541,791	
20	\$0	\$0	-\$4,871,504	-\$243,575	\$631,937	-\$5,115,079	\$6,797,181	\$1,682,102	\$8,165,017	\$3,049,938	
21	\$0	\$0	-\$5,115,079	-\$255,754	\$696,104	-\$5,370,833	\$7,487,358	\$2,116,525	\$8,994,083	\$3,623,250	
22	\$0	\$0	-\$5,370,833	-\$268,542	\$671,254	-\$5,639,375	\$8,152,217	\$2,512,842	\$9,792,735	\$4,153,360	
23	\$0	\$0	-\$5,639,375	-\$281,969	\$0	-\$5,921,344	\$8,145,220	\$2,223,876	\$9,784,330	\$3,862,986	
24	\$0	\$0	-\$5,921,344	-\$296,067	\$0	-\$6,217,411	\$8,137,503	\$1,920,093	\$9,775,061	\$3,557,650	
25	\$0	\$0	-\$6,217,411	-\$310,871	\$0	-\$6,528,281	\$8,128,907	\$1,600,626	\$9,764,735	\$3,236,453	
26	\$0	-\$258,916	-\$6,787,198	-\$339,360	\$858,731	-\$7,126,557	\$9,236,591	\$2,110,033	\$10,752,832	\$3,626,274	
27	\$0	-\$290,102	-\$7,416,659	-\$370,833	\$421,786	-\$7,787,492	\$9,937,047	\$2,149,555	\$11,216,002	\$3,428,509	
28	\$0	-\$274,281	-\$8,061,773	-\$403,089	\$853,057	-\$8,464,862	\$11,051,333	\$2,586,471	\$12,138,653	\$3,673,791	
29	\$0	-\$293,903	-\$8,758,765	-\$437,938	\$1,161,364	-\$9,196,703	\$12,491,741	\$3,295,037	\$13,365,337	\$4,168,634	
30	\$0	-\$333,491	-\$9,530,194	-\$476,510	\$0	-\$10,006,704	\$12,808,378	\$2,801,674	\$13,347,774	\$3,341,070	
31	\$0	-\$267,286	-\$10,273,989	-\$513,699	\$0	-\$10,787,689	\$13,056,814	\$2,269,125	\$13,328,532	\$2,540,843	
32	\$0	-\$203,267	-\$10,990,956	-\$549,548	\$1,357,169	-\$11,540,504	\$14,597,838	\$3,057,334	\$14,673,195	\$3,132,690	
33	\$0	-\$250,615	-\$11,791,119	-\$589,556	\$1,519,963	-\$12,380,675	\$16,348,871	\$3,968,196	\$16,155,902	\$3,775,227	
34	\$0	-\$302,018	-\$12,682,693	-\$634,135	\$339,977	-\$13,316,828	\$16,971,793	\$3,654,965	\$16,467,266	\$3,150,438	
35	\$0	-\$252,035	-\$13,568,863	-\$678,443	\$1,763,634	-\$14,247,306	\$18,969,822	\$4,722,516	\$18,136,568	\$3,889,261	
36	\$0	-\$311,141	-\$14,558,447	-\$727,922	\$1,974,758	-\$15,286,370	\$21,240,689	\$5,954,320	\$19,979,976	\$4,693,607	
37	\$0	-\$375,489	-\$15,661,858	-\$783,093	\$2,213,833	-\$16,444,951	\$23,812,199	\$7,367,248	\$22,009,774	\$5,564,823	
38	\$0	-\$445,186	-\$16,890,137	-\$844,507	\$0	-\$17,734,644	\$24,236,274	\$6,501,630	\$21,990,619	\$4,255,975	
39	\$0	-\$340,478	-\$18,075,122	-\$903,756	\$2,516,564	-\$18,978,878	\$27,068,411	\$8,089,534	\$24,220,089	\$5,241,211	
40	\$0	-\$419,297	-\$19,398,175	-\$969,909	\$2,814,478	-\$20,368,083	\$30,272,801	\$9,904,718	\$26,674,102	\$6,306,019	

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

INTERNAL ACCOUNT LOANS: PARTICIPATING PLR: 5.00%

3RD PARTY PAYOFF USING PARTICIPATING LOAN The index value used to payoff the 3rd party premium financing loan. This can be done with either a withdrawal or a participating loan.

INCOME DRAWDOWNS PARTICIPATING LOANS These are drawdown modeling requests made by the client for supplemental retirement income. These can be done with either fixed loans or participating loans.

CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL The running YTD total internal loan, including all drawdowns, plus the accrued interest on the drawdowns.

ACCRUED INTERNAL LOAN INTEREST The interest due each year on the internal loans, including the drawdown principal AND the accrued/compounded interest from previous years.

INDEX CREDIT AFTER CHARGES The net dollar interest gained each year on the funds moved to the INDEX LOAN ACCOUNT (after charges) assuming participating loans are credited based on the INDEX CREDIT with no bonuses.

CUMULATIVE INTERNAL DEBT BALANCE The running YTD total of accrued internal debt from internal loans, including the accrued interest.

CUMULATIVE INDEXED LOAN ACCOUNT VALUE The running YTD total of accumulated funds in the INDEX LOAN ACCOUNT as a result of the participating loans leaving the primary index account, including index credit gains, minus charges on these particular funds.

CUMULATIVE PAR LOAN GAIN/LOSS The running YTD cumulative net gain or loss as a result of Participating Loans (the CUMULATIVE INTERNAL DEBT BALANCE plus the CUMULATIVE INDEXED LOAN ACCOUNT VALUE).

EOY GROSS INDEX ACCUMULATED VALUE The indexed accumulated value, not including any surrender charges, internal loans, or 3rd party lender debt.

EOY INDEX VALUE NET OF INT & EXT LOANS The indexed accumulated value, minus any surrender charges, internal loans, and 3rd party lender debt.

HYPOTHETICAL SYNTHETIC PROXY

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

INTERNAL ACCOUNT LOANS: PARTICIPATING PLR: 5.00%										
1	2	3	4	5	6	7	8	9	10	
YEAR	3RD PARTY PAYOFF USING PARTICIPATING LOAN	INCOME DRAWDOWNS PARTICIPATING LOANS	CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL	ACCRUED INTERNAL LOAN INTEREST	INDEX CREDIT AFTER CHARGES	CUMULATIVE INTERNAL DEBT BALANCE	CUMULATIVE INDEXED LOAN ACCOUNT VALUE	CUMULATIVE PAR LOAN GAIN/LOSS	EYO GROSS INDEX ACCUMULATED VALUE	EYO INDEX VALUE NET OF INT & EXT LOANS
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$88,287	\$22,344
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$167,794	\$103,296
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$476,562	\$113,526
4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$864,981	\$187,088
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,292,353	\$281,796
6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,599,108	\$236,367
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,024,056	\$287,711
8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,483,973	\$358,554
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,075,393	\$534,969
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,394,467	\$410,431
11	-\$3,140,215	\$0	-\$3,140,215	-\$157,011	\$114,151	-\$3,297,226	\$3,241,995	-\$55,231	\$3,504,488	\$207,262
12	\$0	\$0	-\$3,297,226	-\$164,861	\$331,022	-\$3,462,087	\$3,560,509	\$98,422	\$3,848,791	\$386,704
13	\$0	\$0	-\$3,462,087	-\$173,104	\$641	-\$3,635,191	\$3,548,545	-\$86,646	\$3,835,859	\$200,667
14	\$0	\$0	-\$3,635,191	-\$181,760	\$340,173	-\$3,816,951	\$3,876,011	\$59,060	\$4,189,838	\$372,887
15	\$0	\$0	-\$3,816,951	-\$190,848	\$395,989	-\$4,007,798	\$4,259,301	\$251,503	\$4,604,162	\$596,364
16	\$0	\$0	-\$4,007,798	-\$200,390	\$435,862	-\$4,208,188	\$4,688,172	\$479,984	\$5,067,757	\$859,569
17	\$0	\$0	-\$4,208,188	-\$210,409	\$0	-\$4,418,598	\$4,681,047	\$262,449	\$5,060,055	\$641,457
18	\$0	\$0	-\$4,418,598	-\$220,930	\$479,073	-\$4,639,528	\$5,152,955	\$513,427	\$5,570,172	\$930,644
19	\$0	\$0	-\$4,639,528	-\$231,976	\$0	-\$4,871,504	\$5,145,905	\$274,401	\$5,562,551	\$691,047
20	\$0	\$0	-\$4,871,504	-\$243,575	\$526,755	-\$5,115,079	\$5,665,829	\$550,750	\$6,124,572	\$1,009,492
21	\$0	\$0	-\$5,115,079	-\$255,754	\$436,853	-\$5,370,833	\$6,096,096	\$725,263	\$6,589,676	\$1,218,843
22	\$0	\$0	-\$5,370,833	-\$268,542	\$599,426	-\$5,639,375	\$6,688,414	\$1,049,039	\$7,229,952	\$1,590,577
23	\$0	\$0	-\$5,639,375	-\$281,969	\$55,025	-\$5,921,344	\$6,735,664	\$814,321	\$7,281,028	\$1,359,684
24	\$0	\$0	-\$5,921,344	-\$296,067	\$689,527	-\$6,217,411	\$7,416,616	\$1,199,205	\$8,017,114	\$1,799,703
25	\$0	\$0	-\$6,217,411	-\$310,871	\$759,224	-\$6,528,281	\$8,166,288	\$1,638,006	\$8,827,484	\$2,299,203
26	\$0	-\$183,936	-\$6,712,218	-\$335,611	\$854,773	-\$7,047,828	\$9,194,025	\$2,146,197	\$9,719,513	\$2,671,685
27	\$0	-\$213,735	-\$7,261,563	-\$363,078	\$691,593	-\$7,624,641	\$10,086,864	\$2,462,222	\$10,421,121	\$2,796,480
28	\$0	-\$223,718	-\$7,848,360	-\$392,418	\$1,055,381	-\$8,240,778	\$11,351,778	\$3,111,000	\$11,473,479	\$3,232,702
29	\$0	-\$258,616	-\$8,499,394	-\$424,970	\$1,188,416	-\$8,924,364	\$12,782,723	\$3,858,359	\$12,631,983	\$3,707,620
30	\$0	-\$296,610	-\$9,220,973	-\$461,049	\$0	-\$9,682,022	\$13,061,147	\$3,379,126	\$12,614,420	\$2,932,399
31	\$0	-\$234,592	-\$9,916,614	-\$495,831	\$0	-\$10,412,444	\$13,275,458	\$2,863,014	\$12,595,178	\$2,182,734
32	\$0	-\$174,619	-\$10,587,063	-\$529,353	\$1,376,497	-\$11,116,416	\$14,805,737	\$3,689,321	\$13,864,672	\$2,748,256
33	\$0	-\$219,860	-\$11,336,277	-\$566,814	\$1,537,978	-\$11,903,091	\$16,542,644	\$4,639,553	\$15,264,506	\$3,361,416
34	\$0	-\$268,913	-\$12,172,004	-\$608,600	\$1,720,879	-\$12,780,604	\$18,512,055	\$5,731,451	\$16,808,519	\$4,027,915
35	\$0	-\$322,233	-\$13,102,837	-\$655,142	\$1,638,982	-\$13,757,979	\$20,454,373	\$6,696,394	\$18,254,351	\$4,496,372
36	\$0	-\$359,710	-\$14,117,689	-\$705,884	\$2,131,791	-\$14,823,573	\$22,929,751	\$8,106,177	\$20,109,833	\$5,286,260
37	\$0	-\$422,901	-\$15,246,474	-\$762,324	\$0	-\$16,008,798	\$23,333,534	\$7,324,736	\$20,093,370	\$4,084,572
38	\$0	-\$326,766	-\$16,335,564	-\$816,778	\$0	-\$17,152,342	\$23,637,744	\$6,485,402	\$20,074,215	\$2,921,873
39	\$0	-\$233,750	-\$17,386,092	-\$869,305	\$1,897,530	-\$18,255,396	\$25,742,525	\$7,487,128	\$21,647,618	\$3,392,222
40	\$0	-\$271,378	-\$18,526,774	-\$926,339	\$0	-\$19,453,113	\$25,982,788	\$6,529,675	\$21,621,726	\$2,168,613

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

INTERNAL ACCOUNT LOANS: PARTICIPATING PLR: 5.00%

- 3RD PARTY PAYOFF USING PARTICIPATING LOAN** The index value used to payoff the 3rd party premium financing loan. This can be done with either a withdrawal or a participating loan.
- INCOME DRAWDOWNS PARTICIPATING LOANS** These are drawdown modeling requests made by the client for supplemental retirement income. These can be done with either fixed loans or participating loans.
- CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL** The running YTD total internal loan, including all drawdowns, plus the accrued interest on the drawdowns.
- ACCRUED INTERNAL LOAN INTEREST** The interest due each year on the internal loans, including the drawdown principal AND the accrued/compounded interest from previous years.
- INDEX CREDIT AFTER CHARGES** The net dollar interest gained each year on the funds moved to the INDEX LOAN ACCOUNT (after charges) assuming participating loans are credited based on the INDEX CREDIT with no bonuses.
- CUMULATIVE INTERNAL DEBT BALANCE** The running YTD total of accrued internal debt from internal loans, including the accrued interest.
- CUMULATIVE INDEXED LOAN ACCOUNT VALUE** The running YTD total of accumulated funds in the INDEX LOAN ACCOUNT as a result of the participating loans leaving the primary index account, including index credit gains, minus charges on these particular funds.
- CUMULATIVE PAR LOAN GAIN/LOSS** The running YTD cumulative net gain or loss as a result of Participating Loans (the CUMULATIVE INTERNAL DEBT BALANCE plus the CUMULATIVE INDEXED LOAN ACCOUNT VALUE).
- EYO GROSS INDEX ACCUMULATED VALUE** The indexed accumulated value, not including any surrender charges, internal loans, or 3rd party lender debt.
- EYO INDEX VALUE NET OF INT & EXT LOANS** The indexed accumulated value, minus any surrender charges, internal loans, and 3rd party lender debt.

