



**LEVERAGED  
INDEX  
ARBITRAGE™**

**TRADITIONAL  
FIRST DOLLAR  
FINANCING**

**FIRST DOLLAR  
INTEREST  
ACCRUAL**

---

**PERSONAL GUARANTY REQUIRED:**

NO

YES

YES

---

**CORPORATE GUARANTY REQUIRED:**

NO

YES

YES

---

**OUTSIDE COLLATERAL REQUIRED:**

NO

YES

YES

---

**RECOURSE LOAN BEYOND POLICY ASSET:**

NO

YES

YES

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**LOAN UNDERWRITING PROCESS:**

SIMPLIFIED

FULL

FULL

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**LOAN UNDERWRITING TURN-AROUND TIME:**

5 BUSINESS DAYS

30+ BUSINESS DAYS

30+ BUSINESS DAYS

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**RISK TO THE CLIENT:**

ZERO TO LOW

MODERATE

EXTREMELY HIGH

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# FOR AUM ADVISORS



## LEVERAGED INDEX ARBITRAGE™

## TRADITIONAL FIRST DOLLAR FINANCING

## FIRST DOLLAR INTEREST ACCRUAL

### OUTSIDE COLLATERAL FACTORS:

**LESS RISK POTENTIAL:**  
No outside collateral removes variable of potential future collateral calls. Clients like certainty.

**AUM STICKINESS FACTOR:**  
Outside collateral requirement makes AUM stickier for the advisor due to the illiquidity of funds.

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Outside collateral requirement makes AUM stickier for the advisor due to the illiquidity of funds.

### FINANCING DESIGN & FIRST-YEAR PREMIUM (FYP):

**REPOSITIONING CAPITAL:**  
Client paying the FYP eliminates the outside collateral requirement. FYP is not a "COST," rather a repositioning of capital from AUM to equity in the policy.

**MAXIMIZES AUM:**  
Client finances 100% of premium (including FYP). AUM advisor keeps max amount of funds in AUM, which is their primary source of income.

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### ADVANTAGES & REQUIREMENTS:

**ADVANTAGES:**  
Best CSV Performance  
Least Amount of Risk  
No Outside Collateral  
Non-Recourse Loan

**REQUIREMENTS:**  
Client must pay FYP

**ADVANTAGES:**  
Low 1<sup>st</sup> Year Outlay  
Maximizes AUM

**REQUIREMENTS:**  
Requires Collateral  
Personal Guaranty  
Less CSV than LIA

**ADVANTAGES:**  
Least Cash Outlay

**REQUIREMENTS:**  
Requires Collateral  
Personal Guaranty  
High Risk of Policy Lapse  
\*Risk of Accrued Debt  
Outpacing Policy CSV

