



SMART FUND

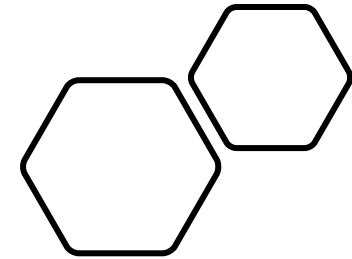
S - Safe

M - Mobile

A - Access Any Time

R - Rate of Return Guaranteed

T - Tax Free



By Mark Meile & Michael Herrera
Convergence Insurance /
Affordable Benefit Concepts

“Do you really want to invest in a system where you put up 100% of the capital, you take 100% of the risk, and you get 30% of the return.”

-Jack Bogle, CEO Vanguard Group

What Financial Advisors Tell Clients

- Maximize your Investment in your IRA/Mutual Funds/401k/403B
- Take advantage and use Pre-Tax dollars to invest
- You are told that you *should* be in a lower tax bracket when you retire
- “Buy Term Life insurance (cheapest) and invest the rest in your 401k/IRA/Mutual Fund”

How Does This Sound ?

- You will have absolutely no control of the money
- You will have No Access to your money till age 55 or 59 1/2
- There will be Volatility and the Risk of Loss
- There is No Guarantee return on your investment
- You will pay multiple levels of Commission & Management Fees
- You will be taxed when you ask for the money and pay a penalty if too early*

Myths #1 & #2

Myth #1 Low Fees

[Jack Bogle video](#)

401k Fees:

- Administrative
- Investment
- Asset/Revenue Sharing
- Audit, Fiduciary & Consulting
- How 1% change in fee can impact overall retirement savings by 66%:

Myth #2-Rebound

“The Market Will Rebound Quickly after a loss and you will benefit as an investor”.

Drawdown-Real Rate of Return

If you paid \$100k over your lifetime into your IRA/Mutual Fund/401k and your tax rate is 30%. You did not have to pay tax during that timeframe (pretax or tax deferred), so you saved \$30k. However, if your investments accrued to a \$500K balance over your lifetime and the tax rate was the same, you will pay \$150K in taxes at disbursement. Does that make sense?

Myths #3 & #4

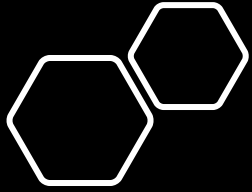
Myth #3: “Average Yield”

- Year 1 up 100% to 200k
- Year 2 down 50%to 100k
- Year 3 up 100% to 200k
- Year 4 down 50% to 100k

Average Yield is 25%
Actual Yield is 0 %

Myth #4: The promise-“Tax rates will be lower when you retire “.

* Avg tax rate over history is 60%



Wealth Creation Strategy

IRS Tax Code for Tax Free Wealth:

- **72E-** Accumulate Cash Tax Free
- **7702-** Access Cash Tax Free
- **101A-** Transfer cash at death, Tax Free



100% Safe

With Over 200 years of history, it's likely the safest place on the planet for your money. Notorious for having championed over a dozen recessions and the great depression.



Tax Free

Not only is it protected from loss, but from taxes. It grows tax-free, you can use it tax-free and you can retire tax-free.



Government Free

Say hello to the last place we have to keep money out of government control. There are no limitations on how much you can put in, or when you have to take it out. 100% control.



Solid Growth

Multiple case studies reveal consistent growth between 4.5% to 6.5%. While volatility abounds everywhere, cash value life insurance remains the most consistent, predictable place for growth.



Liquid

It's your money, use it when and how you want to. Never worry about locking up money again.



Guarantees (No Losses)

Among other awesome benefits, the icing on the cake are the guarantees. You will never go backward, and always be moving forward.

What the other 10% are doing...

Myth #1- Low Fees



Jack Bogle video



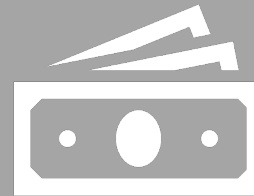
401k Fees:

Administrative

Investment

Asset/Revenue Sharing

Audit, Fiduciary & Consulting



How 1% change in fee can
impact overall retirement
savings by 66%:

Myth#2-
“The Market Will Rebound Quickly after a loss and you will benefit as an investor”.