HYPOTHETICAL SYNTHETIC PROXY

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

INTERNAL ACCOUNT LOANS: PARTICIPATING										PLR: 5.00%	
1	2	3	4	5	6	7	8	9	10		
YEAR	3RD PARTY PAYOFF USING PARTICIPATING LOAN	INCOME DRAWDOWNS PARTICIPATING LOANS	CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL	ACCRUED INTERNAL LOAN INTEREST	INDEX CREDIT AFTER CHARGES	CUMULATIVE INTERNAL DEBT BALANCE	CUMULATIVE INDEXED LOAN ACCOUNT VALUE	CUMULATIVE PAR LOAN GAIN/LOSS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS	
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$88,287	\$22,344	
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$184,993	\$120,495	
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$542,771	\$179,735	
4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$937,977	\$248,936	
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,372,830	\$335,683	
6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,679,585	\$286,256	
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,189,456	\$402,160	
8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,751,088	\$519,351	
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,194,518	\$456,096	
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,873,736	\$618,025	
11	-\$3,449,788	\$0	-\$3,449,788	-\$172,489	\$252,303	-\$3,622,277	\$3,690,181	\$67,904	\$4,143,671	\$521,394	
12	\$0	\$0	-\$3,622,277	-\$181,114	\$359,029	-\$3,803,391	\$4,037,168	\$233,778	\$4,533,301	\$729,910	
13	\$0	\$0	-\$3,803,391	-\$190,170	\$0	-\$3,993,560	\$4,025,035	\$31,474	\$4,519,676	\$526,115	
14	\$0	\$0	-\$3,993,560	-\$199,678	\$411,312	-\$4,193,238	\$4,424,114	\$230,876	\$4,967,798	\$774,560	
15	\$0	\$0	-\$4,193,238	-\$209,662	\$452,219	-\$4,402,900	\$4,864,108	\$461,208	\$5,461,864	\$1,058,963	
16	\$0	\$0	-\$4,402,900	-\$220,145	\$497,881	-\$4,623,045	\$5,355,259	\$732,214	\$6,013,373	\$1,390,328	
17	\$0	\$0	-\$4,623,045	-\$231,152	\$548,211	-\$4,854,197	\$5,896,611	\$1,042,414	\$6,621,252	\$1,767,055	
18	\$0	\$0	-\$4,854,197	-\$242,710	\$528,474	-\$5,096,907	\$6,418,188	\$1,321,281	\$7,206,926	\$2,110,019	
19	\$0	\$0	-\$5,096,907	-\$254,845	\$0	-\$5,351,753	\$6,411,401	\$1,059,648	\$7,199,305	\$1,847,553	
20	\$0	\$0	-\$5,351,753	-\$267,588	\$0	-\$5,619,340	\$6,404,825	\$785,485	\$7,191,921	\$1,572,581	
21	\$0	\$0	-\$5,619,340	-\$280,967	\$0	-\$5,900,307	\$6,398,485	\$498,178	\$7,184,802	\$1,284,495	
22	\$0	\$0	-\$5,900,307	-\$295,015	\$655,143	-\$6,195,323	\$7,046,787	\$851,464	\$7,912,774	\$1,717,451	
23	\$0	\$0	-\$6,195,323	-\$309,766	\$312,034	-\$6,505,089	\$7,351,335	\$846,246	\$8,254,749	\$1,749,660	
24	\$0	\$0	-\$6,505,089	-\$325,254	\$614,228	-\$6,830,343	\$7,957,309	\$1,126,965	\$8,935,191	\$2,104,848	
25	\$0	\$0	-\$6,830,343	-\$341,517	\$814,682	-\$7,171,861	\$8,762,795	\$1,590,934	\$9,839,664	\$2,667,803	
26	\$0	-\$213,424	-\$7,385,285	-\$369,264	\$0	-\$7,754,549	\$8,965,638	\$1,211,089	\$9,828,065	\$2,073,516	
27	\$0	-\$165,881	-\$7,920,430	-\$396,022	\$0	-\$8,316,452	\$9,119,530	\$803,079	\$9,815,162	\$1,498,710	
28	\$0	-\$119,897	-\$8,436,349	-\$421,817	\$945,658	-\$8,858,166	\$10,171,589	\$1,313,423	\$10,805,409	\$1,947,243	
29	\$0	-\$155,779	-\$9,013,946	-\$450,697	\$1,056,998	-\$9,464,643	\$11,369,172	\$1,904,529	\$11,895,436	\$2,430,794	
30	\$0	-\$194,463	-\$9,659,106	-\$482,955	\$236,027	-\$10,142,062	\$11,782,590	\$1,640,528	\$12,120,673	\$1,978,612	
31	\$0	-\$158,289	-\$10,300,351	-\$515,018	\$1,221,997	-\$10,815,368	\$13,143,919	\$2,328,551	\$13,341,828	\$2,526,460	
32	\$0	-\$202,117	-\$11,017,485	-\$550,874	\$1,365,968	-\$11,568,359	\$14,692,486	\$3,124,126	\$14,687,853	\$3,119,494	
33	\$0	-\$249,560	-\$11,817,919	-\$590,896	\$1,529,546	-\$12,408,815	\$16,451,941	\$4,043,127	\$16,172,064	\$3,763,249	
34	\$0	-\$301,060	-\$12,709,874	-\$635,494	\$0	-\$13,345,368	\$16,733,831	\$3,388,462	\$16,153,558	\$2,808,189	
35	\$0	-\$224,655	-\$13,570,023	-\$678,501	\$1,736,430	-\$14,248,525	\$18,677,210	\$4,428,686	\$17,790,704	\$3,542,179	
36	\$0	-\$283,374	-\$14,531,899	-\$726,595	\$1,941,915	-\$15,258,494	\$20,887,430	\$5,628,936	\$19,598,661	\$4,340,167	
37	\$0	-\$347,213	-\$15,605,707	-\$780,285	\$0	-\$16,385,993	\$21,216,806	\$4,830,814	\$19,582,198	\$3,196,206	
38	\$0	-\$255,696	-\$16,641,689	-\$832,084	\$2,198,779	-\$17,473,773	\$23,650,277	\$6,176,504	\$21,568,255	\$4,094,482	
39	\$0	-\$327,559	-\$17,801,332	-\$890,067	\$2,455,189	-\$18,691,399	\$26,408,251	\$7,716,852	\$23,754,433	\$5,063,035	
40	\$0	-\$405,043	-\$19,096,441	-\$954,822	\$2,745,367	-\$20,051,263	\$29,529,435	\$9,478,171	\$26,160,717	\$6,109,453	

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

INTERNAL ACCOUNT LOANS: PARTICIPATING

PLR: 5.00%

3RD PARTY PAYOFF USING PARTICIPATING LOAN The index value used to payoff the 3rd party premium financing loan. This can be done with either a withdrawal or a participating loan.

INCOME DRAWDOWNS PARTICIPATING LOANS These are drawdown modeling requests made by the client for supplemental retirement income. These can be done with either fixed loans or participating loans.

CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL The running YTD total internal loan, including all drawdowns, plus the accrued interest on the drawdowns.

ACCRUED INTERNAL LOAN INTEREST The interest due each year on the internal loans, including the drawdown principal AND the accrued/compounded interest from previous years.

INDEX CREDIT AFTER CHARGES The net dollar interest gained each year on the funds moved to the INDEX LOAN ACCOUNT (after charges) assuming participating loans are credited based on the INDEX CREDIT with no bonuses.

CUMULATIVE INTERNAL DEBT BALANCE The running YTD total of accrued internal debt from internal loans, including the accrued interest.

CUMULATIVE INDEXED LOAN ACCOUNT VALUE The running YTD total of accumulated funds in the INDEX LOAN ACCOUNT as a result of the participating loans leaving the primary index account, including index credit gains, minus charges on these particular funds.

CUMULATIVE PAR LOAN GAIN/LOSS The running YTD cumulative net gain or loss as a result of Participating Loans (the CUMULATIVE INTERNAL DEBT BALANCE plus the CUMULATIVE INDEXED LOAN ACCOUNT VALUE).

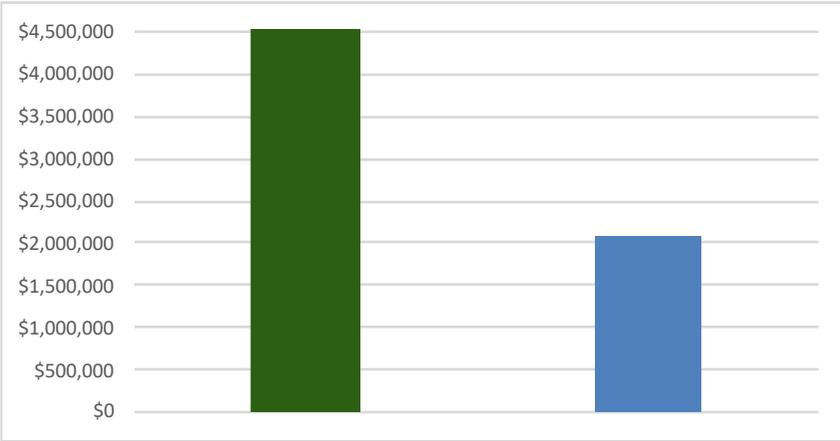
EOY GROSS INDEX ACCUMULATED VALUE The indexed accumulated value, not including any surrender charges, internal loans, or 3rd party lender debt.

EOY INDEX VALUE NET OF INT & EXT LOANS The indexed accumulated value, minus any surrender charges, internal loans, and 3rd party lender debt.

3RD YEAR FINANCING vs. EQUITIES & BONDS PORTFOLIO

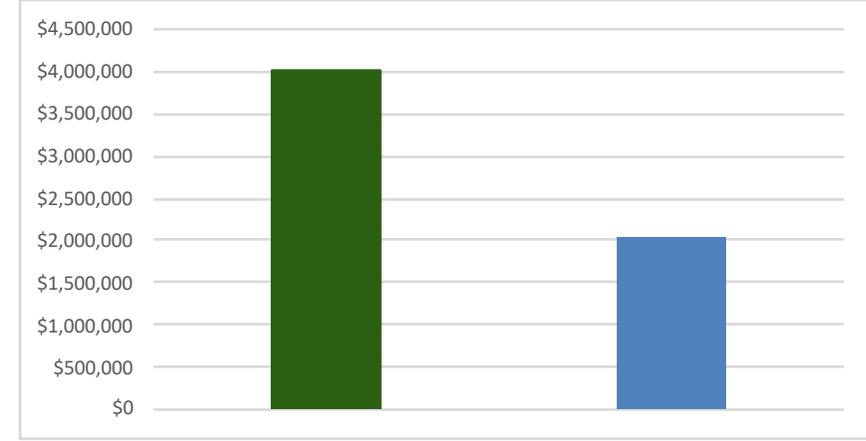
AN INCOME DRAWDOWN & ACCOUNT VALUE COMPARISON

BEST CAGR PERIOD OUT OF 121 DIFFERENT 40-YEAR S&P PERIODS ANALYZED



	BEST 40:	3RD YEAR FINANCING	EQUITIES & BONDS ACCOUNT
AVE ANNUAL INCOME:		\$307,834	\$257,710
TOTAL INCOME:		\$4,617,505	\$2,061,683
YR 40 ACCOUNT VALUE:		\$6,306,019	\$0

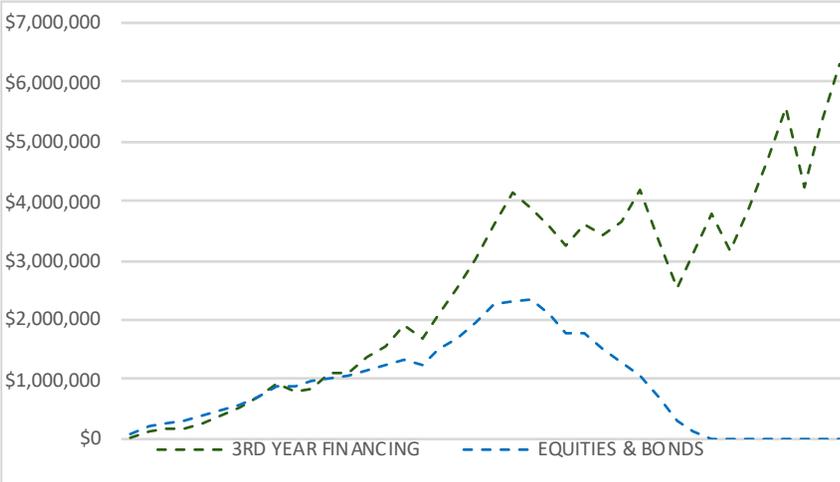
WORST CAGR PERIOD OUT OF 121 DIFFERENT 40-YEAR S&P PERIODS ANALYZED



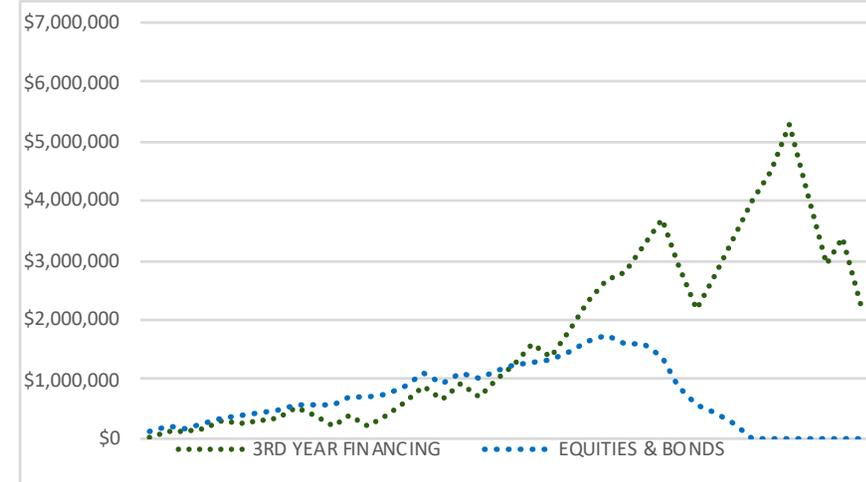
	WORST 40:	3RD YEAR FINANCING	EQUITIES & BONDS ACCOUNT
AVE ANNUAL INCOME:		\$267,422	\$227,776
TOTAL INCOME:		\$4,011,337	\$2,049,981
YR 40 ACCOUNT VALUE:		\$2,168,613	\$0

NET ACCOUNT VALUE (COMPARISON)

BEST CAGR PERIOD OUT OF 121 DIFFERENT 40-YEAR S&P PERIODS ANALYZED



WORST CAGR PERIOD OUT OF 121 DIFFERENT 40-YEAR S&P PERIODS ANALYZED



DISCLAIMER: The "Gross Equities Return" is a hypothetical return based on historical annual point-to-point S&P 500 performance (starting on the first day of a particular month) not including dividends, plus a 2.00% bonus added. The "Gross Bond Return" is a hypothetical return based on historical 10-Year T-Bond Returns during the January 1st to December 31st period. The taxation and investment fees are merely hypothetical based on certain assumptions, and would vary from client situation to client situation based on a number of factors and variables. Such variables may be changed and modeled per the client or advisor's request. The assumptions made in this document are purely hypothetical and do not represent any specific investment, fund or asset in particular. The purpose of this document is for educational purposes only.

