LION'S WEALTH
MANAGEMENT

Strengthening a benefit that protects you, your family, and your income.

Nathan Krampe, CFP®,CPWA®
Founder and Wealth Advisor Lion's Wealth Management

612.790.7975
info@lionswealth.com

HOW TO INCREASE YOUR RETIREMENT WEALTH BY 60% TO 100%

When you combine a leveraging strategy to retirement funding, you get a unique alternative to traditional, safe-but-slow-growing retirement strategies.

Leverage allows you to buy a bigger home. You put down 20%, then leverage the rest with a mortgage. We also use leverage when buying cars.

Why not get a bigger retirement by using leverage?
Cash value components of permanent life insurance bring tax advantages. The way insurers designed this product, you can use the cash tax-free.

When you combine this with a leveraging strategy to fully fund the policy, you get a unique alternative to traditional, safe-but-slow-growing retirement strategies.

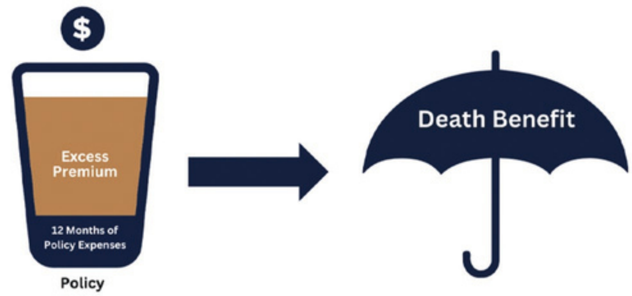
This is an incredible strategy that helps you maintain your lifestyle, provide a death benefit protection as well as living benefits in the event of a serious illness, premature death, or for retirement. Protecting your earnings is critical to ensuring your ability to save for retirement.

KEY TAKEAWAYS

- Using the bank's funds, leveraged life insurance enables you to increase your cash value more quickly. The bank adds the remaining 75% once you provide 25%. Without any danger of loss, you begin by earning interest on the entire amount.
- It differs from other conservative wealth-building methods in unique ways.
- You get a unique alternative to traditional, safe-but-slow-growing retirement strategies in a leveraging strategy to fully fund the policy.
- Tax benefits come from permanent life insurance's cash value components. You can utilize the cash potentially tax-free because of the way the insurers arranged this product.
- An indexed universal life insurance policy is funded by both you and the bank. 25% of the total premiums are paid by you, and 75% by the bank. After a period of time, there may be enough growth in the cash value to cover the bank's initial investment plus interest. You can then use your paid-up life insurance coverage as you like.
- Using life insurance with leverage is easy. No personal collateral or loan applications are necessary. The life insurance policy is the collateral.

Protecting You and Your Family

Your cash accumulation policy is designed to minimize the cost of insurance, while maximizing your potential tax advantaged growth. The leveraged bank loan is projected to be paid off (depending on policy performance) using the cash value of the policy through policy loans. The remaining cash value has the potential to continue to accrue and could be accessed through policy loans and withdrawals to supplement retirement income. The life insurance within the policy includes a death benefit with living benefit riders. These riders allow the death benefit to be used early to cover an unexpected qualifying illness.



Death Benefit Features

A permanent life insurance policy with living benefit riders that can provide benefits in the case of:**

- Chronic Illness
  (Assistance with daily living, Bathing, Eating, etc.)
- Terminal Illness
  (Illness where death is expected within 12-24 months. Term varies by state.)

Features and Benefits Provided by the Life Insurance Policy

Death Benefit Protection

A cash value life insurance policy with accelerated benefit riders can provide a tax-free1 death benefit and/or living benefits of:

Critical Illness - (Cancer, Heart Attack, Stroke, etc.)

Chronic Illness - (Assistance with daily living, bathing, eating, dressing, transferring, etc.)

Terminal Illness - (May provide living benefits if death is expected within 12-24 months. Term varies by state.)