Drawdown-Real
Rate of Return

The market corrects itself every 7-10 years—the market drops 20-30% (this last one in March 2020 was about 35%).



Most financial advisors will tell you—no problem-its bargain time and its normal. What they don't tell you is what it takes to get back to your original balance.



With this last correction, the average investor will need the market to increase about 53% to get back to even.



For example, if you had 300K in the market this past march when it dropped 35% (\$105k was lost on paper). The new balance is now \$195k.



In order to get back to the original \$300k, the market would have to increase 53.8%. This is a big reason why most savers will continue to work in their 70s and beyond.

Myth #3: "Average Yield"

Average Yield vs Actual Yield

Average Yield is NOT Actual Annual Rate of Return

\$100,000 INVESTMENT WITH A 4 YEAR AVERAGE YIELD OF 25%.

Year 1 up 100% (\$200, 000)	\$200,000
Year 2 down 50% (\$100,000)	\$100,000
Year 3 up 100% (\$200,000)	\$200,000
Year 4 down 50% (\$100,000)	\$100,000

Back to Square One over a 4-year period.

**Most advisors discuss the Average Yield & not actual ROR*

Myth #4: The promise-“Tax rates will be lower when you retire”.

-Most folks that are facing retirement will have less to write off-Mortgage interest/Dependents etc.

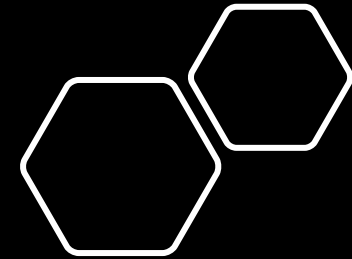
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Historical Highest Marginal Income Tax Rates

Year	Top Marginal Rate	Year	Top Marginal Rate	Year	Top Marginal Rate	Year	Top Marginal Rate
1913	7.00%	1948	82.13%	1983	50.00%	2018	37.00%
1914	7.00%	1949	82.13%	1984	50.00%	2019	37.00%
1915	7.00%	1950	84.36%	1985	50.00%	2020	37.00%
1916	15.00%	1951	91.00%	1986	50.00%		
1917	67.00%	1952	92.00%	1987	38.50%		
1918	77.00%	1953	92.00%	1988	28.00%		
1919	73.00%	1954	91.00%	1989	28.00%		
1920	73.00%	1955	91.00%	1990	28.00%		
1921	73.00%	1956	91.00%	1991	31.00%		
1922	58.00%	1957	91.00%	1992	31.00%		
1923	43.50%	1958	91.00%	1993	39.60%		
1924	46.00%	1959	91.00%	1994	39.60%		
1925	25.00%	1960	91.00%	1995	39.60%		
1926	25.00%	1961	91.00%	1996	39.60%		
1927	25.00%	1962	91.00%	1997	39.60%		
1928	25.00%	1963	91.00%	1998	39.60%		
1929	24.00%	1964	77.00%	1999	39.60%		
1930	25.00%	1965	70.00%	2000	39.60%		
1931	25.00%	1966	70.00%	2001	39.10%		
1932	63.00%	1967	70.00%	2002	38.60%		
1933	63.00%	1968	75.25%	2003	35.00%		
1934	63.00%	1969	77.00%	2004	35.00%		
1935	63.00%	1970	71.75%	2005	35.00%		
1936	79.00%	1971	70.00%	2006	35.00%		
1937	79.00%	1972	70.00%	2007	35.00%		
1938	79.00%	1973	70.00%	2008	35.00%		
1939	79.00%	1974	70.00%	2009	35.00%		
1940	81.10%	1975	70.00%	2010	35.00%		
1941	81.00%	1976	70.00%	2011	35.00%		
1942	88.00%	1977	70.00%	2012	35.00%		
1943	88.00%	1978	70.00%	2013	39.60%		
1944	94.00%	1979	70.00%	2014	39.60%		
1945	94.00%	1980	70.00%	2015	39.60%		
1946	86.45%	1981	69.13%	2016	39.60%		
1947	86.45%	1982	50.00%	2017	39.60%		