HYPOTHETICAL EQUITIES & BONDS ACCOUNT vs. 3RD YEAR FINANCING

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

EQUITIES	BONDS	Current Adjusted Gross Income (AGI):	\$250,000	% of Equities Taxed at STCG Tax Rates:	0.00%	Advisor Fee:	0.50%	
<AGE 56:	70.00%	30.00%	Current Income Tax Rate:	37.10%	% of Equities Taxed at LTCG Tax Rates:	100.00%	Fund Manager Fee:	0.70%
AGE 56+:	70.00%	30.00%	Long-Term Capital Gains Tax Rate:	28.10%	% of Bonds Taxed at STCG Tax Rates:	100.00%	Broker Dealer Fee:	0.15%
		State of Residence:	CA			Investment Fees (All-In):	1.35%	

#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
YEAR	AGE	ANNUAL INVESTED	CALENDAR YEAR	GROSS EQUITIES RETURN	AFTER-FEE EQUITIES RETURN	AFTER-FEE & TAX EQUITIES RETURN	CALENDAR YEAR	GROSS BOND RETURN	AFTER-FEE BOND RETURN	AFTER-FEE & TAX BOND RETURN	TOTAL CHARGES	NET RETURN	INCOME DRAWDOWNS	AFTER-TAX ACCOUNT VALUE	LEVERAGED SYNTHETIC ACCOUNT VALUE	LEVERAGED SYNTHETIC INCREASE	
1	40	\$100,000	1978	13.97%	12.62%	9.07%	1978	-7.81%	-9.16%	-9.16%	1.35%	3.60%	\$0	\$103,601	vs	\$22,344	
2	41	\$100,000	1979	16.24%	14.89%	10.71%	1979	-9.51%	-10.86%	-10.86%	1.35%	4.24%	\$0	\$212,224	vs	\$120,495	
3	42	\$50,000	1980	15.48%	14.13%	10.16%	1980	-14.57%	-15.92%	-15.92%	1.35%	2.34%	\$0	\$268,354	vs	\$181,335	
4	43	\$50,000	1981	-5.06%	-6.41%	-6.41%	1981	-1.94%	-3.29%	-3.29%	1.35%	-5.47%	\$0	\$300,925	vs	\$174,479	
5	44	\$50,000	1982	22.68%	21.33%	15.34%	1982	25.14%	23.79%	14.96%	1.35%	15.23%	\$0	\$404,354	vs	\$267,896	
6	45	\$50,000	1983	14.46%	13.11%	9.43%	1983	-0.01%	-1.36%	-1.36%	1.35%	6.19%	\$0	\$482,486	vs	\$384,950	
7	46	\$50,000	1984	11.93%	10.58%	7.60%	1984	9.04%	7.69%	4.84%	1.35%	6.77%	\$0	\$568,561	vs	\$521,541	
8	47	\$50,000	1985	19.90%	18.55%	13.34%	1985	21.41%	20.06%	12.62%	1.35%	13.12%	\$0	\$699,717	vs	\$701,113	
9	48	\$50,000	1986	31.42%	30.07%	21.62%	1986	21.97%	20.62%	12.97%	1.35%	19.02%	\$0	\$892,340	vs	\$912,641	
10	49	\$50,000	1987	-4.21%	-5.56%	-5.56%	1987	-8.32%	-9.67%	-9.67%	1.35%	-6.79%	\$0	\$878,352	vs	\$788,102	-10.27%
11	50	\$0	1988	17.72%	16.37%	11.77%	1988	3.98%	2.63%	1.66%	1.35%	8.73%	\$0	\$955,065	vs	\$846,813	-11.33%
12	51	\$0	1989	12.63%	11.28%	8.11%	1989	12.27%	10.92%	6.87%	1.35%	7.74%	\$0	\$1,028,955	vs	\$1,091,809	6.11%
13	52	\$0	1990	6.51%	5.16%	3.71%	1990	0.79%	-0.56%	-0.56%	1.35%	2.43%	\$0	\$1,053,976	vs	\$1,109,963	5.31%
14	53	\$0	1991	20.86%	19.51%	14.02%	1991	10.33%	8.98%	5.65%	1.35%	11.51%	\$0	\$1,175,311	vs	\$1,399,438	19.07%
15	54	\$0	1992	9.34%	7.99%	5.74%	1992	6.15%	4.80%	3.02%	1.35%	4.93%	\$0	\$1,233,206	vs	\$1,576,682	27.85%
16	55	\$0	1993	11.76%	10.41%	7.49%	1993	10.94%	9.59%	6.03%	1.35%	7.05%	\$0	\$1,320,133	vs	\$1,913,108	44.92%
17	56	\$0	1994	-0.32%	-1.67%	-1.67%	1994	-10.37%	-11.72%	-11.72%	1.35%	-4.69%	\$0	\$1,258,239	vs	\$1,694,996	34.71%
18	57	\$0	1995	37.20%	35.85%	25.78%	1995	20.11%	18.76%	11.80%	1.35%	21.58%	\$0	\$1,529,828	vs	\$2,092,171	36.76%
19	58	\$0	1996	25.61%	24.26%	17.44%	1996	-1.46%	-2.81%	-2.81%	1.35%	11.37%	\$0	\$1,703,696	vs	\$2,541,791	49.19%
20	59	\$0	1997	26.69%	25.34%	18.22%	1997	7.43%	6.08%	3.82%	1.35%	13.90%	\$0	\$1,940,537	vs	\$3,049,938	57.17%
21	60	\$0	1998	32.54%	31.19%	22.42%	1998	13.16%	11.81%	7.43%	1.35%	17.93%	\$0	\$2,288,407	vs	\$3,623,250	58.33%
22	61	\$0	1999	10.97%	9.62%	6.92%	1999	-10.22%	-11.57%	-11.57%	1.35%	1.37%	\$0	\$2,319,817	vs	\$4,153,360	79.04%
23	62	\$0	2000	-0.04%	-1.39%	-1.39%	2000	12.84%	11.49%	7.23%	1.35%	1.20%	\$0	\$2,347,559	vs	\$3,862,986	64.55%
24	63	\$0	2001	-15.26%	-16.61%	-16.61%	2001	2.67%	1.32%	0.83%	1.35%	-11.38%	\$0	\$2,080,414	vs	\$3,557,650	71.01%
25	64	\$0	2002	-22.29%	-23.64%	-23.64%	2002	13.32%	11.97%	7.53%	1.35%	-14.29%	\$0	\$1,783,168	vs	\$3,236,453	81.50%
26	65	\$0	2003	34.19%	32.84%	23.61%	2003	-1.85%	-3.20%	-3.20%	1.35%	15.57%	-\$258,916	\$1,761,523	vs	\$3,626,274	92.29%
27	66	\$0	2004	6.43%	5.08%	3.65%	2004	1.77%	0.42%	0.26%	1.35%	2.64%	-\$290,102	\$1,510,217	vs	\$3,428,509	93.16%
28	67	\$0	2005	10.36%	9.01%	6.48%	2005	-0.51%	-1.86%	-1.86%	1.35%	3.98%	-\$274,281	\$1,285,123	vs	\$3,673,791	113.29%
29	68	\$0	2006	14.36%	13.01%	9.35%	2006	-1.23%	-2.58%	-2.58%	1.35%	5.77%	-\$293,903	\$1,048,443	vs	\$4,168,634	144.08%
30	69	\$0	2007	-2.15%	-3.50%	-3.50%	2007	7.15%	5.80%	3.65%	1.35%	-1.36%	-\$333,491	\$705,264	vs	\$3,341,070	122.26%
31	70	\$0	2008	-38.09%	-39.44%	-39.44%	2008	15.66%	14.31%	9.00%	1.35%	-24.91%	-\$267,286	\$328,887	vs	\$2,540,843	108.07%
32	71	\$0	2009	32.03%	30.68%	22.06%	2009	-10.80%	-12.15%	-12.15%	1.35%	11.80%	-\$203,267	\$140,437	vs	\$3,132,690	145.14%
33	72	\$0	2010	21.76%	20.41%	14.68%	2010	6.71%	5.36%	3.37%	1.35%	11.29%	-\$140,437	\$0	vs	\$3,775,227	188.46%
34	73	\$0	2011	4.04%	2.69%	1.94%	2011	12.48%	11.13%	7.00%	1.35%	3.46%	\$0	\$0	vs	\$3,150,438	172.80%
35	74	\$0	2012	16.15%	14.80%	10.64%	2012	0.88%	-0.47%	-0.47%	1.35%	7.31%	\$0	\$0	vs	\$3,889,261	220.86%
36	75	\$0	2013	20.99%	19.64%	14.12%	2013	-10.42%	-11.77%	-11.77%	1.35%	6.35%	\$0	\$0	vs	\$4,693,607	274.97%
37	76	\$0	2014	13.92%	12.57%	9.03%	2014	8.98%	7.63%	4.80%	1.35%	7.76%	\$0	\$0	vs	\$5,564,823	335.44%
38	77	\$0	2015	-0.74%	-2.09%	-2.09%	2015	1.16%	-0.19%	-0.19%	1.35%	-1.52%	\$0	\$0	vs	\$4,255,975	293.55%
39	78	\$0	2016	19.45%	18.10%	13.02%	2016	-0.56%	-1.91%	-1.91%	1.35%	8.54%	\$0	\$0	vs	\$5,241,211	357.85%
40	79	\$0	2017	25.91%	24.56%	17.66%	2017	0.66%	-0.69%	-0.69%	1.35%	12.15%	\$0	\$0	vs	\$6,306,019	429.84%

Average Equities Return: 12.23%

Average T-Bond Return: 3.94%

Average Net Portfolio Return: 5.16%

BEST 40

AVERAGE ANNUAL INCOME DRAWN DOWN: \$257,710

DISCLAIMER: The "Gross Equities Return" is a hypothetical return based on historical annual point-to-point S&P 500 performance (starting on the first day of a particular month) not including dividends, plus a 2.00% bonus added. The "Gross Bond Return" is a hypothetical return based on historical 10-Year T-Bond Returns during the January 1st to December 31st period. The taxation and investment fees are merely hypothetical based on certain assumptions, and would vary from client situation to client situation based on a number of factors and variables. Such variables may be changed and modeled per the client or advisor's request. The assumptions made in this document are purely hypothetical and do not represent any specific investment, fund or asset in particular. The purpose of this document is for educational purposes only.

HYPOTHETICAL EQUITIES & BONDS ACCOUNT vs. 3RD YEAR FINANCING

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

EQUITIES	BONDS	Current Adjusted Gross Income (AGI):	\$250,000	% of Equities Taxed at STCG Tax Rates:	0.00%	Advisor Fee:	0.50%	
<AGE 56:	70.00%	30.00%	Current Income Tax Rate:	37.10%	% of Equities Taxed at LTCG Tax Rates:	100.00%	Fund Manager Fee:	0.70%
AGE 56+:	70.00%	30.00%	Long-Term Capital Gains Tax Rate:	28.10%	% of Bonds Taxed at STCG Tax Rates:	100.00%	Broker Dealer Fee:	0.15%
State of Residence:				CA	Investment Fees (All-In):			1.35%

#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
YEAR	AGE	ANNUAL INVESTED	CALENDAR YEAR	GROSS EQUITIES RETURN	AFTER-FEE EQUITIES RETURN	AFTER-FEE & TAX EQUITIES RETURN	CALENDAR YEAR	GROSS BOND RETURN	AFTER-FEE BOND RETURN	AFTER-FEE & TAX BOND RETURN	TOTAL CHARGES	NET RETURN	INCOME DRAWDOWNS	AFTER-TAX ACCOUNT VALUE	LEVERAGED SYNTHETIC ACCOUNT VALUE	LEVERAGED SYNTHETIC INCREASE
1	40	\$100,000	1971	14.42%	13.07%	9.39%	1971	5.27%	3.92%	2.46%	1.35%	7.32%	\$0	\$107,315	vs	\$22,344
2	41	\$100,000	1972	0.08%	-1.27%	-1.27%	1972	-0.44%	-1.79%	-1.79%	1.35%	-1.42%	\$0	\$204,363	vs	\$103,296
3	42	\$50,000	1973	-39.40%	-40.75%	-40.75%	1973	-2.37%	-3.72%	-3.72%	1.35%	-29.64%	\$0	\$178,965	vs	\$113,526
4	43	\$50,000	1974	34.00%	32.65%	23.47%	1974	-8.16%	-9.51%	-9.51%	1.35%	13.58%	\$0	\$260,051	vs	\$187,088
5	44	\$50,000	1975	27.48%	26.13%	18.79%	1975	-5.07%	-6.42%	-6.42%	1.35%	11.22%	\$0	\$344,851	vs	\$281,796
6	45	\$50,000	1976	-6.28%	-7.63%	-7.63%	1976	9.68%	8.33%	5.24%	1.35%	-3.77%	\$0	\$379,981	vs	\$236,367
7	46	\$50,000	1977	8.23%	6.88%	4.94%	1977	-4.89%	-6.24%	-6.24%	1.35%	1.59%	\$0	\$436,807	vs	\$287,711
8	47	\$50,000	1978	8.61%	7.26%	5.22%	1978	-7.81%	-9.16%	-9.16%	1.35%	0.91%	\$0	\$491,219	vs	\$358,554
9	48	\$50,000	1979	16.76%	15.41%	11.08%	1979	-9.51%	-10.86%	-10.86%	1.35%	4.50%	\$0	\$565,568	vs	\$534,969
10	49	\$50,000	1980	-5.40%	-6.75%	-6.75%	1980	-14.57%	-15.92%	-15.92%	1.35%	-9.50%	\$0	\$557,106	vs	\$410,431
11	50	\$0	1981	5.65%	4.30%	3.09%	1981	-1.94%	-3.29%	-3.29%	1.35%	1.18%	\$0	\$563,670	vs	\$207,262
12	51	\$0	1982	39.91%	38.56%	27.72%	1982	25.14%	23.79%	14.96%	1.35%	23.90%	\$0	\$698,366	vs	\$386,704
13	52	\$0	1983	2.02%	0.67%	0.48%	1983	-0.01%	-1.36%	-1.36%	1.35%	-0.07%	\$0	\$697,861	vs	\$200,667
14	53	\$0	1984	11.62%	10.27%	7.38%	1984	9.04%	7.69%	4.84%	1.35%	6.62%	\$0	\$744,067	vs	\$372,887
15	54	\$0	1985	29.04%	27.69%	19.91%	1985	21.41%	20.06%	12.62%	1.35%	17.72%	\$0	\$875,936	vs	\$596,364
16	55	\$0	1986	41.13%	39.78%	28.60%	1986	21.97%	20.62%	12.97%	1.35%	23.91%	\$0	\$1,085,380	vs	\$859,569
17	56	\$0	1987	-13.51%	-14.86%	-14.86%	1987	-8.32%	-9.67%	-9.67%	1.35%	-13.30%	\$0	\$940,982	vs	\$641,457
18	57	\$0	1988	30.41%	29.06%	20.89%	1988	3.98%	2.63%	1.66%	1.35%	15.12%	\$0	\$1,083,268	vs	\$930,644
19	58	\$0	1989	-10.34%	-11.69%	-11.69%	1989	12.27%	10.92%	6.87%	1.35%	-6.12%	\$0	\$1,016,922	vs	\$691,047
20	59	\$0	1990	28.73%	27.38%	19.69%	1990	0.79%	-0.56%	-0.56%	1.35%	13.61%	\$0	\$1,155,368	vs	\$1,009,492
21	60	\$0	1991	9.72%	8.37%	6.02%	1991	10.33%	8.98%	5.65%	1.35%	5.91%	\$0	\$1,223,618	vs	\$1,218,843
22	61	\$0	1992	11.84%	10.49%	7.55%	1992	6.15%	4.80%	3.02%	1.35%	6.19%	\$0	\$1,299,322	vs	\$1,590,577
23	62	\$0	1993	2.82%	1.47%	1.06%	1993	10.94%	9.59%	6.03%	1.35%	2.55%	\$0	\$1,332,464	vs	\$1,359,684
24	63	\$0	1994	28.30%	26.95%	19.38%	1994	-10.37%	-11.72%	-11.72%	1.35%	10.05%	\$0	\$1,466,345	vs	\$1,799,703
25	64	\$0	1995	19.61%	18.26%	13.13%	1995	20.11%	18.76%	11.80%	1.35%	12.73%	\$0	\$1,653,025	vs	\$2,299,203
26	65	\$0	1996	39.82%	38.47%	27.66%	1996	-1.46%	-2.81%	-2.81%	1.35%	18.52%	-\$183,936	\$1,741,151	vs	\$2,671,685
27	66	\$0	1997	9.36%	8.01%	5.76%	1997	7.43%	6.08%	3.82%	1.35%	5.18%	-\$213,735	\$1,606,519	vs	\$2,796,480
28	67	\$0	1998	28.13%	26.78%	19.25%	1998	13.16%	11.81%	7.43%	1.35%	15.71%	-\$223,718	\$1,599,978	vs	\$3,232,702
29	68	\$0	1999	13.99%	12.64%	9.09%	1999	-10.22%	-11.57%	-11.57%	1.35%	2.89%	-\$258,616	\$1,380,144	vs	\$3,707,620
30	69	\$0	2000	-25.54%	-26.89%	-26.89%	2000	12.84%	11.49%	7.23%	1.35%	-16.65%	-\$296,610	\$903,106	vs	\$2,932,399
31	70	\$0	2001	-19.68%	-21.03%	-21.03%	2001	2.67%	1.32%	0.83%	1.35%	-14.47%	-\$234,592	\$571,775	vs	\$2,182,734
32	71	\$0	2002	24.16%	22.81%	16.40%	2002	13.32%	11.97%	7.53%	1.35%	13.74%	-\$174,619	\$451,727	vs	\$2,748,256
33	72	\$0	2003	13.91%	12.56%	9.03%	2003	-1.85%	-3.20%	-3.20%	1.35%	5.36%	-\$219,860	\$244,295	vs	\$3,361,416
34	73	\$0	2004	12.25%	10.90%	7.84%	2004	1.77%	0.42%	0.26%	1.35%	5.56%	-\$244,295	\$0	vs	\$4,027,915
35	74	\$0	2005	10.71%	9.36%	6.73%	2005	-0.51%	-1.86%	-1.86%	1.35%	4.15%	\$0	\$0	vs	\$4,496,372
36	75	\$0	2006	16.29%	14.94%	10.74%	2006	-1.23%	-2.58%	-2.58%	1.35%	6.75%	\$0	\$0	vs	\$5,286,260
37	76	\$0	2007	-21.61%	-22.96%	-22.96%	2007	7.15%	5.80%	3.65%	1.35%	-14.97%	\$0	\$0	vs	\$4,084,572
38	77	\$0	2008	-7.37%	-8.72%	-8.72%	2008	15.66%	14.31%	9.00%	1.35%	-3.40%	\$0	\$0	vs	\$2,921,873
39	78	\$0	2009	9.96%	8.61%	6.19%	2009	-10.80%	-12.15%	-12.15%	1.35%	0.69%	\$0	\$0	vs	\$3,392,222
40	79	\$0	2010	1.14%	-0.21%	-0.21%	2010	6.71%	5.36%	3.37%	1.35%	0.87%	\$0	\$0	vs	\$2,168,613