# NET COST vs. CASH VALUE & COVERAGE

# YR	AGE	GUARANTEED UL		NON-FINANCED IUL			1ST-DOLLAR FINANCING w/ COLLATERAL			LEVERAGED INDEX ARBITRAGE			
		ANNUAL OUTLAY	NET DEATH BENEFIT	ANNUAL OUTLAY	NET CASH SURRENDER VALUE	NET DEATH BENEFIT	ANNUAL OUTLAY	NET CASH SURRENDER VALUE	NET DEATH BENEFIT	ANNUAL OUTLAY	NET CASH SURRENDER VALUE	NET DEATH BENEFIT	IRR ON DEATH BENEFIT
1	55	\$123,176	\$10,000,000	\$157,603	\$0	\$10,000,000	\$33,504	-\$355,699	\$9,856,093	\$575,000	\$219,731	\$10,431,523	1714.18%
2	56	\$123,176	\$10,000,000	\$157,603	\$9,298	\$10,000,000	\$68,048	-\$348,169	\$9,757,727	\$35,639	\$222,044	\$10,327,940	320.72%
3	57	\$123,176	\$10,000,000	\$157,603	\$85,200	\$10,000,000	\$105,617	-\$357,801	\$9,737,507	\$72,562	\$207,474	\$10,302,782	158.03%
4	58	\$123,176	\$10,000,000	\$157,603	\$182,982	\$10,000,000	\$146,571	-\$303,038	\$9,781,679	\$112,827	\$257,768	\$10,342,485	101.75%
5	59	\$123,176	\$10,000,000	\$157,603	\$309,135	\$10,000,000	\$191,307	-\$175,992	\$9,898,137	\$156,829	\$381,087	\$10,455,216	73.86%
6	60	\$123,176	\$10,000,000	\$157,603	\$449,371	\$10,000,000	\$240,262	\$6,451	\$10,069,992	\$205,007	\$560,467	\$10,624,008	57.24%
7	61	\$123,176	\$10,000,000	\$157,603	\$603,180	\$10,000,000	\$293,922	\$247,080	\$10,300,033	\$257,846	\$798,491	\$10,851,444	46.18%
8	62	\$123,176	\$10,000,000	\$157,603	\$771,041	\$10,000,000	\$307,265	\$550,751	\$10,300,033	\$269,297	\$1,100,255	\$10,851,444	37.84%
9	63	\$123,176	\$10,000,000	\$157,603	\$960,598	\$10,000,000	\$323,470	\$889,795	\$10,300,033	\$283,500	\$1,438,043	\$10,851,444	31.57%
10	64	\$123,176	\$10,000,000	\$157,603	\$1,156,544	\$10,000,000	\$340,972	\$1,243,037	\$10,300,033	\$298,839	\$1,790,068	\$10,851,444	26.68%
11	65	\$123,176	\$10,000,000	\$157,603	\$1,380,809	\$10,000,000	\$322,070	\$1,653,346	\$10,300,033	\$282,273	\$2,198,585	\$10,851,444	22.81%
12	66	\$123,176	\$10,000,000	\$157,603	\$1,614,984	\$10,000,000	\$304,680	\$2,096,181	\$10,300,033	\$267,032	\$2,639,586	\$10,851,444	19.69%
13	67	\$123,176	\$10,000,000	\$157,603	\$1,857,959	\$10,000,000	\$288,682	\$2,574,762	\$10,300,033	\$253,010	\$3,115,196	\$10,851,444	17.14%
14	68	\$123,176	\$10,000,000	\$157,603	\$2,110,034	\$10,000,000	\$273,963	\$3,090,621	\$10,300,033	\$240,110	\$3,629,013	\$10,851,444	15.02%
15	69	\$123,176	\$10,000,000	\$157,603	\$2,369,922	\$10,000,000	\$260,422	\$3,647,938	\$10,300,033	\$228,243	\$4,182,977	\$10,851,444	13.26%
16	70	\$123,176	\$10,000,000	\$157,603	\$2,635,363	\$10,000,000	\$0	\$3,915,026	\$10,300,033	\$0	\$4,489,120	\$10,851,444	12.00%
17	71	\$123,176	\$10,000,000	\$157,603	\$2,904,483	\$10,000,000	\$0	\$4,183,299	\$10,300,033	\$0	\$4,799,721	\$10,851,444	10.94%
18	72	\$123,176	\$10,000,000	\$157,603	\$3,187,960	\$10,000,000	\$0	\$4,472,476	\$10,300,033	\$0	\$5,135,799	\$10,851,444	10.04%
19	73	\$123,176	\$10,000,000	\$157,603	\$3,486,909	\$10,000,000	\$0	\$4,785,309	\$10,300,033	\$0	\$5,501,042	\$10,851,444	9.27%
20	74	\$123,176	\$10,000,000	\$157,603	\$3,802,862	\$10,000,000	\$0	\$5,124,341	\$10,300,033	\$0	\$5,898,103	\$10,851,444	8.61%
21	75	\$123,176	\$10,000,000	\$0	\$3,976,602	\$10,000,000	\$0	\$5,493,314	\$10,300,033	\$0	\$6,330,861	\$10,851,444	8.02%
22	76	\$123,176	\$10,000,000	\$0	\$4,156,277	\$10,000,000	\$0	\$5,895,141	\$10,300,033	\$0	\$6,805,080	\$10,851,444	7.51%