*Avg tax rate
over history is
60%*

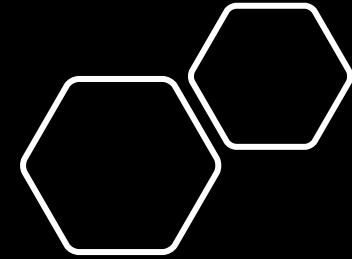
Notes: This table contains a number of simplifications and ignores a number of factors, such as the amount of income or types of income subject to the top rates, or the value of standard and itemized deductions.
Sources: IRS Revenue Procedures, various years. Also, Eugene Steuerle, The Urban Institute; Joseph Pechman, *Federal Tax Policy*; Joint Committee on Taxation, Summary of Conference Agreement on the Jobs and Growth Tax Relief Reconciliation Act of 2003, JCX-54-03, May 22, 2003.



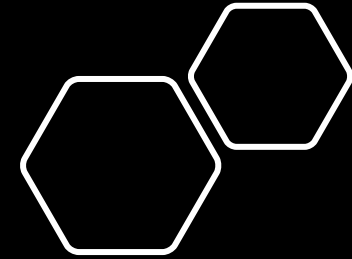
50K

POL YR	AGE AT START OF YR	Guaranteed			Non-Guaranteed - Current		
		ANNUAL PREMIUM #	CASH VALUE ##	DEATH BENEFIT ##	NET PREMIUM # *	CASH VALUE ## *	DEATH BENEFIT ## *
1	58	50,000	11,767	1,003,294	50,000	11,767	1,003,294
2	59	51,562	26,537	1,030,711	50,000	32,675	1,036,849
3	60	51,562	62,058	1,057,282	50,000	75,024	1,078,222
4	61	51,562	98,364	1,083,042	50,000	118,861	1,119,468
5	62	51,562	135,422	1,108,026	50,000	164,216	1,160,616
6	63	51,562	173,620	1,132,267	50,000	212,329	1,202,542
7	64	51,562	212,539	1,155,799	50,000	262,901	1,246,208
8	65	51,562	252,186	1,178,653	50,000	316,003	1,291,603
9	66	51,562	292,564	1,200,859	50,000	371,769	1,338,722
10	67	51,562	333,722	1,222,444	50,000	430,336	1,387,575
11	68	51,562	375,667	1,243,434	50,000	491,806	1,438,140
12	69	51,562	418,347	1,263,852	50,000	556,309	1,490,483
13	70	51,562	461,695	1,283,722	50,000	623,887	1,544,675
14	71	51,562	505,568	1,303,067	50,000	694,596	1,600,828
15	72	51,562	549,844	1,321,912	50,000	768,332	1,658,947
16	73	51,562	594,403	1,340,281	50,000	845,237	1,719,169
17	74	51,562	639,144	1,358,198	50,000	925,398	1,781,716
18	75	51,562	684,065	1,375,687	50,000	1,008,968	1,846,699
19	76	51,562	729,175	1,392,771	50,000	1,096,012	1,914,103
20	77	51,562	774,526	1,409,470	50,000	1,185,790	1,982,999
21	78	51,562	818,340	1,425,802	50,000	1,276,483	2,052,865
22	79	51,562	862,219	1,441,784	50,000	1,369,694	2,123,646
23	80	51,562	906,084	1,457,433	50,000	1,465,505	2,195,493
24	81	51,562	949,787	1,472,765	50,000	1,563,887	2,268,596
25	82	51,562	993,340	1,487,796	50,000	1,665,021	2,343,144
26	83	51,562	1,036,290	1,502,541	50,000	1,768,967	2,419,827
27	84	51,562	1,078,462	1,517,017	50,000	1,875,547	2,498,885
28	85	51,562	1,119,624	1,531,242	50,000	1,984,586	2,580,489
29	86	51,562	1,159,514	1,545,235	50,000	2,095,083	2,664,059
30	87	51,562	1,197,937	1,559,013	50,000	2,206,784	2,749,549
31	88	51,562	1,234,699	1,572,595	50,000	2,319,404	2,837,092
32	89	51,562	1,269,877	1,586,000	50,000	2,433,158	2,926,907
33	90	51,562	1,303,613	1,599,244	50,000	2,547,618	3,018,497
34	91	51,562	1,336,303	1,612,342	50,000	2,662,665	3,111,155
35	92	51,562	1,368,587	1,625,306	50,000	2,778,347	3,203,910