Average Equities Return: **10.02%**

Average T-Bond Return: **3.46%**

Average Net Portfolio Return: **3.62%**

WORST 40

AVERAGE ANNUAL INCOME DRAWN DOWN: **\$227,776**

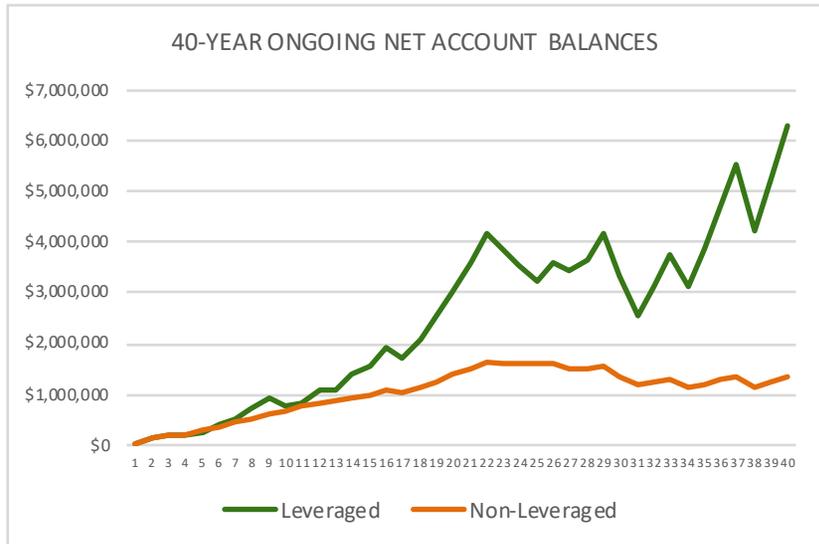
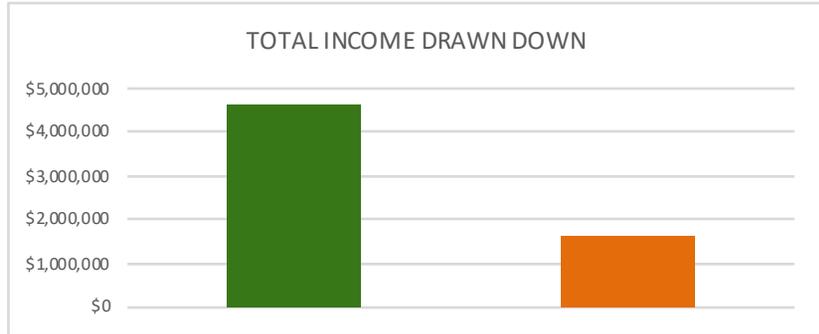
DISCLAIMER: The "Gross Equities Return" is a hypothetical return based on historical annual point-to-point S&P 500 performance (starting on the first day of a particular month) not including dividends, plus a 2.00% bonus added. The "Gross Bond Return" is a hypothetical return based on historical 10-Year T-Bond Returns during the January 1st to December 31st period. The taxation and investment fees are merely hypothetical based on certain assumptions, and would vary from client situation to client situation based on a number of factors and variables. Such variables may be changed and modeled per the client or advisor's request. The assumptions made in this document are purely hypothetical and do not represent any specific investment, fund or asset in particular. The purpose of this document is for educational purposes only.

BEST CAGR IN 40-YEAR PERIOD*

LEVERAGED HYPOTHETICAL SYNTHETIC ASSET

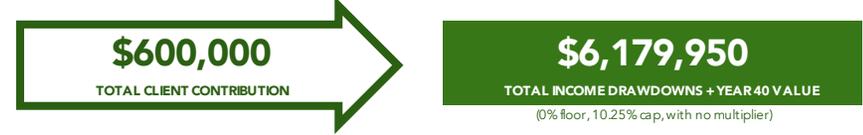


NON-LEVERAGED HYPOTHETICAL SYNTHETIC ASSET

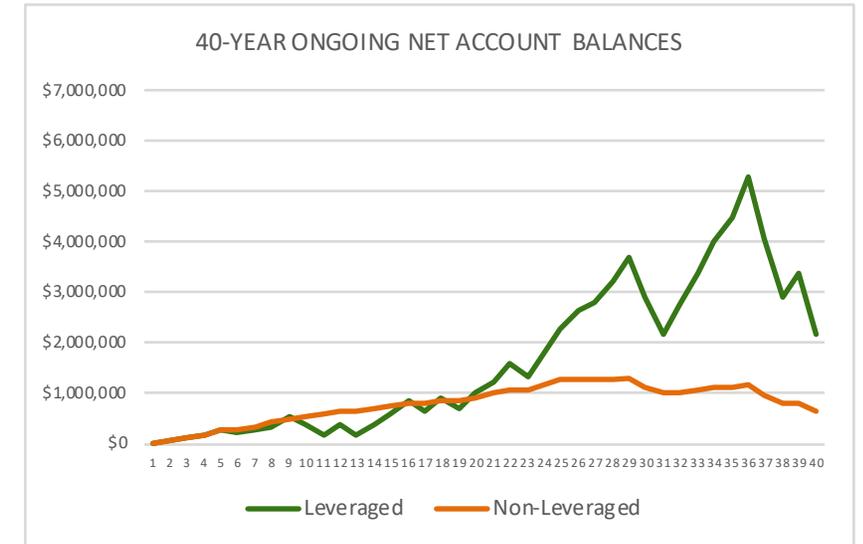
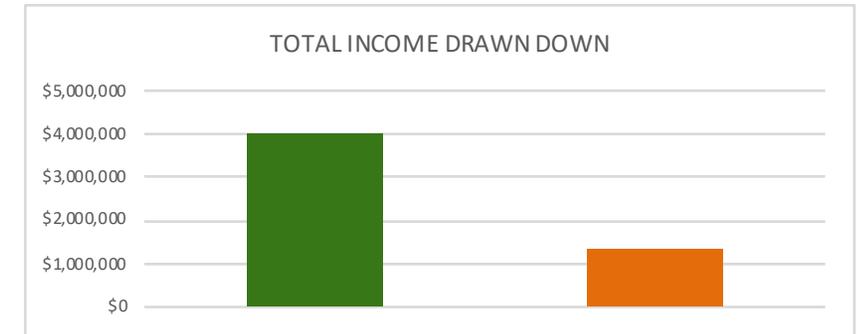


WORST CAGR IN 40-YEAR PERIOD*

LEVERAGED HYPOTHETICAL SYNTHETIC ASSET



NON-LEVERAGED HYPOTHETICAL SYNTHETIC ASSET



*40-year periods with the best and worst CAGR out of 121 different 40-year periods analyzed
HYPOTHETICAL SYNTHETIC BACKTESTING REPORT - DOCUMENT 20.22.07.14

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

NON-FINANCED HYPOTHETICAL SYNTHETIC ASSET

NON-LEVERAGED HYPOTHETICAL SYNTHETIC ASSET

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

Current Pre-Bonus Cap: **10.75%**

Current Post-Bonus Max Cap: **10.75%**

PAGE 25

Participation Rate: **100.00%**

Floor Modeled: **0.00%**

Pre-Bonus Cap Modeled: **10.25%**

Post-Bonus Max Cap Modeled: **10.25%**

8/27/2022

#	YEAR	AGE	TOTAL INDEX CONTRIBUTION	CALENDAR YEAR	INDEX RETURN (GROSS)	INDEX RETURN (FLOOR & CAP)	INDEX RETURN (EFFECTIVE)	ANNUAL INCOME DRAWDOWNS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	40		\$100,000	1978	11.97%	10.25%	10.25%	\$0	\$89,047	\$23,104
2	41		\$100,000	1979	14.24%	10.25%	10.25%	\$0	\$186,880	\$122,382
3	42		\$50,000	1980	13.48%	10.25%	10.25%	\$0	\$243,601	\$180,565
4	43		\$50,000	1981	-7.06%	0.00%	0.00%	\$0	\$277,274	\$215,683
5	44		\$50,000	1982	20.68%	10.25%	10.25%	\$0	\$342,370	\$282,241
6	45		\$50,000	1983	12.46%	10.25%	10.25%	\$0	\$413,870	\$355,203
7	46		\$50,000	1984	9.93%	9.93%	9.93%	\$0	\$490,999	\$433,794
8	47		\$50,000	1985	17.90%	10.25%	10.25%	\$0	\$577,220	\$529,552
9	48		\$50,000	1986	29.42%	10.25%	10.25%	\$0	\$672,069	\$633,938
10	49		\$50,000	1987	-6.21%	0.00%	0.00%	\$0	\$706,214	\$677,620
11	50		\$0	1988	15.72%	10.25%	10.25%	\$0	\$764,371	\$764,371
12	51		\$0	1989	10.63%	10.25%	10.25%	\$0	\$828,248	\$828,248
13	52		\$0	1990	4.51%	4.51%	4.51%	\$0	\$851,647	\$851,647
14	53		\$0	1991	18.86%	10.25%	10.25%	\$0	\$923,823	\$923,823
15	54		\$0	1992	7.34%	7.34%	7.34%	\$0	\$976,541	\$976,541
16	55		\$0	1993	9.76%	9.76%	9.76%	\$0	\$1,062,977	\$1,062,977
17	56		\$0	1994	-2.32%	0.00%	0.00%	\$0	\$1,054,512	\$1,054,512
18	57		\$0	1995	35.20%	10.25%	10.25%	\$0	\$1,152,913	\$1,152,913
19	58		\$0	1996	23.61%	10.25%	10.25%	\$0	\$1,261,179	\$1,261,179
20	59		\$0	1997	24.69%	10.25%	10.25%	\$0	\$1,380,358	\$1,380,358
21	60		\$0	1998	30.54%	10.25%	10.25%	\$0	\$1,511,493	\$1,511,493
22	61		\$0	1999	8.97%	8.97%	8.97%	\$0	\$1,636,138	\$1,636,138
23	62		\$0	2000	-2.04%	0.00%	0.00%	\$0	\$1,625,149	\$1,625,149
24	63		\$0	2001	-17.26%	0.00%	0.00%	\$0	\$1,613,024	\$1,613,024
25	64		\$0	2002	-24.29%	0.00%	0.00%	\$0	\$1,599,448	\$1,599,448
26	65		\$0	2003	32.19%	10.25%	10.25%	-\$127,956	\$1,746,414	\$1,612,061
27	66		\$0	2004	4.43%	4.43%	4.43%	-\$128,965	\$1,806,548	\$1,530,063
28	67		\$0	2005	8.36%	8.36%	8.36%	-\$122,405	\$1,938,411	\$1,519,577
29	68		\$0	2006	12.36%	10.25%	10.25%	-\$121,566	\$2,116,110	\$1,548,689
30	69		\$0	2007	-4.15%	0.00%	0.00%	-\$123,895	\$2,095,776	\$1,369,894
31	70		\$0	2008	-40.09%	0.00%	0.00%	-\$109,592	\$2,074,258	\$1,197,011
32	71		\$0	2009	30.03%	10.25%	10.25%	-\$95,761	\$2,261,923	\$1,240,265
33	72		\$0	2010	19.76%	10.25%	10.25%	-\$99,221	\$2,467,690	\$1,290,767
34	73		\$0	2011	2.04%	2.04%	2.04%	-\$103,261	\$2,493,052	\$1,148,858
35	74		\$0	2012	14.15%	10.25%	10.25%	-\$91,909	\$2,720,661	\$1,212,754
36	75		\$0	2013	18.99%	10.25%	10.25%	-\$97,020	\$2,971,031	\$1,285,857
37	76		\$0	2014	11.92%	10.25%	10.25%	-\$102,869	\$3,246,825	\$1,369,381
38	77		\$0	2015	-2.74%	0.00%	0.00%	-\$109,550	\$3,220,968	\$1,134,624
39	78		\$0	2016	17.45%	10.25%	10.25%	-\$90,770	\$3,523,424	\$1,237,454
40	79		\$0	2017	23.91%	10.25%	10.25%	-\$98,996	\$3,858,480	\$1,354,265

AVERAGE ANNUAL INCOME DRAWDOWN: **\$108,249**

BEST 40

RETIREMENT INCOME DRAWDOWN ASSUMPTIONS	
Drawdown Type:	PARTICIPATING
PLR:	5.00%
% of Previous Year's EOY Value Drawdown:	8.00%

CASH FLOW SUMMARY	
TOTAL CLIENT OUTLAY:	-\$600,000
AVERAGE ANNUAL INCOME DRAWDOWN:	\$108,249
TOTAL INCOME DRAWDOWN:	\$1,623,736
40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$1,354,265
INCOME + 40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$2,978,001
RAW S&P 500 CAGR:	9.02%
40-YEAR NET ACCOUNT IRR:	5.30%

BEST 40-YEAR S&P CAGR PERIOD (OF 121 PERIODS ANALYZED)

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WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

