Corporate COLI Asset Allocation

Investment Type	Risk Level	Top Carriers
***Private Placement Variable COLI** Derivatives (Options, Futures, Etc.) Insurance Dedicated Funds (IDF) Private Equity/VC/Hedge Funds	**SPECULATIVE**	**Top Private Placement Variable COLI Carriers** - New York Life - Lincoln National - Prudential - Protective - Nationwide - Principal
***Variable COLI** Public Equities (Small/Mid/Large) Mutual Funds/Separate Accounts Real Estate/Real Estate Funds	**STRATEGIC RISK**	**Top Variable COLI Carriers** - Lincoln National - New York Life - Prudential - Protective - Nationwide - Northwestern Mutual
***General Account COLI** AAA Rated Corporate Bonds U.S. Treasuries Municipal Bonds	**FIXED INCOME**	**Top General Account COLI Carriers** - Northwestern Mutual - MassMutual - New York Life
***General Account COLI** Treasury Bills/CDs/Notes Money Market Accounts Cash & Cash Equivalents	**FOUNDATION / CORE RESERVE**	**Top General Account COLI Carriers** - Northwestern Mutual - MassMutual - New York Life

This presentation does not contain legal or tax advice. It is intended solely for the information and education of customers and their legal or tax advisors. It is not intended to be used and cannot be used to avoid any federal tax penalties that may be imposed on a taxpayer. Taxpayers should seek advice from their own legal, accounting or tax advisors. Tax and other planning developments after the original date of presentation may affect these discussions.

This Analysis includes non-guaranteed life insurance values taken from the accompanying life insurance illustrations(s), which must be provided with this document. Illustrated policy values are not estimates or guarantees of future results and reflect current claim, expenses, and investment experience, unless otherwise noted in the assumptions. Actual results may be more or less favorable. See the Basic illustration for guaranteed elements and other important information. The policy year and the illustrated corresponding values may differ from the client's fiscal year.

Comparing Funding Methods

Fictional S Corp.