Cash Accumulation

Potential cash value accumulation for lifestyle needs such as supplemental retirement income. Policy features include:

Interest Crediting Potential - (Opportunity for interest credited based on market index or a fixed rate)

No Loss of Cash Value, 0% Floor - (0% floor protects against declines in an index)

Potential Cash Value Growth Tax Deferred

Potential Income Tax-Free Withdrawals - (Access to cash value using policy loans and withdrawals that may be income tax free)

Excess Premium Features

Interest credited based in part on changes of a stock market index like the S&P 500

- **Upside Crediting Potential**
- **No Negative Returns,**
  (0% Floor (Due To Declines In An Index)
  Policy Floor Prevents Negative Crediting Rates
- **Potential Growth Tax-Deferred**
- **Potential Tax-free Withdrawals****
  (Access to cash value using Tax-Free policy loans)

The zero percent floor helps to prevent losses in the policy cash value due to market volatilli

Cash Accumulation Features of The Policy

The unique crediting strategy of the policy provides your policy with an upside growth crediting potential that is capped and a zero percent floor. Once the gains are credited, they cannot decline due to market losses. When the market index (i.e. S&P 500) has annual growth it is used, in part, to determine the amount of interest to credit to your policy, when the market index is negative your policy will only return zero percent growth. Although, the policy will not decline with the market, the insurance expenses would still come out of the policy.

The zero percent floor helps to prevent losses in the policy cash value due to market volatilli

How this strategy works

The most unique and compelling aspect of this strategy is that the participant's contributions are leveraged 3:1

How it Works

A life insurance policy is jointly funded by the participant and bank financing. The bank financing provides approximately 60-75% of the total premiums to the policy. Now participants can realize benefits far beyond what their annual contributions alone could afford them.

The Use of Leverage

Leverage means you borrow money to get something that would otherwise be tricky to afford. We do this all of the time to get homes, cars, and college degrees.

This concept is not much different than using a bank mortgage to leverage assets to purchase a home. Money is borrowed to buy more house (or with this strategy, more benefits) than one could purchase with assets on hand.

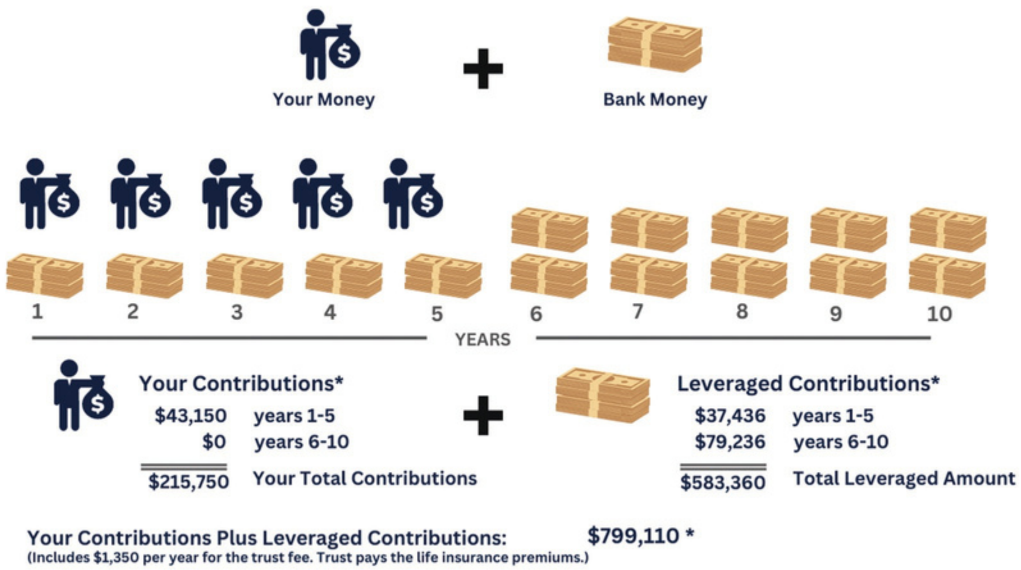
The amount funded into the policy has the potential for market growth without the risk of market losses due to declines in an index and uses the policy's cash value as the sole collateral for the loan. The driving force behind using the principle of leverage to grow your retirement account, you're just buying a more comfortable retirement.