NON-FINANCED HYPOTHETICAL SYNTHETIC ASSET

NON-LEVERAGED HYPOTHETICAL SYNTHETIC ASSET

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

Current Pre-Bonus Cap: **10.75%**

Current Post-Bonus Max Cap: **10.75%**

Participation Rate: **100.00%**

Floor Modeled: **0.00%**

Pre-Bonus Cap Modeled: **10.25%**

Post-Bonus Max Cap Modeled: **10.25%**

#	YEAR	AGE	TOTAL INDEX CONTRIBUTION	CALENDAR YEAR	INDEX RETURN (GROSS)	INDEX RETURN (FLOOR & CAP)	INDEX RETURN (EFFECTIVE)	ANNUAL INCOME DRAWDOWNS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	40		\$100,000	1971	12.42%	10.25%	10.25%	\$0	\$89,047	\$23,104
2	41		\$100,000	1972	-1.92%	0.00%	0.00%	\$0	\$169,506	\$105,008
3	42		\$50,000	1973	-41.40%	0.00%	0.00%	\$0	\$203,579	\$140,543
4	43		\$50,000	1974	32.00%	10.25%	10.25%	\$0	\$261,570	\$199,979
5	44		\$50,000	1975	25.48%	10.25%	10.25%	\$0	\$325,057	\$264,928
6	45		\$50,000	1976	-8.28%	0.00%	0.00%	\$0	\$358,079	\$299,412
7	46		\$50,000	1977	6.23%	6.23%	6.23%	\$0	\$415,209	\$358,004
8	47		\$50,000	1978	6.61%	6.61%	6.61%	\$0	\$477,371	\$429,703
9	48		\$50,000	1979	14.76%	10.25%	10.25%	\$0	\$561,986	\$523,855
10	49		\$50,000	1980	-7.40%	0.00%	0.00%	\$0	\$596,131	\$567,537
11	50		\$0	1981	3.65%	3.65%	3.65%	\$0	\$604,509	\$604,509
12	51		\$0	1982	37.91%	10.25%	10.25%	\$0	\$652,000	\$652,000
13	52		\$0	1983	0.02%	0.02%	0.02%	\$0	\$638,742	\$638,742
14	53		\$0	1984	9.62%	9.62%	9.62%	\$0	\$685,162	\$685,162
15	54		\$0	1985	27.04%	10.25%	10.25%	\$0	\$739,901	\$739,901
16	55		\$0	1986	39.13%	10.25%	10.25%	\$0	\$806,817	\$806,817
17	56		\$0	1987	-15.51%	0.00%	0.00%	\$0	\$798,352	\$798,352
18	57		\$0	1988	28.41%	10.25%	10.25%	\$0	\$870,496	\$870,496
19	58		\$0	1989	-12.34%	0.00%	0.00%	\$0	\$861,509	\$861,509
20	59		\$0	1990	26.73%	10.25%	10.25%	\$0	\$939,723	\$939,723
21	60		\$0	1991	7.72%	7.72%	7.72%	\$0	\$1,002,148	\$1,002,148
22	61		\$0	1992	9.84%	9.84%	9.84%	\$0	\$1,089,738	\$1,089,738
23	62		\$0	1993	0.82%	0.82%	0.82%	\$0	\$1,087,634	\$1,087,634
24	63		\$0	1994	26.30%	10.25%	10.25%	\$0	\$1,185,748	\$1,185,748
25	64		\$0	1995	17.61%	10.25%	10.25%	\$0	\$1,292,320	\$1,292,320
26	65		\$0	1996	37.82%	10.25%	10.25%	-\$103,386	\$1,407,805	\$1,299,251
27	66		\$0	1997	7.36%	7.36%	7.36%	-\$103,940	\$1,493,670	\$1,270,550
28	67		\$0	1998	26.13%	10.25%	10.25%	-\$101,644	\$1,627,186	\$1,286,185
29	68		\$0	1999	11.99%	10.25%	10.25%	-\$102,895	\$1,772,985	\$1,306,893
30	69		\$0	2000	-27.54%	0.00%	0.00%	-\$104,551	\$1,752,651	\$1,153,476
31	70		\$0	2001	-21.68%	0.00%	0.00%	-\$92,278	\$1,731,133	\$1,005,107
32	71		\$0	2002	22.16%	10.25%	10.25%	-\$80,409	\$1,883,628	\$1,036,871
33	72		\$0	2003	11.91%	10.25%	10.25%	-\$82,950	\$2,050,620	\$1,074,429
34	73		\$0	2004	10.25%	10.25%	10.25%	-\$85,954	\$2,233,684	\$1,118,431
35	74		\$0	2005	8.71%	8.71%	8.71%	-\$89,474	\$2,400,718	\$1,135,755
36	75		\$0	2006	14.29%	10.25%	10.25%	-\$90,860	\$2,618,294	\$1,194,679
37	76		\$0	2007	-23.61%	0.00%	0.00%	-\$95,574	\$2,592,229	\$997,081
38	77		\$0	2008	-9.37%	0.00%	0.00%	-\$79,766	\$2,566,372	\$807,711
39	78		\$0	2009	7.96%	7.96%	7.96%	-\$64,617	\$2,743,481	\$829,039
40	79		\$0	2010	-0.86%	0.00%	0.00%	-\$66,323	\$2,719,812	\$640,008

AVERAGE ANNUAL INCOME DRAWDOWN: **\$89,641**

WORST 40

RETIREMENT INCOME DRAWDOWN ASSUMPTIONS	
Drawdown Type:	PARTICIPATING
PLR:	5.00%
% of Previous Year's EOY Value Drawdown:	8.00%

TOTAL CLIENT OUTLAY:	-\$600,000
AVERAGE ANNUAL INCOME DRAWDOWN:	\$89,641
TOTAL INCOME DRAWDOWN:	\$1,344,622
40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$640,008
INCOME + 40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$1,984,631
RAW S&P 500 CAGR: 6.30%	40-YEAR NET ACCOUNT IRR: 4.07%

WORST 40-YEAR S&P CAGR PERIOD (OF 121 PERIODS ANALYZED)

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MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)
NON-FINANCED HYPOTHETICAL SYNTHETIC ASSET

NON-LEVERAGED HYPOTHETICAL SYNTHETIC ASSET

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

Current Pre-Bonus Cap: **10.75%**

Current Post-Bonus Max Cap: **10.75%**

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Participation Rate: **100.00%**

Floor Modeled: **0.00%**

Pre-Bonus Cap Modeled: **10.25%**

Post-Bonus Max Cap Modeled: **10.25%**

8/27/2022

#	YEAR	AGE	TOTAL INDEX CONTRIBUTION	CALENDAR YEAR	INDEX RETURN (GROSS)	INDEX RETURN (FLOOR & CAP)	INDEX RETURN (EFFECTIVE)	ANNUAL INCOME DRAWDOWNS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	40		\$100,000	1982	20.68%	10.25%	10.25%	\$0	\$89,047	\$23,104
2	41		\$100,000	1983	12.46%	10.25%	10.25%	\$0	\$186,880	\$122,382
3	42		\$50,000	1984	9.93%	9.93%	9.93%	\$0	\$242,885	\$179,849
4	43		\$50,000	1985	17.90%	10.25%	10.25%	\$0	\$304,905	\$243,314
5	44		\$50,000	1986	29.42%	10.25%	10.25%	\$0	\$372,833	\$312,704
6	45		\$50,000	1987	-6.21%	0.00%	0.00%	\$0	\$405,855	\$347,188
7	46		\$50,000	1988	15.72%	10.25%	10.25%	\$0	\$483,611	\$426,406
8	47		\$50,000	1989	10.63%	10.25%	10.25%	\$0	\$569,074	\$521,406
9	48		\$50,000	1990	4.51%	4.51%	4.51%	\$0	\$628,582	\$590,451
10	49		\$50,000	1991	18.86%	10.25%	10.25%	\$0	\$730,656	\$702,062
11	50		\$0	1992	7.34%	7.34%	7.34%	\$0	\$770,424	\$770,424
12	51		\$0	1993	9.76%	9.76%	9.76%	\$0	\$831,219	\$831,219
13	52		\$0	1994	-2.32%	0.00%	0.00%	\$0	\$817,846	\$817,846
14	53		\$0	1995	35.20%	10.25%	10.25%	\$0	\$886,558	\$886,558
15	54		\$0	1996	23.61%	10.25%	10.25%	\$0	\$961,940	\$961,940
16	55		\$0	1997	24.69%	10.25%	10.25%	\$0	\$1,051,614	\$1,051,614
17	56		\$0	1998	30.54%	10.25%	10.25%	\$0	\$1,150,072	\$1,150,072
18	57		\$0	1999	8.97%	8.97%	8.97%	\$0	\$1,243,691	\$1,243,691
19	58		\$0	2000	-2.04%	0.00%	0.00%	\$0	\$1,234,704	\$1,234,704
20	59		\$0	2001	-17.26%	0.00%	0.00%	\$0	\$1,225,551	\$1,225,551
21	60		\$0	2002	-24.29%	0.00%	0.00%	\$0	\$1,216,161	\$1,216,161
22	61		\$0	2003	32.19%	10.25%	10.25%	\$0	\$1,329,711	\$1,329,711
23	62		\$0	2004	4.43%	4.43%	4.43%	\$0	\$1,377,178	\$1,377,178
24	63		\$0	2005	8.36%	8.36%	8.36%	\$0	\$1,479,236	\$1,479,236
25	64		\$0	2006	12.36%	10.25%	10.25%	\$0	\$1,615,890	\$1,615,890
26	65		\$0	2007	-4.15%	0.00%	0.00%	-\$129,271	\$1,600,491	\$1,464,756
27	66		\$0	2008	-40.09%	0.00%	0.00%	-\$117,180	\$1,583,944	\$1,318,383
28	67		\$0	2009	30.03%	10.25%	10.25%	-\$105,471	\$1,726,713	\$1,337,130
29	68		\$0	2010	19.76%	10.25%	10.25%	-\$106,970	\$1,882,713	\$1,361,332
30	69		\$0	2011	2.04%	2.04%	2.04%	-\$108,907	\$1,900,449	\$1,238,647
31	70		\$0	2012	14.15%	10.25%	10.25%	-\$99,092	\$2,071,521	\$1,272,582
32	71		\$0	2013	18.99%	10.25%	10.25%	-\$101,807	\$2,258,906	\$1,313,123
33	72		\$0	2014	11.92%	10.25%	10.25%	-\$105,050	\$2,464,364	\$1,360,990
34	73		\$0	2015	-2.74%	0.00%	0.00%	-\$108,879	\$2,439,785	\$1,166,919
35	74		\$0	2016	17.45%	10.25%	10.25%	-\$93,354	\$2,661,934	\$1,227,404
36	75		\$0	2017	23.91%	10.25%	10.25%	-\$98,192	\$2,906,285	\$1,296,926
37	76		\$0	2018	-4.41%	0.00%	0.00%	-\$103,754	\$2,880,220	\$1,081,452
38	77		\$0	2019	31.74%	10.25%	10.25%	-\$86,516	\$3,146,936	\$1,167,387
39	78		\$0	2020	18.38%	10.25%	10.25%	-\$93,391	\$3,441,803	\$1,265,216
40	79		\$0	2021	28.83%	10.25%	10.25%	-\$101,217	\$3,768,492	\$1,376,798

AVERAGE ANNUAL INCOME DRAWDOWN: **\$103,937**

MOST RECENT 40

RETIREMENT INCOME DRAWDOWN ASSUMPTIONS	
Drawdown Type:	PARTICIPATING
PLR:	5.00%
% of Previous Year's EOY Value Drawdown:	8.00%

TOTAL CLIENT OUTLAY:	-\$600,000
AVERAGE ANNUAL INCOME DRAWDOWN:	\$103,937
TOTAL INCOME DRAWDOWN:	\$1,559,051
40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$1,376,798
INCOME + 40-YEAR ACCOUNT BALANCE (NET OF LOAN):	\$2,935,849
RAW S&P 500 CAGR: 9.99%	40-YEAR NET ACCOUNT IRR: 5.21%

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

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ACCOUNT CHARGES + INDEX CREDITS + BONUSES

AN ANNUAL EXPLANATION OF POSITIVE & NEGATIVE ARBITRAGE

CHARGES & CREDITS

#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
YEAR	ASSET-BASED CHARGES (%)	ASSET-BASED CHARGES (\$)	FIXED CHARGES (\$)	BACKTESTED YEAR	INDEX GROSS RETURN	INDEX CREDIT	MULTIPLIER BONUS (x)	INDEX CREDIT w/ MULTIPLIER	PERSISTENCY BONUS (+)	TOTAL INDEX CREDIT (%)	TOTAL INDEX CREDITS (\$)	TOTAL CHARGES (\$)	YEAR-END GAIN/LOSS (\$)	EOY VALUE AFTER CHARGES B4 CREDIT	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	0.00%	\$0	-\$19,232	1978	11.97%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$8,279	-\$19,232	-\$10,953	\$80,768	\$89,047	\$23,104
2	0.00%	\$0	-\$19,541	1979	14.24%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$17,374	-\$19,541	-\$2,167	\$169,506	\$186,880	\$122,382
3	0.00%	\$0	-\$15,927	1980	13.48%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$22,648	-\$15,927	\$6,721	\$220,953	\$243,601	\$180,565
4	0.00%	\$0	-\$16,327	1981	-7.06%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$16,327	-\$16,327	\$277,274	\$277,274	\$215,683
5	0.00%	\$0	-\$16,734	1982	20.68%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$31,830	-\$16,734	\$15,096	\$310,540	\$342,370	\$282,241
6	0.00%	\$0	-\$16,978	1983	12.46%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$38,478	-\$16,978	\$21,500	\$375,392	\$413,870	\$355,203
7	0.00%	\$0	-\$17,206	1984	9.93%	9.93%	x 1.00	= 9.93%	+ 0.00%	= 9.93%	\$44,336	-\$17,206	\$27,130	\$446,664	\$490,999	\$433,794
8	0.00%	\$0	-\$17,444	1985	17.90%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$53,664	-\$17,444	\$36,220	\$523,555	\$577,220	\$529,552
9	0.00%	\$0	-\$17,633	1986	29.42%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$62,483	-\$17,633	\$44,850	\$609,587	\$672,069	\$633,938
10	0.00%	\$0	-\$15,855	1987	-6.21%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$15,855	-\$15,855	\$706,214	\$706,214	\$677,620
11	0.00%	\$0	-\$12,907	1988	15.72%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$71,064	-\$12,907	\$58,157	\$693,307	\$764,371	\$764,371
12	0.00%	\$0	-\$13,126	1989	10.63%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$77,003	-\$13,126	\$63,877	\$751,245	\$828,248	\$828,248
13	0.00%	\$0	-\$13,373	1990	4.51%	4.51%	x 1.00	= 4.51%	+ 0.00%	= 4.51%	\$36,772	-\$13,373	\$23,399	\$814,875	\$851,647	\$851,647
14	0.00%	\$0	-\$13,712	1991	18.86%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$85,888	-\$13,712	\$72,176	\$837,935	\$923,823	\$923,823
15	0.00%	\$0	-\$14,050	1992	7.34%	7.34%	x 1.00	= 7.34%	+ 0.00%	= 7.34%	\$66,767	-\$14,050	\$52,717	\$909,773	\$976,541	\$976,541
16	0.00%	\$0	-\$8,095	1993	9.76%	9.76%	x 1.00	= 9.76%	+ 0.00%	= 9.76%	\$94,531	-\$8,095	\$86,436	\$968,446	\$1,062,977	\$1,062,977
17	0.00%	\$0	-\$8,465	1994	-2.32%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$8,465	-\$8,465	\$1,054,512	\$1,054,512	\$1,054,512
18	0.00%	\$0	-\$8,786	1995	35.20%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$107,187	-\$8,786	\$98,401	\$1,045,726	\$1,152,913	\$1,152,913
19	0.00%	\$0	-\$8,987	1996	23.61%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$117,252	-\$8,987	\$108,265	\$1,143,926	\$1,261,179	\$1,261,179
20	0.00%	\$0	-\$9,153	1997	24.69%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$128,333	-\$9,153	\$119,180	\$1,252,026	\$1,380,358	\$1,380,358
21	0.00%	\$0	-\$9,390	1998	30.54%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$140,524	-\$9,390	\$131,134	\$1,370,968	\$1,511,493	\$1,511,493
22	0.00%	\$0	-\$10,074	1999	8.97%	8.97%	x 1.00	= 8.97%	+ 0.00%	= 8.97%	\$134,720	-\$10,074	\$124,646	\$1,501,419	\$1,636,138	\$1,636,138
23	0.00%	\$0	-\$10,989	2000	-2.04%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$10,989	-\$10,989	\$1,625,149	\$1,625,149	\$1,625,149
24	0.00%	\$0	-\$12,125	2001	-17.26%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$12,125	-\$12,125	\$1,613,024	\$1,613,024	\$1,613,024
25	0.00%	\$0	-\$13,576	2002	-24.29%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$13,576	-\$13,576	\$1,599,448	\$1,599,448	\$1,599,448
26	0.00%	\$0	-\$15,399	2003	32.19%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$162,365	-\$15,399	\$146,966	\$1,584,049	\$1,746,414	\$1,612,061
27	0.00%	\$0	-\$16,547	2004	4.43%	4.43%	x 1.00	= 4.43%	+ 0.00%	= 4.43%	\$76,680	-\$16,547	\$60,133	\$1,729,867	\$1,806,548	\$1,530,063
28	0.00%	\$0	-\$17,764	2005	8.36%	8.36%	x 1.00	= 8.36%	+ 0.00%	= 8.36%	\$149,627	-\$17,764	\$131,863	\$1,788,784	\$1,938,411	\$1,519,577
29	0.00%	\$0	-\$19,037	2006	12.36%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$196,736	-\$19,037	\$177,699	\$1,919,374	\$2,116,110	\$1,548,689
30	0.00%	\$0	-\$20,334	2007	-4.15%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$20,334	-\$20,334	\$2,095,776	\$2,095,776	\$1,369,894
31	0.00%	\$0	-\$21,518	2008	-40.09%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$21,518	-\$21,518	\$2,074,258	\$2,074,258	\$1,197,011
32	0.00%	\$0	-\$22,627	2009	30.03%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$210,292	-\$22,627	\$187,665	\$2,051,631	\$2,261,923	\$1,240,265
33	0.00%	\$0	-\$23,655	2010	19.76%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$229,422	-\$23,655	\$205,767	\$2,238,268	\$2,467,690	\$1,290,767
34	0.00%	\$0	-\$24,579	2011	2.04%	2.04%	x 1.00	= 2.04%	+ 0.00%	= 2.04%	\$49,941	-\$24,579	\$25,362	\$2,443,111	\$2,493,052	\$1,148,858
35	0.00%	\$0	-\$25,332	2012	14.15%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$252,941	-\$25,332	\$227,609	\$2,467,720	\$2,720,661	\$1,212,754
36	0.00%	\$0	-\$25,848	2013	18.99%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$276,218	-\$25,848	\$250,370	\$2,694,813	\$2,971,031	\$1,285,857
37	0.00%	\$0	-\$26,065	2014	11.92%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$301,859	-\$26,065	\$275,794	\$2,944,966	\$3,246,825	\$1,369,381
38	0.00%	\$0	-\$25,857	2015	-2.74%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$25,857	-\$25,857	\$3,220,968	\$3,220,968	\$1,134,624
39	0.00%	\$0	-\$25,119	2016	17.45%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$327,575	-\$25,119	\$302,456	\$3,195,849	\$3,523,424	\$1,237,454
40	0.00%	\$0	-\$23,669	2017	23.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$358,725	-\$23,669	\$335,056	\$3,499,755	\$3,858,480	\$1,354,265