THE VALUES ILLUSTRATED ARE BASED ON THE ASSUMPTION THAT THE NON-GUARANTEED ELEMENTS, INCLUDING DIVIDENDS, WILL CONTINUE UNCHANGED FOR ALL YEARS SHOWN. THIS IS NOT LIKELY TO OCCUR AND THE ACTUAL RESULTS MAY BE MORE OR LESS FAVORABLE THAN THOSE SHOWN. THE ASSUMPTIONS ON WHICH NON-GUARANTEED ELEMENTS ARE BASED ARE SUBJECT TO CHANGE BY THE COMPANY.



POL YR	AGE AT START OF YR	Guaranteed			Non-Guaranteed - Current		
		ANNUAL PREMIUM #	CASH VALUE ##	DEATH BENEFIT ##	NET PREMIUM # *	CASH VALUE ## *	DEATH BENEFIT ## *
1	58	25,000	6,374	488,678	25,000	6,374	488,678
2	59	25,758	14,226	503,529	25,000	17,218	506,520
3	60	25,758	32,175	517,922	25,000	38,499	528,132
4	61	25,758	50,524	531,875	25,000	60,505	549,624
5	62	25,758	69,261	545,408	25,000	83,275	571,009
6	63	25,758	88,571	558,539	25,000	107,414	592,746
7	64	25,758	108,253	571,286	25,000	132,777	615,305
8	65	25,758	128,307	583,665	25,000	159,398	638,680
9	66	25,758	148,738	595,693	25,000	187,343	662,874
10	67	25,758	169,569	607,385	25,000	216,681	687,893
11	68	25,758	190,802	618,754	25,000	247,463	713,726
12	69	25,758	212,413	629,814	25,000	279,752	740,411
13	70	25,758	234,369	640,577	25,000	313,569	767,982
14	71	25,758	256,598	651,056	25,000	348,944	796,499
15	72	25,758	279,039	661,264	25,000	385,824	825,963
16	73	25,758	301,634	671,214	25,000	424,279	856,445
17	74	25,758	324,330	680,919	25,000	464,353	888,056
18	75	25,758	347,128	690,392	25,000	506,120	920,854
19	76	25,758	370,030	699,646	25,000	549,614	954,833
20	77	25,758	393,062	708,691	25,000	594,475	989,541
21	78	25,758	415,360	717,537	25,000	639,821	1,024,725
22	79	25,758	437,702	726,194	25,000	686,429	1,060,360
23	80	25,758	460,046	734,670	25,000	734,339	1,096,519
24	81	25,758	482,321	742,975	25,000	783,539	1,133,299
25	82	25,758	504,529	751,117	25,000	834,117	1,170,794
26	83	25,758	526,447	759,104	25,000	886,104	1,209,347
27	84	25,758	547,984	766,945	25,000	939,411	1,249,078
28	85	25,758	569,024	774,650	25,000	993,951	1,290,074
29	86	25,758	589,436	782,229	25,000	1,049,227	1,332,047
30	87	25,758	609,122	789,692	25,000	1,105,113	1,374,975
31	88	25,758	627,983	797,049	25,000	1,161,467	1,418,926
32	89	25,758	646,056	804,310	25,000	1,218,395	1,464,009
33	90	25,758	663,411	811,484	25,000	1,275,683	1,509,979
34	91	25,758	680,245	818,579	25,000	1,333,273	1,556,483
35	92	25,758	696,877	825,601	25,000	1,391,186	1,603,039





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