

PRICING AND OTHER ADVANTAGES OF M EXCLUSIVE PRODUCTS

MAKING THE DIFFERENCE IN THE HIGH NET WORTH AND CORPORATE MARKETS

THE M ADVANTAGE: EXCLUSIVE PRODUCTS CAN SAVE YOU MONEY

In addition to independent advice, creative problem solving, and superior support, one of the benefits of working with an M Financial Group Member Firm is access to M's suite of exclusive products. Working with carrier partners to create products designed specifically for high net worth individuals and corporate clients, these products may have lower charges and provide features that are not available in the products generally offered to consumers.

These exclusive advantages become particularly important as persistent low interest rates can substantially diminish performance and prompt carriers to limit the product features available at affordable prices.

Exclusive products can provide clients with:

- **Increased cost savings** through lower charges compared with off-the-shelf products.
- **Higher cash values** achieved through lower costs and early cash value riders.
- **Improved flexibility** through the accumulation of higher cash value accounts.

¹ Products are accumulation VUL products from same carrier, but differ in how they balance between offering lower premiums or higher cash values. The analysis is intended to offer an apples-to-apples comparison.

HOW M'S EXCLUSIVE PRODUCTS OUTPERFORM RETAIL PRODUCTS

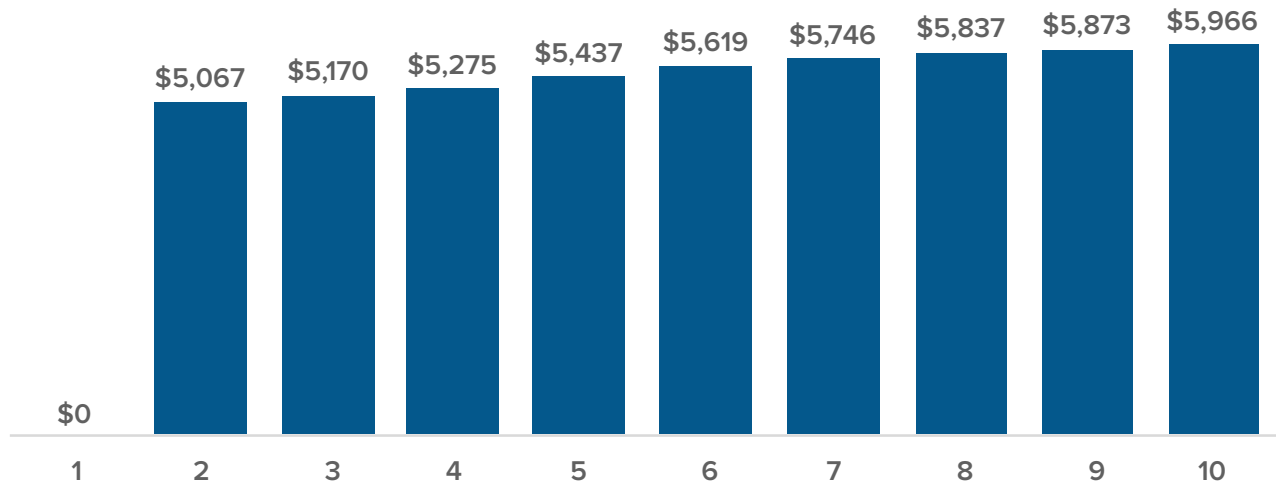
LOWER CHARGES, GREATER SAVINGS

A core advantage of an exclusive product from M Financial is a leaner cost structure than retail products, reflecting M clients' longer life spans, better policy persistency and the economies of scale that larger face amount policies deliver. These cost savings are passed along to clients in the form of lower policy charges. To illustrate this advantage, we compared an M exclusive product with a comparable retail product both offered by a single carrier.¹ We tracked the steadily growing difference in annual savings for the first 10 policy years.

HIGHER EARLY CASH VALUE, INCREASED FLEXIBILITY

If the cost savings are dedicated to increasing the policy's cash value, the client can potentially benefit from a **larger pool of cash to meet life's needs**. One way to achieve this is through the use of high early cash value riders which are available through M Financial's exclusive products. These riders increase the policy cash values during the first several years, giving clients access to this value earlier and with fewer restrictions than comparable products. Using the same comparison of the 55-year old male above, this illustration details the **additional** cumulative cash surrender value generated during the first five policy years.

HYPOTHETICAL ANNUAL SAVINGS FROM LOWER CHARGES



**Illustrates a 55-year-old Male purchasing \$10 million of insurance protection from an Accumulation Variable Universal Life (VUL) product backed by a nationally recognized insurance carrier.²*