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

- ASSET-BASED CHARGES (%)** Account charges as a percentage of gross account value, after new TOTAL INDEX CONTRIBUTION and 100% BOY charges and 50% of remaining FIXED CHARGES (\$) are deducted.
- ASSET-BASED CHARGES (\$)** The previous year's EOY GROSS INDEX ACCUMULATED VALUE minus 100% BOY charges, minus 50% of remaining FIXED CHARGES (\$) multiplied by the ASSET-BASED CHARGES (%).
- FIXED CHARGES (\$)** Amounts taken from a real life product. These charges in a real life product would most likely not be fixed, as there would be some variable charges. This is merely a proxy for this category of charges.
- INDEX CREDIT** The after-floor after-cap index return, before any bonuses or participation rates are applied or credited. Caps are not guaranteed in a real world product. See actual product details for guarantees.
- MULTIPLIER BONUS (x)** A numerical number determined by a particular bonus schedule, multiplied by the basic after-floor, after-cap, INDEX CREDIT. This is not a guaranteed bonus amount. See actual product details for guarantees.
- INDEX CREDIT w/ MULTIPLIER** The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x). (e.g. If the MULTIPLIER BONUS (x) was 2.00, and the INDEX CREDIT was 10.00%, the INDEX CREDIT w/ MULTIPLIER would be 20.00%)
- PERSISTENCY BONUS (+)** A bonus credit added to the INDEX CREDIT. (e.g. If the INDEX CREDIT was 10.00% and the PERSISTENCY BONUS (+) was 0.50%, the TOTAL INDEX CREDIT (%) would be 10.50%)
- TOTAL INDEX CREDIT (%)** The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x) plus the PERSISTENCY BONUS (+).
- TOTAL INDEX CREDITS (\$)** The TOTAL INDEX CREDIT (%) multiplied by the EOY VALUE AFTER CHARGES B4 CREDIT.
- TOTAL CHARGES (\$)** The sum of the ASSET-BASED CHARGES (\$) and the FIXED CHARGES (\$).
- YEAR-END GAIN/LOSS (\$)** The EOY GROSS INDEX ACCUMULATED VALUE net gain or loss in each year based on the TOTAL INDEX CREDITS (\$) minus the TOTAL CHARGES (\$) in a given year.
- EOY VALUE AFTER CHARGES B4 CREDIT** The EOY account value after any new contributions in such year and after all charges have been subtracted from this cumulative value, before any index credits have been applied.
- EOY GROSS INDEX ACCUMULATED VALUE** The EOY account value after any new contributions, after any "Total Index Credits (\$)" have been added, and after the "Total Charges (\$)" have been subtracted.
- EOY INDEX VALUE NET OF INT & EXT LOANS** The EOY GROSS INDEX ACCUMULATED VALUE minus the third party Cumulative Loan Balance (if any), minus any internal cumulative loan balances as a result of Participating Loans.



CHARGES & CREDITS

#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
YEAR	ASSET-BASED CHARGES (%)	ASSET-BASED CHARGES (\$)	FIXED CHARGES (\$)	BACKTESTED YEAR	INDEX GROSS RETURN	INDEX CREDIT	MULTIPLIER BONUS (x)	INDEX CREDIT w/ MULTIPLIER	PERSISTENCY BONUS (+)	TOTAL INDEX CREDIT (%)	TOTAL INDEX CREDITS (\$)	TOTAL CHARGES (\$)	YEAR-END GAIN/LOSS (\$)	CHARGES B4 CREDIT	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	0.00%	\$0	-\$19,232	1971	12.42%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$8,279	-\$19,232	-\$10,953	\$80,768	\$89,047	\$23,104
2	0.00%	\$0	-\$19,541	1972	-1.92%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$19,541	-\$19,541	\$169,506	\$169,506	\$105,008
3	0.00%	\$0	-\$15,927	1973	-41.40%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$15,927	-\$15,927	\$203,579	\$203,579	\$140,543
4	0.00%	\$0	-\$16,327	1974	32.00%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$24,318	-\$16,327	\$7,991	\$237,252	\$261,570	\$199,979
5	0.00%	\$0	-\$16,734	1975	25.48%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$30,221	-\$16,734	\$13,487	\$294,836	\$325,057	\$264,928
6	0.00%	\$0	-\$16,978	1976	-8.28%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$16,978	-\$16,978	\$358,079	\$358,079	\$299,412
7	0.00%	\$0	-\$17,206	1977	6.23%	6.23%	x 1.00	= 6.23%	+ 0.00%	= 6.23%	\$24,336	-\$17,206	\$7,130	\$390,873	\$415,209	\$358,004
8	0.00%	\$0	-\$17,444	1978	6.61%	6.61%	x 1.00	= 6.61%	+ 0.00%	= 6.61%	\$29,606	-\$17,444	\$12,162	\$447,765	\$477,371	\$429,703
9	0.00%	\$0	-\$17,633	1979	14.76%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$52,248	-\$17,633	\$34,615	\$509,738	\$561,986	\$523,855
10	0.00%	\$0	-\$15,855	1980	-7.40%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$15,855	-\$15,855	\$596,131	\$596,131	\$567,537
11	0.00%	\$0	-\$12,907	1981	3.65%	3.65%	x 1.00	= 3.65%	+ 0.00%	= 3.65%	\$21,285	-\$12,907	\$8,378	\$583,224	\$604,509	\$604,509
12	0.00%	\$0	-\$13,126	1982	37.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$60,617	-\$13,126	\$47,491	\$591,383	\$652,000	\$652,000
13	0.00%	\$0	-\$13,373	1983	0.02%	0.02%	x 1.00	= 0.02%	+ 0.00%	= 0.02%	\$115	-\$13,373	-\$13,258	\$638,627	\$638,742	\$638,742
14	0.00%	\$0	-\$13,712	1984	9.62%	9.62%	x 1.00	= 9.62%	+ 0.00%	= 9.62%	\$60,132	-\$13,712	\$46,420	\$625,030	\$685,162	\$685,162
15	0.00%	\$0	-\$14,050	1985	27.04%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$68,789	-\$14,050	\$54,739	\$671,112	\$739,901	\$739,901
16	0.00%	\$0	-\$8,095	1986	39.13%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$75,010	-\$8,095	\$66,915	\$731,806	\$806,817	\$806,817
17	0.00%	\$0	-\$8,465	1987	-15.51%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$8,465	-\$8,465	\$798,352	\$798,352	\$798,352
18	0.00%	\$0	-\$8,786	1988	28.41%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$80,930	-\$8,786	\$72,144	\$789,566	\$870,496	\$870,496
19	0.00%	\$0	-\$8,987	1989	-12.34%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$8,987	-\$8,987	\$861,509	\$861,509	\$861,509
20	0.00%	\$0	-\$9,153	1990	26.73%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$87,367	-\$9,153	\$78,214	\$852,356	\$939,723	\$939,723
21	0.00%	\$0	-\$9,390	1991	7.72%	7.72%	x 1.00	= 7.72%	+ 0.00%	= 7.72%	\$71,815	-\$9,390	\$62,425	\$930,333	\$1,002,148	\$1,002,148
22	0.00%	\$0	-\$10,074	1992	9.84%	9.84%	x 1.00	= 9.84%	+ 0.00%	= 9.84%	\$97,664	-\$10,074	\$87,590	\$992,074	\$1,089,738	\$1,089,738
23	0.00%	\$0	-\$10,989	1993	0.82%	0.82%	x 1.00	= 0.82%	+ 0.00%	= 0.82%	\$8,885	-\$10,989	-\$2,104	\$1,078,749	\$1,087,634	\$1,087,634
24	0.00%	\$0	-\$12,125	1994	26.30%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$110,240	-\$12,125	\$98,115	\$1,075,509	\$1,185,748	\$1,185,748
25	0.00%	\$0	-\$13,576	1995	17.61%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$120,148	-\$13,576	\$106,572	\$1,172,172	\$1,292,320	\$1,292,320
26	0.00%	\$0	-\$15,399	1996	37.82%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$130,884	-\$15,399	\$115,485	\$1,276,921	\$1,407,805	\$1,299,251
27	0.00%	\$0	-\$16,547	1997	7.36%	7.36%	x 1.00	= 7.36%	+ 0.00%	= 7.36%	\$102,412	-\$16,547	\$85,865	\$1,391,258	\$1,493,670	\$1,270,550
28	0.00%	\$0	-\$17,764	1998	26.13%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$151,280	-\$17,764	\$133,516	\$1,475,906	\$1,627,186	\$1,286,185
29	0.00%	\$0	-\$19,037	1999	11.99%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$164,835	-\$19,037	\$145,798	\$1,608,149	\$1,772,985	\$1,306,893
30	0.00%	\$0	-\$20,334	2000	-27.54%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$20,334	-\$20,334	\$1,752,651	\$1,752,651	\$1,153,476
31	0.00%	\$0	-\$21,518	2001	-21.68%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$21,518	-\$21,518	\$1,731,133	\$1,731,133	\$1,005,107
32	0.00%	\$0	-\$22,627	2002	22.16%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$175,122	-\$22,627	\$152,495	\$1,708,506	\$1,883,628	\$1,036,871
33	0.00%	\$0	-\$23,655	2003	11.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$190,647	-\$23,655	\$166,992	\$1,859,973	\$2,050,620	\$1,074,429
34	0.00%	\$0	-\$24,579	2004	10.25%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$207,643	-\$24,579	\$183,064	\$2,026,041	\$2,233,684	\$1,118,431
35	0.00%	\$0	-\$25,332	2005	8.71%	8.71%	x 1.00	= 8.71%	+ 0.00%	= 8.71%	\$192,366	-\$25,332	\$167,034	\$2,208,352	\$2,400,718	\$1,135,755
36	0.00%	\$0	-\$25,848	2006	14.29%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$243,424	-\$25,848	\$217,576	\$2,374,870	\$2,618,294	\$1,194,679
37	0.00%	\$0	-\$26,065	2007	-23.61%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$26,065	-\$26,065	\$2,592,229	\$2,592,229	\$997,081
38	0.00%	\$0	-\$25,857	2008	-9.37%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$25,857	-\$25,857	\$2,566,372	\$2,566,372	\$807,711
39	0.00%	\$0	-\$25,119	2009	7.96%	7.96%	x 1.00	= 7.96%	+ 0.00%	= 7.96%	\$202,227	-\$25,119	\$177,108	\$2,541,253	\$2,743,481	\$1,289,039
40	0.00%	\$0	-\$23,669	2010	-0.86%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$23,669	-\$23,669	\$2,719,812	\$2,719,812	\$640,008

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

- ASSET-BASED CHARGES (%)** Account charges as a percentage of gross account value, after new TOTAL INDEX CONTRIBUTION and 100% BOY charges and 50% of remaining FIXED CHARGES (\$) are deducted.
- ASSET-BASED CHARGES (\$)** The previous year's EOY GROSS INDEX ACCUMULATED VALUE minus 100% BOY charges, minus 50% of remaining FIXED CHARGES (\$) multiplied by the ASSET-BASED CHARGES (%).
- FIXED CHARGES (\$)** Amounts taken from a real life product. These charges in a real life product would most likely not be fixed, as there would be some variable charges. This is merely a proxy for this category of charges.
- INDEX CREDIT** The after-floor after-cap index return, before any bonuses or participation rates are applied or credited. Caps are not guaranteed in a real world product. See actual product details for guarantees.
- MULTIPLIER BONUS (x)** A numerical number determined by a particular bonus schedule, multiplied by the basic after-floor, after-cap, INDEX CREDIT. This is not a guaranteed bonus amount. See actual product details for guarantees.
- INDEX CREDIT w/ MULTIPLIER** The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x). (e.g. If the MULTIPLIER BONUS (x) was 2.00, and the INDEX CREDIT was 10.00%, the INDEX CREDIT w/ MULTIPLIER would be 20.00%)
- PERSISTENCY BONUS (+)** A bonus credit added to the INDEX CREDIT. (e.g. If the INDEX CREDIT was 10.00% and the PERSISTENCY BONUS (+) was 0.50%, the TOTAL INDEX CREDIT (%) would be 10.50%)
- TOTAL INDEX CREDIT (%)** The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x) plus the PERSISTENCY BONUS (+).
- TOTAL INDEX CREDITS (\$)** The TOTAL INDEX CREDIT (%) multiplied by the EOY VALUE AFTER CHARGES B4 CREDIT.
- TOTAL CHARGES (\$)** The sum of the ASSET-BASED CHARGES (\$) and the FIXED CHARGES (\$).
- YEAR-END GAIN/LOSS (\$)** The EOY GROSS INDEX ACCUMULATED VALUE net gain or loss in each year based on the TOTAL INDEX CREDITS (\$) minus the TOTAL CHARGES (\$) in a given year.
- EOY VALUE AFTER CHARGES B4 CREDIT** The EOY account value after any new contributions in such year and after all charges have been subtracted from this cumulative value, before any index credits have been applied.
- EOY GROSS INDEX ACCUMULATED VALUE** The EOY account value after any new contributions, after any "Total Index Credits (\$)" have been added, and after the "Total Charges (\$)" have been subtracted.
- EOY INDEX VALUE NET OF INT & EXT LOANS** The EOY GROSS INDEX ACCUMULATED VALUE minus the third party Cumulative Loan Balance (if any), minus any internal cumulative loan balances as a result of Participating Loans.