23	77	\$123,176	\$10,000,000	\$0	\$4,341,628	\$10,000,000	\$0	\$6,334,108	\$10,300,033	\$0	\$7,325,636	\$10,851,444	7.06%
24	78	\$123,176	\$10,000,000	\$0	\$4,533,239	\$10,000,000	\$0	\$6,815,582	\$10,300,033	\$0	\$7,898,430	\$10,851,444	6.66%
25	79	\$123,176	\$10,000,000	\$0	\$4,732,040	\$10,000,000	\$0	\$7,346,737	\$10,300,033	\$0	\$8,533,608	\$10,851,444	6.30%
26	80	\$123,176	\$10,000,000	\$0	\$4,938,347	\$10,000,000	\$0	\$7,935,275	\$10,300,033	\$0	\$9,240,045	\$10,851,444	5.97%
27	81	\$123,176	\$10,000,000	\$0	\$5,152,298	\$10,000,000	\$0	\$8,591,124	\$10,300,033	\$0	\$10,030,396	\$10,851,444	5.68%
28	82	\$123,176	\$10,000,000	\$0	\$5,374,293	\$10,000,000	\$0	\$9,325,382	\$10,300,033	\$0	\$10,918,886	\$11,464,830	5.68%
29	83	\$123,176	\$10,000,000	\$0	\$5,604,791	\$10,000,000	\$0	\$10,153,280	\$10,660,944	\$0	\$11,904,802	\$12,500,042	5.82%
30	84	\$123,176	\$10,000,000	\$0	\$5,844,335	\$10,000,000	\$0	\$11,083,177	\$11,637,336	\$0	\$12,981,442	\$13,630,514	5.95%
31	85	\$123,176	\$10,000,000	\$0	\$6,076,025	\$10,000,000	\$0	\$12,025,727	\$12,627,014	\$0	\$14,072,699	\$14,776,334	6.05%
32	86	\$123,176	\$10,000,000	\$0	\$6,299,127	\$10,000,000	\$0	\$12,973,860	\$13,622,554	\$0	\$15,169,175	\$15,927,634	6.12%
33	87	\$123,176	\$10,000,000	\$0	\$6,510,541	\$10,000,000	\$0	\$13,916,955	\$14,612,802	\$0	\$16,259,229	\$17,072,191	6.16%
34	88	\$123,176	\$10,000,000	\$0	\$6,708,977	\$10,000,000	\$0	\$14,846,526	\$15,588,852	\$0	\$17,333,855	\$18,200,548	6.17%
35	89	\$123,176	\$10,000,000	\$0	\$6,891,301	\$10,000,000	\$0	\$15,754,884	\$16,542,628	\$0	\$18,379,252	\$19,298,214	6.17%
36	90	\$123,176	\$10,000,000	\$0	\$7,070,841	\$10,000,000	\$0	\$16,706,335	\$17,541,652	\$0	\$19,476,591	\$20,450,421	6.16%
37	91	\$123,176	\$10,000,000	\$0	\$7,244,058	\$10,000,000	\$0	\$17,716,892	\$18,425,568	\$0	\$20,638,784	\$21,464,335	6.12%
38	92	\$123,176	\$10,000,000	\$0	\$7,408,622	\$10,000,000	\$0	\$18,792,453	\$19,356,227	\$0	\$21,879,113	\$22,535,486	6.09%
39	93	\$123,176	\$10,000,000	\$0	\$7,564,884	\$10,000,000	\$0	\$19,940,421	\$20,339,229	\$0	\$23,203,362	\$23,667,429	6.05%
40	94	\$123,176	\$10,000,000	\$0	\$7,714,930	\$10,000,000	\$0	\$21,173,351	\$21,385,085	\$0	\$24,626,362	\$24,872,625	6.03%
		OUTLAY: (\$4,927,040)		OUTLAY: (\$3,152,060)			OUTLAY: (\$3,500,756)			OUTLAY: (\$3,538,013)			
		INCOME DRAWN: \$0		INCOME DRAWN: \$0			INCOME DRAWN: \$0			INCOME DRAWN: \$0			
		YEAR 40 CSV: \$0		YEAR 40 CSV: \$7,714,930			YEAR 40 CSV: \$21,173,351			YEAR 40 CSV: \$24,626,362			
		NET COST: (\$4,927,040)		NET GAIN: \$4,562,870			NET GAIN: \$17,672,595			NET GAIN: \$21,088,349			
		40-YR CV IRR: 0.00%		40-YR CV IRR: 2.93%			40-YR CV IRR: 5.80%			40-YR CV IRR: 5.99%			
		40-YR DB IRR: 3.19%		40-YR DB IRR: 3.78%			40-YR DB IRR: 5.83%			40-YR DB IRR: 6.03%			

The benefits and values shown above are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. This presentation is not valid unless accompanied by a complete insurance company illustration. Please see the full illustration for guaranteed values and other important information. Premium finance arrangement offered by Lionsmark Capital. The insurance carrier is bound only by the term of the life insurance contract it issues.

