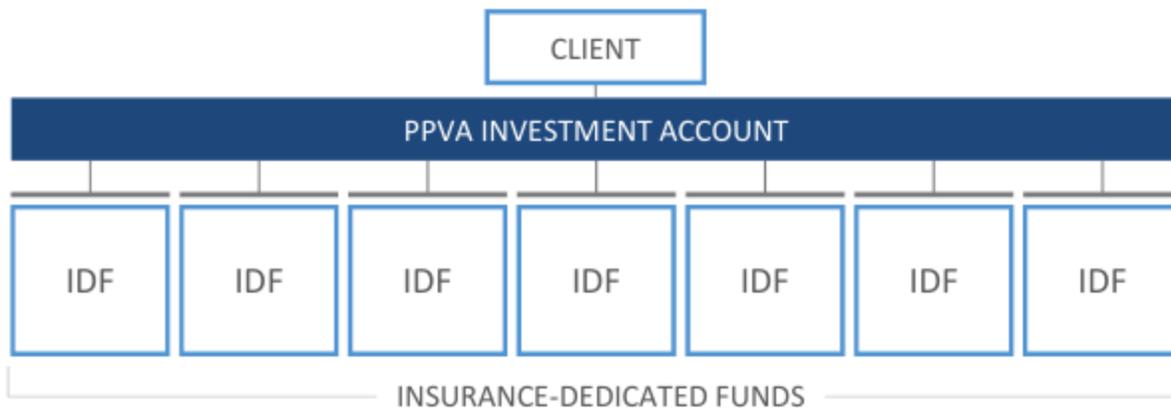


Overview of Private Placement Variable Annuity (PPVA) Investment Accounts

Private Placement Variable Annuity

STRUCTURE



TAX CHARACTERISTICS

- ▶ Investment returns accumulate on a tax-deferred basis *I.R.C. Section 72*
- ▶ Assets within a PPVA Investment Account may be reallocated without tax *Rev. Rul. 81-225 and Rev. Rul. 82-54*
- ▶ When withdrawals are taken from a PPVA Investment Account, deferred gains are subject to tax at ordinary income rates. There is a 10% excise tax on the gain element of withdrawals taken before age 59½ *I.R.C. Section 72*
- ▶ If a private foundation or public charity is designated as the beneficiary of a PPVA Investment Account, deferred gains become fully exempt from income and estate taxes at the death of the annuitant
- ▶ IRC Section 1035 permits tax-free exchanges from other annuities or life insurance policies to a PPVA Investment Account *I.R.C. Section 1035*

ATTRIBUTES

- ▶ NO limits on contributions
- ▶ NO upfront loads or surrender charges
- ▶ NO restrictions on withdrawals
- ▶ NO distributions required until age 95 or older
- ▶ NOT subject to life insurance company credit risk
- ▶ NO K-1s

DISCLOSURES

A Private Placement Variable Annuity Investment Account is an unregistered securities product and is not subject to the same regulatory requirements as registered variable annuity products. As such, a Private Placement Variable Annuity Investment Account should only be presented to accredited investors or qualified purchasers as described by the Securities Act of 1933.

This material is intended for informational purposes only and should not be construed as legal or tax advice and is not intended to replace the advice of a qualified attorney or an accountant, or tax advisor. This material may be delivered only by an individual licensed to present Private Placement Variable Annuity offering documents.

PPVA Investment Accounts are long-term investments. The value of a PPVA investment Account will fluctuate and, when redeemed, may be worth more or less than the original deposit. Withdrawals or other distributions of taxable amounts, including death benefit payments, will be subject to ordinary income tax. If withdrawals or other distributions are taken prior to age 59½, a 10% excise tax may apply to the gain element.

South Dakota charges a premium tax for Private Placement Variable Annuity Investment Account deposits. California, Maine, Nevada, Puerto Rico, West Virginia, and Wyoming charge a tax upon annuitization of a Private Placement Variable Annuity Investment Account.

A Private Placement Variable Annuity Investment Account may include additional fees such as placement fees and performance fees. None of the illustrations contained herein assume these fees. The returns would be lower if these fees become applicable.

The tax and legal references attached herein are designed to provide accurate and authoritative information with regard to the subject matter covered and will be provided with the understanding that Winged Keel Group, Inc. is not engaged in rendering tax, legal, or actuarial services. If tax, legal, or actuarial advice is required, you should consult your accountant, attorney, or actuary. Winged Keel Group, Inc. does not replace those advisors.

The tax rates and tax treatment of earnings may impact comparative results. Lower maximum tax rates on capital gains and dividends would make the investment return for the Taxable Investment Account more favorable, thereby reducing the difference in performance between the accounts shown.

The information and financial data included here are purely hypothetical and are not intended to predict or project future performance. Any illustration is intended solely for discussion purposes and is not representative of any actual investment results or performance. Actual investment results and performance will vary and are not guaranteed. This information is not intended to constitute any future performance figures and no specific securities are identified.

The financial illustrations and other statements within this report, as well as comments made by any individuals, are not guaranteed and do not constitute a contract. Any contract entered into is between the Private Placement Variable Annuity owner and the insurance company, through its Private Placement Variable Annuity Investment Account. You should read the Private Placement Variable Annuity contract thoroughly.

Investors should consider the investment objectives, risks, charges, and expenses of any variable product carefully before investing. This and other important information about the investment company is contained in each fund's offering memorandum, which can be obtained by calling [REDACTED]. Please read it carefully before you invest.

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