CHARGES & CREDITS

#	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
YEAR	ASSET-BASED CHARGES (%)	ASSET-BASED CHARGES (\$)	FIXED CHARGES (\$)	BACKTESTED YEAR	INDEX GROSS RETURN	INDEX CREDIT	MULTIPLIER BONUS (x)	INDEX CREDIT w/ MULTIPLIER	PERSISTENCY BONUS (+)	TOTAL INDEX CREDIT (%)	TOTAL INDEX CREDITS (\$)	TOTAL CHARGES (\$)	YEAR-END GAIN/LOSS (\$)	EOY VALUE AFTER CHARGES B4 CREDIT	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	0.00%	\$0	-\$19,232	1982	20.68%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$8,279	-\$19,232	-\$10,953	\$80,768	\$89,047	\$23,104
2	0.00%	\$0	-\$19,541	1983	12.46%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$17,374	-\$19,541	-\$2,167	\$169,506	\$186,880	\$122,382
3	0.00%	\$0	-\$15,927	1984	9.93%	9.93%	x 1.00	= 9.93%	+ 0.00%	= 9.93%	\$21,932	-\$15,927	\$6,005	\$220,953	\$242,885	\$179,849
4	0.00%	\$0	-\$16,327	1985	17.90%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$28,347	-\$16,327	\$12,020	\$276,558	\$304,905	\$243,314
5	0.00%	\$0	-\$16,734	1986	29.42%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$34,663	-\$16,734	\$17,929	\$338,171	\$372,833	\$312,704
6	0.00%	\$0	-\$16,978	1987	-6.21%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$16,978	-\$16,978	\$405,855	\$405,855	\$347,188
7	0.00%	\$0	-\$17,206	1988	15.72%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$44,962	-\$17,206	\$27,756	\$438,649	\$483,611	\$426,406
8	0.00%	\$0	-\$17,444	1989	10.63%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$52,907	-\$17,444	\$35,463	\$516,167	\$569,074	\$521,406
9	0.00%	\$0	-\$17,633	1990	4.51%	4.51%	x 1.00	= 4.51%	+ 0.00%	= 4.51%	\$27,141	-\$17,633	\$9,508	\$601,441	\$628,582	\$590,451
10	0.00%	\$0	-\$15,855	1991	18.86%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$67,929	-\$15,855	\$52,074	\$662,727	\$730,656	\$702,062
11	0.00%	\$0	-\$12,907	1992	7.34%	7.34%	x 1.00	= 7.34%	+ 0.00%	= 7.34%	\$52,675	-\$12,907	\$39,768	\$717,749	\$770,424	\$770,424
12	0.00%	\$0	-\$13,126	1993	9.76%	9.76%	x 1.00	= 9.76%	+ 0.00%	= 9.76%	\$73,921	-\$13,126	\$60,795	\$757,298	\$831,219	\$831,219
13	0.00%	\$0	-\$13,373	1994	-2.32%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$13,373	-\$13,373	\$817,846	\$817,846	\$817,846
14	0.00%	\$0	-\$13,712	1995	35.20%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$82,424	-\$13,712	\$68,712	\$804,134	\$886,558	\$886,558
15	0.00%	\$0	-\$14,050	1996	23.61%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$89,432	-\$14,050	\$75,382	\$872,508	\$961,940	\$961,940
16	0.00%	\$0	-\$8,095	1997	24.69%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$97,769	-\$8,095	\$89,674	\$953,845	\$1,051,614	\$1,051,614
17	0.00%	\$0	-\$8,465	1998	30.54%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$106,923	-\$8,465	\$98,458	\$1,043,149	\$1,150,072	\$1,150,072
18	0.00%	\$0	-\$8,786	1999	8.97%	8.97%	x 1.00	= 8.97%	+ 0.00%	= 8.97%	\$102,406	-\$8,786	\$93,620	\$1,141,286	\$1,243,691	\$1,243,691
19	0.00%	\$0	-\$8,987	2000	-2.04%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$8,987	-\$8,987	\$1,234,704	\$1,234,704	\$1,234,704
20	0.00%	\$0	-\$9,153	2001	-17.26%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$9,153	-\$9,153	\$1,225,551	\$1,225,551	\$1,225,551
21	0.00%	\$0	-\$9,390	2002	-24.29%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$9,390	-\$9,390	\$1,216,161	\$1,216,161	\$1,216,161
22	0.00%	\$0	-\$10,074	2003	32.19%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$123,624	-\$10,074	\$113,550	\$1,206,087	\$1,329,711	\$1,329,711
23	0.00%	\$0	-\$10,989	2004	4.43%	4.43%	x 1.00	= 4.43%	+ 0.00%	= 4.43%	\$58,455	-\$10,989	\$47,466	\$1,318,722	\$1,377,178	\$1,377,178
24	0.00%	\$0	-\$12,125	2005	8.36%	8.36%	x 1.00	= 8.36%	+ 0.00%	= 8.36%	\$114,183	-\$12,125	\$102,058	\$1,365,053	\$1,479,236	\$1,479,236
25	0.00%	\$0	-\$13,576	2006	12.36%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$150,230	-\$13,576	\$136,654	\$1,465,660	\$1,615,890	\$1,615,890
26	0.00%	\$0	-\$15,399	2007	-4.15%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$15,399	-\$15,399	\$1,600,491	\$1,600,491	\$1,464,756
27	0.00%	\$0	-\$16,547	2008	-40.09%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$16,547	-\$16,547	\$1,583,944	\$1,583,944	\$1,318,383
28	0.00%	\$0	-\$17,764	2009	30.03%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$160,533	-\$17,764	\$142,769	\$1,566,180	\$1,726,713	\$1,337,130
29	0.00%	\$0	-\$19,037	2010	19.76%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$175,037	-\$19,037	\$156,000	\$1,707,676	\$1,882,713	\$1,361,332
30	0.00%	\$0	-\$20,334	2011	2.04%	2.04%	x 1.00	= 2.04%	+ 0.00%	= 2.04%	\$38,070	-\$20,334	\$17,736	\$1,862,379	\$1,900,449	\$1,238,647
31	0.00%	\$0	-\$21,518	2012	14.15%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$192,590	-\$21,518	\$171,072	\$1,878,931	\$2,071,521	\$1,272,582
32	0.00%	\$0	-\$22,627	2013	18.99%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$210,012	-\$22,627	\$187,385	\$2,048,894	\$2,258,906	\$1,313,123
33	0.00%	\$0	-\$23,655	2014	11.92%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$229,113	-\$23,655	\$205,458	\$2,235,251	\$2,464,364	\$1,360,990
34	0.00%	\$0	-\$24,579	2015	-2.74%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$24,579	-\$24,579	\$2,439,785	\$2,439,785	\$1,166,919
35	0.00%	\$0	-\$25,332	2016	17.45%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$247,481	-\$25,332	\$222,149	\$2,414,453	\$2,661,934	\$1,227,404
36	0.00%	\$0	-\$25,848	2017	23.91%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$270,199	-\$25,848	\$244,351	\$2,636,086	\$2,906,285	\$1,296,926
37	0.00%	\$0	-\$26,065	2018	-4.41%	0.00%	x 1.00	= 0.00%	+ 0.00%	= 0.00%	\$0	-\$26,065	-\$26,065	\$2,880,220	\$2,880,220	\$1,081,452
38	0.00%	\$0	-\$25,857	2019	31.74%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$292,572	-\$25,857	\$266,715	\$2,854,363	\$3,146,936	\$1,167,387
39	0.00%	\$0	-\$25,119	2020	18.38%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$319,986	-\$25,119	\$294,867	\$3,121,817	\$3,441,803	\$1,265,216
40	0.00%	\$0	-\$23,669	2021	28.83%	10.25%	x 1.00	= 10.25%	+ 0.00%	= 10.25%	\$350,359	-\$23,669	\$326,690	\$3,418,134	\$3,768,492	\$1,376,798

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

ASSET-BASED CHARGES (%) Account charges as a percentage of gross account value, after new TOTAL INDEX CONTRIBUTION and 100% BOY charges and 50% of remaining FIXED CHARGES (\$) are deducted.

ASSET-BASED CHARGES (\$) The previous year's EOY GROSS INDEX ACCUMULATED VALUE minus 100% BOY charges, minus 50% of remaining FIXED CHARGES (\$) multiplied by the ASSET-BASED CHARGES (%).

FIXED CHARGES (\$) Amounts taken from a real life product. These charges in a real life product would most likely not be fixed, as there would be some variable charges. This is merely a proxy for this category of charges.

INDEX CREDIT The after-floor after-cap index return, before any bonuses or participation rates are applied or credited. Caps are not guaranteed in a real world product. See actual product details for guarantees.

MULTIPLIER BONUS (x) A numerical number determined by a particular bonus schedule, multiplied by the basic after-floor, after-cap, INDEX CREDIT. This is not a guaranteed bonus amount. See actual product details for guarantees.

INDEX CREDIT w/ MULTIPLIER The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x). (e.g. If the MULTIPLIER BONUS (x) was 2.00, and the INDEX CREDIT was 10.00%, the INDEX CREDIT w/ MULTIPLIER would be 20.00%)

PERSISTENCY BONUS (+) A bonus credit added to the INDEX CREDIT. (e.g. If the INDEX CREDIT was 10.00% and the PERSISTENCY BONUS (+) was 0.50%, the TOTAL INDEX CREDIT (%) would be 10.50%)

TOTAL INDEX CREDIT (%) The INDEX CREDIT multiplied by the MULTIPLIER BONUS (x) plus the PERSISTENCY BONUS (+).

TOTAL INDEX CREDITS (\$) The TOTAL INDEX CREDIT (%) multiplied by the EOY VALUE AFTER CHARGES B4 CREDIT.

TOTAL CHARGES (\$) The sum of the ASSET-BASED CHARGES (\$) and the FIXED CHARGES (\$).

YEAR-END GAIN/LOSS (\$) The EOY GROSS INDEX ACCUMULATED VALUE net gain or loss in each year based on the TOTAL INDEX CREDITS (\$) minus the TOTAL CHARGES (\$) in a given year.

EOY VALUE AFTER CHARGES B4 CREDIT The EOY account value after any new contributions in such year and after all charges have been subtracted from this cumulative value, before any index credits have been applied.

EOY GROSS INDEX ACCUMULATED VALUE The EOY account value after any new contributions, after any "Total Index Credits (\$)" have been added, and after the "Total Charges (\$)" have been subtracted.

EOY INDEX VALUE NET OF INT & EXT LOANS The EOY GROSS INDEX ACCUMULATED VALUE minus the third party Cumulative Loan Balance (if any), minus any internal cumulative loan balances as a result of Participating Loans.



ACCOUNT LOANS

AN ANNUAL EXPLANATION OF INDEX LOAN DEBT ACCRUAL

INTERNAL ACCOUNT LOANS: PARTICIPATING PLR: 5.00%

YEAR	3RD PARTY PAYOFF USING PARTICIPATING LOAN	INCOME DRAWDOWNS PARTICIPATING LOANS	CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL	ACCRUED INTERNAL LOAN INTEREST	INDEX CREDIT AFTER CHARGES	CUMULATIVE INTERNAL DEBT BALANCE	CUMULATIVE INDEXED LOAN ACCOUNT VALUE	CUMULATIVE PAR LOAN GAIN/LOSS	EOY GROSS INDEX ACCUMULATED VALUE	EOY INDEX VALUE NET OF INT & EXT LOANS
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,047	\$23,104
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$186,880	\$122,382
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$243,601	\$180,565
4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$277,274	\$215,683
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$342,370	\$282,241
6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$413,870	\$355,203
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$490,999	\$433,794
8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$577,220	\$529,552
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$672,069	\$633,938
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$706,214	\$677,620
11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$764,371	\$764,371
12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$828,248	\$828,248
13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$851,647	\$851,647
14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$923,823	\$923,823
15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$976,541	\$976,541
16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,062,977	\$1,062,977
17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,054,512	\$1,054,512
18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,152,913	\$1,152,913
19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,261,179	\$1,261,179
20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,380,358	\$1,380,358
21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,511,493	\$1,511,493
22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,636,138	\$1,636,138
23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,625,149	\$1,625,149
24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,613,024	\$1,613,024
25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,599,448	\$1,599,448
26	\$0	-\$127,956	-\$127,956	-\$6,398	\$12,989	-\$134,354	\$139,713	\$5,359	\$1,746,414	\$1,612,061
27	\$0	-\$128,965	-\$263,319	-\$13,166	\$11,797	-\$276,484	\$277,929	\$1,445	\$1,806,548	\$1,530,063
28	\$0	-\$122,405	-\$398,890	-\$19,944	\$33,158	-\$418,834	\$429,555	\$10,721	\$1,938,411	\$1,519,577
29	\$0	-\$121,566	-\$540,400	-\$27,020	\$55,935	-\$567,420	\$601,644	\$34,224	\$2,116,110	\$1,548,689
30	\$0	-\$123,895	-\$691,315	-\$34,566	\$0	-\$725,881	\$718,568	-\$7,314	\$2,095,776	\$1,369,894
31	\$0	-\$109,592	-\$835,473	-\$41,774	\$0	-\$877,246	\$819,656	-\$57,590	\$2,074,258	\$1,197,011
32	\$0	-\$95,761	-\$973,007	-\$48,650	\$92,807	-\$1,021,658	\$998,238	-\$23,420	\$2,261,923	\$1,240,265
33	\$0	-\$99,221	-\$1,120,879	-\$56,044	\$111,313	-\$1,176,923	\$1,197,295	\$20,372	\$2,467,690	\$1,290,767
34	\$0	-\$103,261	-\$1,280,184	-\$64,009	\$26,320	-\$1,344,193	\$1,313,923	-\$30,270	\$2,493,052	\$1,148,858
35	\$0	-\$91,909	-\$1,436,102	-\$71,805	\$142,634	-\$1,507,907	\$1,534,180	\$26,273	\$2,720,661	\$1,212,754
36	\$0	-\$97,020	-\$1,604,927	-\$80,246	\$165,610	-\$1,685,174	\$1,781,313	\$96,139	\$2,971,031	\$1,285,857
37	\$0	-\$102,869	-\$1,788,042	-\$89,402	\$191,434	-\$1,877,444	\$2,059,086	\$181,641	\$3,246,825	\$1,369,381
38	\$0	-\$109,550	-\$1,986,995	-\$99,350	\$0	-\$2,086,345	\$2,151,366	\$65,021	\$3,220,968	\$1,134,624
39	\$0	-\$90,770	-\$2,177,115	-\$108,856	\$228,027	-\$2,285,970	\$2,452,677	\$166,706	\$3,523,424	\$1,237,454
40	\$0	-\$98,996	-\$2,384,967	-\$119,248	\$259,790	-\$2,504,215	\$2,794,321	\$290,106	\$3,858,480	\$1,354,265

BEST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 2/1/1978)

INTERNAL ACCOUNT LOANS: PARTICIPATING PLR: 5.00%

- 3RD PARTY PAYOFF USING PARTICIPATING LOAN** The index value used to payoff the 3rd party premium financing loan. This can be done with either a withdrawal or a participating loan.
- INCOME DRAWDOWNS PARTICIPATING LOANS** These are drawdown modeling requests made by the client for supplemental retirement income. These can be done with either fixed loans or participating loans.
- CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL** The running YTD total internal loan, including all drawdowns, plus the accrued interest on the drawdowns.
- ACCRUED INTERNAL LOAN INTEREST** The interest due each year on the internal loans, including the drawdown principal AND the accrued/compounded interest from previous years.
- INDEX CREDIT AFTER CHARGES** The net dollar interest gained each year on the funds moved to the INDEX LOAN ACCOUNT (after charges) assuming participating loans are credited based on the INDEX CREDIT with no bonuses.
- CUMULATIVE INTERNAL DEBT BALANCE** The running YTD total of accrued internal debt from internal loans, including the accrued interest.
- CUMULATIVE INDEXED LOAN ACCOUNT VALUE** The running YTD total of accumulated funds in the INDEX LOAN ACCOUNT as a result of the participating loans leaving the primary index account, including index credit gains, minus charges on these particular funds.
- CUMULATIVE PAR LOAN GAIN/LOSS** The running YTD cumulative net gain or loss as a result of Participating Loans (the CUMULATIVE INTERNAL DEBT BALANCE plus the CUMULATIVE INDEXED LOAN ACCOUNT VALUE).
- EOY GROSS INDEX ACCUMULATED VALUE** The indexed accumulated value, not including any surrender charges, internal loans, or 3rd party lender debt.
- EOY INDEX VALUE NET OF INT & EXT LOANS** The indexed accumulated value, minus any surrender charges, internal loans, and 3rd party lender debt.