Corporate Cash Flow Comparison

COLI-Funded DC Plan* Northwestern Mutual 7pay CUL-COLI			Hypothetical Taxable Investments* 8.50% Annual Pre-Tax Return			Unfunded DC Plan* Using Only Future Corp. Cash Flow		
Plan Year	**Annual Net Corp. Cash Flow**	**Cumulative Corp. Cash Flow**	**Plan Year**	**Annual Net Corp. Cash Flow**	**Cumulative Corp. Cash Flow**	**Plan Year**	**Annual Net Corp. Cash Flow**	**Cumulative Corp. Cash Flow**
1	($329,642)	($329,642)	1	($62,884)	($62,884)	1	$0	$0
2	(329,642)	(659,284)	2	(67,096)	(129,980)	2		
3	(329,642)	(988,926)	3	(71,546)	(201,526)	3		
4	(329,642)	(1,318,568)	4	(76,248)	(277,774)	4		
5	(329,642)	(1,648,210)	5	(81,215)	(358,989)	5		
6	(329,642)	(1,977,852)	6	(86,460)	(445,449)	6		
7	(329,642)	(2,307,494)	7	(91,999)	(537,449)	7		
8	0	(2,307,494)	8	(97,847)	(635,296)	8		
9		(2,307,494)	9	(104,020)	(739,317)	9		
10		(2,307,494)	10	(110,536)	(849,852)	10		
11		(2,307,494)	11	(117,410)	(967,263)	11	0	0
12	(24,740)	(2,332,234)	12	(92,404)	(1,059,667)	12	(24,740)	(24,740)
13	(24,740)	(2,356,974)	13	(97,559)	(1,157,226)	13	(24,740)	(49,480)
14	(24,740)	(2,381,714)	14	(103,005)	(1,260,231)	14	(24,740)	(74,220)
15	(24,740)	(2,406,454)	15	(108,756)	(1,368,987)	15	(24,740)	(98,960)
16	(12,522)	(2,418,977)	16	(114,830)	(1,483,817)	16	(24,740)	(123,701)
17	12,218	(2,406,759)	17	(139,906)	(1,623,723)	17	0	(123,701)
18	12,218	(2,394,541)	18	(148,261)	(1,771,984)	18		(123,701)
19	12,218	(2,382,323)	19	(157,069)	(1,929,053)	19		(123,701)
20	(2,444)	(2,384,766)	20	(111,930)	(2,040,983)	20	(44,843)	(168,543)
21	(2,444)	(2,387,210)	21	(117,458)	(2,158,440)	21	(44,843)	(213,386)
22	(14,662)	(2,401,872)	22	(123,294)	(2,281,735)	22	(44,843)	(258,229)
23	(14,662)	(2,416,533)	23	(129,455)	(2,411,190)	23	(44,843)	(303,071)
24	(22,752)	(2,439,285)	24	(55,195)	(2,466,384)	24	(118,103)	(421,174)
25	528,309	(1,910,975)	25	9,040	(2,457,345)	25	(177,963)	(599,136)
26	(82,612)	(1,993,587)	26	13,677	(2,443,667)	26	(177,963)	(777,099)
27	(82,612)	(2,076,199)	27	18,518	(2,425,149)	27	(177,963)	(955,062)
28	(82,612)	(2,158,810)	28	23,572	(2,401,577)	28	(177,963)	(1,133,024)
29	(136,293)	(2,295,103)	29	115,620	(2,285,957)	29	(263,844)	(1,396,868)
30	(179,431)	(2,474,535)	30	183,458	(2,102,499)	30	(308,533)	(1,705,402)
31	(179,431)	(2,653,966)	31	200,853	(1,901,646)	31	(308,533)	(2,013,935)
32	705,043	(1,948,923)	32	83,340	(1,818,306)	32	(308,533)	(2,322,468)
33	(179,431)	(2,128,354)	33	(308,533)	(2,126,839)	33	(308,533)	(2,631,001)
34	(171,341)	(2,299,695)	34	(235,273)	(2,362,112)	34	(235,273)	(2,866,274)
35	(111,481)	(2,411,176)	35	(175,413)	(2,537,525)	35	(175,413)	(3,041,687)
36	(111,481)	(2,522,657)	36	(175,413)	(2,712,938)	36	(175,413)	(3,217,100)
37	(111,481)	(2,634,139)	37	(175,413)	(2,888,352)	37	(175,413)	(3,392,514)
38	440,664	(2,193,475)	38	(175,413)	(3,063,765)	38	(175,413)	(3,567,927)
39	(57,819)	(2,251,294)	39	(89,531)	(3,153,296)	39	(89,531)	(3,657,458)
40	0	**(2,251,294)**	40	0	**(3,153,296)**	40	0	**(3,657,458)**
41	841,461	(1,409,833)						
42	1,447,810	37,977						
43	0	37,977						
44		37,977						
45		37,977						
46	896,183	934,160						
47	0	934,160						
48	982,575	1,916,735						
49	0	1,916,735						
50		1,916,735						
51	2,055,273	3,972,008						
52	0	**3,972,008**						

COLI Premiums *(To Fund Plan)*

BENEFIT PAYOUTS *(Offset by CSV Withdrawals)*

DEATH BENEFITS *(Additional Cost Recovery)*

FINAL DB *(No COLI Remaining)*

CONTRIBUTIONS PLACED IN PORTFOLIO *(Plan is 100% Funded)*

BENEFIT PAYOUTS *(Offset by Portfolio Withdrawals)*

PORTFOLIO DEPLETED *(Benefits Now Paid With Cash Flow)*

NO FUNDING *(No COLI or Investments)*

BENEFIT PAYOUTS *(Paid With Cash Flow Alone)*

Cumulative Cash Flow at Yr 40 when Left Unfunded:	**($3,657,458)**
Cumulative Cash Flow at Yr 40 when Investment-Funded:	**($3,153,296)**
Cumulative Cash Flow at Yr 40 when COLI-Funded:	**($2,251,294)**
Cumulative Cash Flow at Yr 52 when COLI-Funded:	**$3,972,008**

*See Appendix B for the assumptions used for the *COLI-Funded DC Plan* , *Hypothetical Taxable Investments* , and *Unfunded DC Plan* .