EXAMPLE: Unique Use of Leverage

To maximize the potential growth of your cash accumulation life insurance policy, you contribute $43,150 and the lender loans $37,436 into your policy each year for the next 5 years. At the end of the 5th year, your contributions end. However, the lender continues to pay premiums of $79,236 per year into your policy for years 6 through 10.

With leverage you get approximately three times more into your policy which can be potentially used for supplemental retirement income.

Without having to make any loan guarantees, with no liability outside of the policy itself and the payments that you make into the plan.



Years 1-5

During the first 5 years, the participant their portion and the lender finances the additional premiums into the insurance policy. contributes

Years 6-10

After year 5, the participant's obligation is projected to be complete and the lender makes the remaining premium payments.

Years 11-15

During this time, the policy has the potential to accumulate more value and the lender's note is projected to be satisfied approximately by the end of the 15th year.

Years 16 and beyond

Potential policy cash value accumulation is projected for distributions for lifestyle needs such as supplemental retirement income.

Until you pass away, the insurer will continue to credit your cash worth by the index's growth percentage. By year ten, the scheme had been completely funded. You don't have to do anything with it but let it build until you decide to start accepting loans.

Take out a policy at 45, for example. When you reach the age of 60, the bank repays itself. If you retire at 67, you will have an additional seven years of growth.

Advantages This Unique Policy

The majority of people do not have access to this strategy; only accredited investors. It differs from other conservative wealth-building strategies in a unique way.

Tax-Free

It is always tax-free for the recipient to receive the death benefit from a life insurance policy.

With the exception of unpaid payments, you would never have to pay taxes on your life insurance loan. Contrast that with more conventional investments, which have minimal to no tax benefits.

Who Should Use A Life Insurance Plus Leverage Strategy?

Insurance companies put together this wealth-building strategy with executives in mind. It has four simple qualifications.

- Ages 18 to 65
- Standard health or better
- Annual income of at least $100,000
- Able to make annual contributions for five years (monthly contributions are an option after year 1)

The growth of starting 20 years ago is possible with this life insurance plus leverage strategy. The same benefits that we currently use when purchasing real estate are being utilized. It provides a more secure option compared to other safe but slow-growing strategies.

Comparing Your Plan

You Pay The Same $43,150 For 5 Years

This Strategy

With Other Plans

After-tax Investment	Self-fund Policy*	This Strategy
	$337,414	More Protection $785,337
765,022 Total	$925,000 Total	More Money $1,275,00 Total
Potential Annual Distributions* $30,601	Potential Annual Policy Distributions* $37,000	This Strategy Potential Annual Policy Distributions* After Lender loan is Paid $51,000

Assumptions:

Growth Rate of 7.04%
Income Tax Rate 37.0%
Long Term Capital Gains 20%
Avg State Income Tax Rate 5.5%

Death Benefit — Total Death Benefit & Living Benefits

Total Potential Policy Distributions or Other Distributions (age 66 - 90)

The Power of Leverage

	Self-funded Policy	This Strategy
Your Contribution Per Year (Years 1-5)	$43,150	$41,800
Your Trust Fees Per Year (Years 1-5)	$0	$1,350
Your Total Annual Contributions (Years 1-5)	$43,150	$43,150
Annual Potential Policy Distributions during Retirement (age 66-90)	$37,000	$51,000 *
Total Potential Policy Distributions	$925,000	$1,275,000
Initial Death Benefit	$550,000	$1,000,00
Policy Potential Death Benefit/Living Benefits (at age 90)	$337,414	$785,337 *

Stress Test Using Historical Interest Rates/Policy Performance:

1980s Stress Test Annual Supplemental Income:*	$38,000
*The 1980 simulation assumes a gradual cap increases to 15%	
Great Depression Annual Supplemental Income:	$33,000

This Strategy - More Money Working for You - More Protection for You and Your Family - More Potential for Tax Advantage Growth

Virtual Family Office Special Report

By Nathan Krampe, CFP®, CPWA®

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LION'S WEALTH

MANAGEMENT

We believe families can lead a life of significance and create a far-reaching impact through a properly designed wealth plan.

LIONSWEALTH.COM | +1 612 790 7975 | INFO@LIONSWEALTH.COM

www.lionswealth.com

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