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

INTERNAL ACCOUNT LOANS: PARTICIPATING PLR: 5.00%

YEAR	1 3RD PARTY PAYOFF USING PARTICIPATING LOAN	2 INCOME DRAWDOWNS PARTICIPATING LOANS	3 CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL	4 ACCRUED INTERNAL LOAN INTEREST	5 INDEX CREDIT AFTER CHARGES	6 CUMULATIVE INTERNAL DEBT BALANCE	7 CUMULATIVE INDEXED LOAN ACCOUNT VALUE	8 CUMULATIVE PAR LOAN GAIN/LOSS	9 EOY GROSS INDEX ACCUMULATED VALUE	10 EOY INDEX VALUE NET OF INT & EXT LOANS
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,047	\$23,104
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$169,506	\$105,008
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$203,579	\$140,543
4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$261,570	\$199,979
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$325,057	\$264,928
6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$358,079	\$299,412
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$415,209	\$358,004
8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$477,371	\$429,703
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$561,986	\$523,855
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$596,131	\$567,537
11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$604,509	\$604,509
12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$652,000	\$652,000
13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$638,742	\$638,742
14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$685,162	\$685,162
15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$739,901	\$739,901
16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$806,817	\$806,817
17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$798,352	\$798,352
18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$870,496	\$870,496
19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$861,509	\$861,509
20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$939,723	\$939,723
21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,002,148	\$1,002,148
22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,089,738	\$1,089,738
23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,087,634	\$1,087,634
24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,185,748	\$1,185,748
25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,292,320	\$1,292,320
26	\$0	-\$103,386	-\$103,386	-\$5,169	\$10,471	-\$108,555	\$112,624	\$4,070	\$1,407,805	\$1,299,251
27	\$0	-\$103,940	-\$212,495	-\$10,625	\$15,754	-\$223,120	\$229,773	\$6,653	\$1,493,670	\$1,270,550
28	\$0	-\$101,644	-\$324,764	-\$16,238	\$33,566	-\$341,002	\$361,042	\$20,040	\$1,627,186	\$1,286,185
29	\$0	-\$102,895	-\$443,897	-\$22,195	\$46,997	-\$466,091	\$505,506	\$39,415	\$1,772,985	\$1,306,893
30	\$0	-\$104,551	-\$570,643	-\$28,532	\$0	-\$599,175	\$603,061	\$3,886	\$1,752,651	\$1,153,476
31	\$0	-\$92,278	-\$691,453	-\$34,573	\$0	-\$726,026	\$686,802	-\$39,224	\$1,731,133	\$1,005,107
32	\$0	-\$80,409	-\$806,434	-\$40,322	\$77,611	-\$846,756	\$834,794	-\$11,962	\$1,883,628	\$1,036,871
33	\$0	-\$82,950	-\$929,706	-\$46,485	\$92,887	-\$976,191	\$999,106	\$22,915	\$2,050,620	\$1,074,429
34	\$0	-\$85,954	-\$1,062,145	-\$53,107	\$109,872	-\$1,115,253	\$1,181,926	\$66,674	\$2,233,684	\$1,118,431
35	\$0	-\$89,474	-\$1,204,727	-\$60,236	\$109,494	-\$1,264,963	\$1,366,476	\$101,512	\$2,400,718	\$1,135,755
36	\$0	-\$90,860	-\$1,355,824	-\$67,791	\$147,769	-\$1,423,615	\$1,589,414	\$165,799	\$2,618,294	\$1,194,679
37	\$0	-\$95,574	-\$1,519,189	-\$75,959	\$0	-\$1,595,149	\$1,668,214	\$73,065	\$2,592,229	\$997,081
38	\$0	-\$79,766	-\$1,674,915	-\$83,746	\$0	-\$1,758,661	\$1,730,545	-\$28,116	\$2,566,372	\$807,711
39	\$0	-\$64,617	-\$1,823,278	-\$91,164	\$141,457	-\$1,914,442	\$1,919,048	\$4,606	\$2,743,481	\$829,039
40	\$0	-\$66,323	-\$1,980,765	-\$99,038	\$0	-\$2,079,803	\$1,968,243	-\$111,561	\$2,719,812	\$640,008

WORST PRE-PANDEMIC CAGR 40-YEAR PERIOD OUT OF 121 DIFFERENT INDEX PERIODS ANALYZED (STARTING 10/1/1971)

INTERNAL ACCOUNT LOANS: PARTICIPATING PLR: 5.00%

- 3RD PARTY PAYOFF USING PARTICIPATING LOAN** The index value used to payoff the 3rd party premium financing loan. This can be done with either a withdrawal or a participating loan.
- INCOME DRAWDOWNS PARTICIPATING LOANS** These are drawdown modeling requests made by the client for supplemental retirement income. These can be done with either fixed loans or participating loans.
- CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL** The running YTD total internal loan, including all drawdowns, plus the accrued interest on the drawdowns.
- ACCRUED INTERNAL LOAN INTEREST** The interest due each year on the internal loans, including the drawdown principal AND the accrued/compounded interest from previous years.
- INDEX CREDIT AFTER CHARGES** The net dollar interest gained each year on the funds moved to the INDEX LOAN ACCOUNT (after charges) assuming participating loans are credited based on the INDEX CREDIT with no bonuses.
- CUMULATIVE INTERNAL DEBT BALANCE** The running YTD total of accrued internal debt from internal loans, including the accrued interest.
- CUMULATIVE INDEXED LOAN ACCOUNT VALUE** The running YTD total of accumulated funds in the INDEX LOAN ACCOUNT as a result of the participating loans leaving the primary index account, including index credit gains, minus charges on these particular funds.
- CUMULATIVE PAR LOAN GAIN/LOSS** The running YTD cumulative net gain or loss as a result of Participating Loans (the CUMULATIVE INTERNAL DEBT BALANCE plus the CUMULATIVE INDEXED LOAN ACCOUNT VALUE).
- EOY GROSS INDEX ACCUMULATED VALUE** The indexed accumulated value, not including any surrender charges, internal loans, or 3rd party lender debt.
- EOY INDEX VALUE NET OF INT & EXT LOANS** The indexed accumulated value, minus any surrender charges, internal loans, and 3rd party lender debt.



MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

INTERNAL ACCOUNT LOANS: PARTICIPATING PLR: 5.00%

YEAR	1 3RD PARTY PAYOFF USING PARTICIPATING LOAN	2 INCOME DRAWDOWNS PARTICIPATING LOANS	3 CUMULATIVE ACCRUED INTERNAL LOAN PRINCIPAL	4 ACCRUED INTERNAL LOAN INTEREST	5 INDEX CREDIT AFTER CHARGES	6 CUMULATIVE INTERNAL DEBT BALANCE	7 CUMULATIVE INDEXED LOAN ACCOUNT VALUE	8 CUMULATIVE PAR LOAN GAIN/LOSS	9 EOY GROSS INDEX ACCUMULATED VALUE	10 EOY INDEX VALUE NET OF INT & EXT LOANS
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,047	\$23,104
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$186,880	\$122,382
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$242,885	\$179,849
4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$304,905	\$243,314
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$372,833	\$312,704
6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$405,855	\$347,188
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$483,611	\$426,406
8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$569,074	\$521,406
9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$628,582	\$590,451
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$730,656	\$702,062
11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$770,424	\$770,424
12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$831,219	\$831,219
13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$817,846	\$817,846
14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$886,558	\$886,558
15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$961,940	\$961,940
16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,051,614	\$1,051,614
17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,150,072	\$1,150,072
18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,243,691	\$1,243,691
19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,234,704	\$1,234,704
20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,225,551	\$1,225,551
21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,216,161	\$1,216,161
22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,329,711	\$1,329,711
23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,377,178	\$1,377,178
24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,479,236	\$1,479,236
25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,615,890	\$1,615,890
26	\$0	-\$129,271	-\$129,271	-\$6,464	\$0	-\$135,735	\$128,039	-\$7,695	\$1,600,491	\$1,464,756
27	\$0	-\$117,180	-\$252,915	-\$12,646	\$0	-\$265,561	\$242,685	-\$22,876	\$1,583,944	\$1,318,383
28	\$0	-\$105,471	-\$371,032	-\$18,552	\$35,286	-\$389,583	\$379,536	-\$10,047	\$1,726,713	\$1,337,130
29	\$0	-\$106,970	-\$496,554	-\$24,828	\$49,317	-\$521,381	\$530,460	\$9,079	\$1,882,713	\$1,361,332
30	\$0	-\$108,907	-\$630,288	-\$31,514	\$12,928	-\$661,802	\$645,390	-\$16,413	\$1,900,449	\$1,238,647
31	\$0	-\$99,092	-\$760,894	-\$38,045	\$75,445	-\$798,939	\$811,497	\$12,559	\$2,071,521	\$1,272,582
32	\$0	-\$101,807	-\$900,745	-\$45,037	\$92,591	-\$945,783	\$995,919	\$50,136	\$2,258,906	\$1,313,123
33	\$0	-\$105,050	-\$1,050,832	-\$52,542	\$111,668	-\$1,103,374	\$1,201,107	\$97,733	\$2,464,364	\$1,360,990
34	\$0	-\$108,879	-\$1,212,253	-\$60,613	\$0	-\$1,272,866	\$1,296,921	\$24,055	\$2,439,785	\$1,166,919
35	\$0	-\$93,354	-\$1,366,219	-\$68,311	\$141,024	-\$1,434,530	\$1,516,863	\$82,332	\$2,661,934	\$1,227,404
36	\$0	-\$98,192	-\$1,532,723	-\$76,636	\$163,936	-\$1,609,359	\$1,763,308	\$153,949	\$2,906,285	\$1,296,926
37	\$0	-\$103,754	-\$1,713,113	-\$85,656	\$0	-\$1,798,769	\$1,850,318	\$51,549	\$2,880,220	\$1,081,452
38	\$0	-\$86,516	-\$1,885,285	-\$94,264	\$196,743	-\$1,979,549	\$2,116,189	\$136,640	\$3,146,936	\$1,167,387
39	\$0	-\$93,391	-\$2,072,940	-\$103,647	\$224,674	-\$2,176,587	\$2,416,617	\$240,030	\$3,441,803	\$1,265,216
40	\$0	-\$101,217	-\$2,277,804	-\$113,890	\$256,303	-\$2,391,694	\$2,756,823	\$365,129	\$3,768,492	\$1,376,798

MOST RECENT 40-YEAR PERIOD (1/01/1982-12/31/2021)

INTERNAL ACCOUNT LOANS: PARTICIPATING PLR: 5.00%

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- EOY INDEX VALUE NET OF INT & EXT LOANS** The indexed accumulated value, minus any surrender charges, internal loans, and 3rd party lender debt.

CLIENT CONFIRMATION OF UNDERSTANDING THIS DOCUMENT

I understand that this document models hypothetical synthetic asset(s) that represent proxies for some real world products, and are not depictions of the actual real world products whatsoever. I understand that the various elements and assumptions made in this document including but not limited to the hypothetical contributions, hypothetical performance, hypothetical index returns, hypothetical crediting methods, hypothetical static charges, hypothetical asset-based charges, hypothetical asset values, hypothetical lender borrowing rates, hypothetical borrowing rate components, hypothetical borrowing rate increases, and hypothetical loan fees are merely fictitious and modeled for the purpose of deepening my understanding of how such elements may hypothetically affect outcomes over time.

I understand that this document and the data depicted within should not be used to determine my decision to invest in any investment fund or purchase and sort of insurance-related product, and that I should refer to the compliance-approved prospectus or insurance carrier illustration. I understand that I should consult my trusted advisors, including but not limited to my financial advisor, insurance agent, CPA, estate planning attorney, to seek advice on investing in any sort of investment or purchasing any sort of insurance product.

I understand that Lionsmark Capital is a data analytics company that merely models a range of outcomes based on hypothetical data inputted into its system, that this document reflects such hypothetical outcomes, and agree that I shall hold harmless Lionsmark Capital, DSC Advisor, and Darren T. Sugiyama as an individual, for any outcomes that may result from my own decision to invest in specific investments or purchase specific insurance products.

I understand that Lionsmark Capital has used this hypothetical modeling document for the purposes of educating me and my advisors on how certain charges, crediting methods, and utilization of a third party lender's capital may affect outcomes over time. I attest that I have been shown less than desirable sequences of returns from historical 40-year periods, and that I was specifically shown the 40-year period that produced the worst compounded annual growth rate out of the 121 different 40-year periods analyzed. I also understand that this "Worst 40" is not the "worst possible case scenario," and that it is in fact possible that any future 40-year periods could produce an even worse outcome than the "Worst 40" version depicted in this document. I also understand that the "Best 40" period produced the best compounded annual growth rate out of the 121 different 40-year periods analyzed, and that this "Best 40" is not the "best possible case scenario," and that it is possible that any future 40-year periods could in fact produce an even better outcome than the "Best 40" version depicted in this document.

INTERESTED PARTY:

M40 - 3YF 100.50

CLIENT ADVISOR:

Darren Sugiyama

signature *date*

signature *date*

Lionsmark Capital official authentication of this document is only valid if it bears the signature of Darren T. Sugiyama. Any and all other versions of hypothetical synthetic asset modeling designed for or discussed with the aforementioned signing parties before the date signed above are not valid and are not approved Lionsmark Capital documents. Lionsmark Capital and Darren T. Sugiyama shall not be held liable for any representations made or data illustrated in such invalid documents.

DARREN T. SUGIYAMA

signature *date*