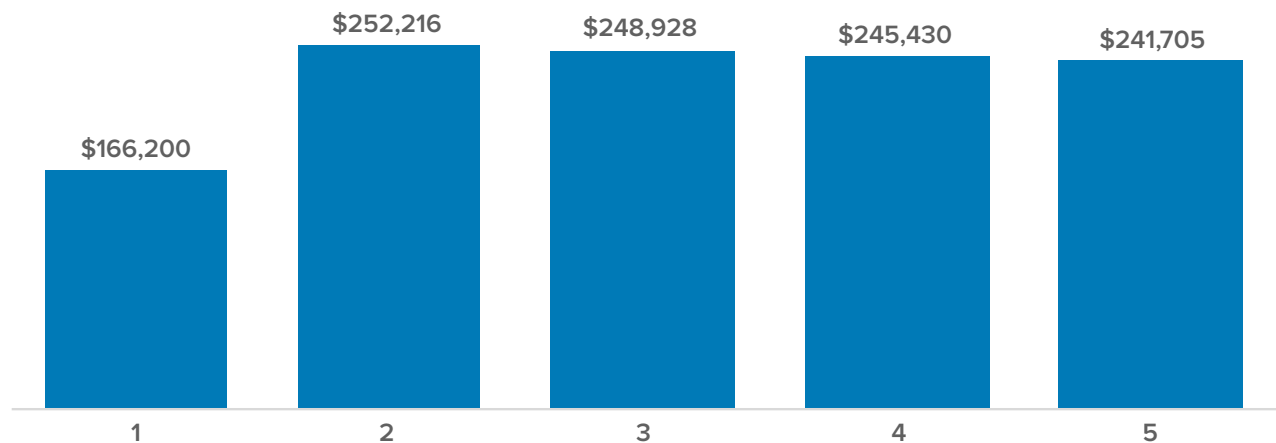
Key takeaway

Savings of almost \$50,000 from reduced charges in the first 10 policy years alone.

Possible benefits

Reduced premiums or higher accumulated cash value, depending on client (policy) objectives.

HYPOTHETICAL ADDITIONAL ANNUAL CASH SURRENDER VALUE: FIRST 5 YEARS



Key takeaway

Additional average cash value of more than \$230,000 over the first five years

Possible benefits

Flexibility to take early policy loans and withdrawals, or initiate a policy exchange³

² Cell details: policy is Male, 55, \$10 million insurance, \$250,000 premium paid for 10 years. SP risk class; 10 pay premium; Death benefit option A; 7% gross rate of return assumption. Approximately 25% term blend used.

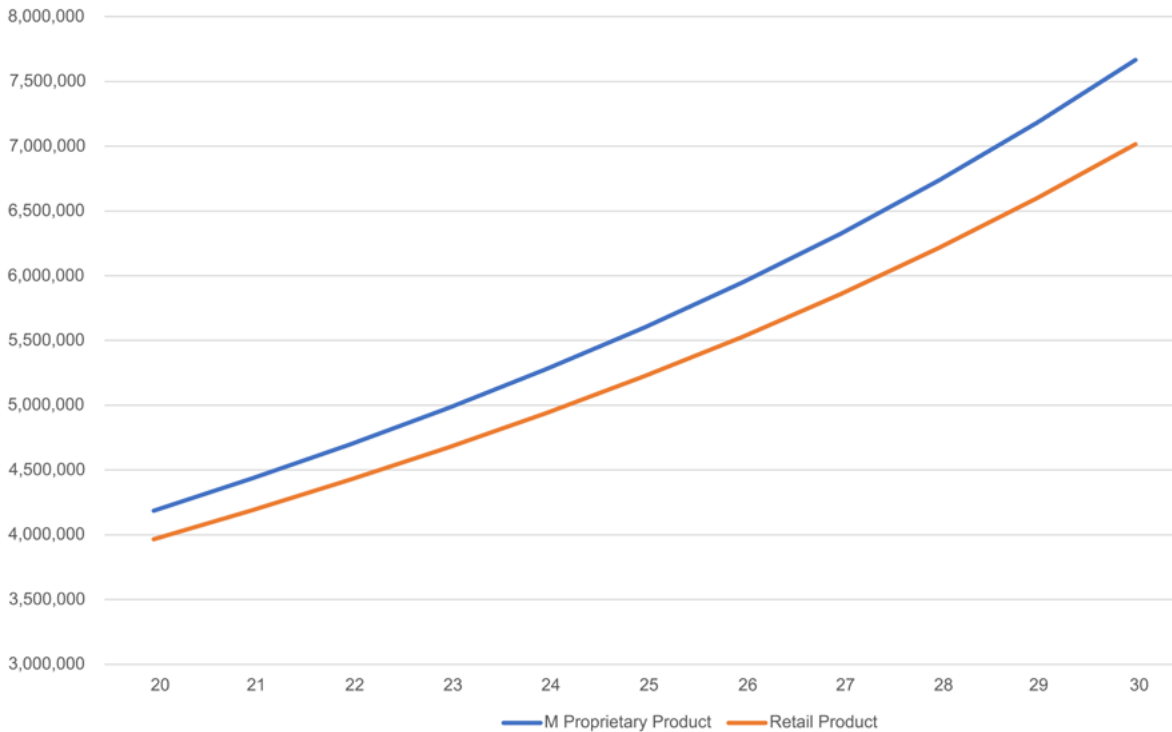
³ Exchanged through IRC section 1035 exchange

GROWING CASH VALUE, TAX-DEFERRED

For clients who dedicate cost savings to their policies' cash value, the growth continues over the long-term,

compounding tax-deferred and resulting in measurable **additional accumulated cash value** by policy year 30 in that same example of a 55-year old male.

HYPOTHETICAL ACCUMULATED CASH VALUE, YEARS 20–30



Key takeaway

Projected 9.3% more cash value by the 30th policy year than comparable retail product

Policy benefits

- Cash value can be used to pay for future policy charges, meet liquidity needs, or provide increased death benefit⁴
- Price efficiency minimizing the need to deplete gifting capacity for trust-owned policies

⁴ Policy values can be accessed through loans or withdrawals. In certain situations, taxes or penalties may apply. Discuss your specific situation with a tax professional.

AN UNDENIABLE ADVANTAGE

The pricing advantages of M Financial's exclusive products are possible because of the characteristics of our high net worth client base and our premier position among independent life insurance distribution and service firms. With higher face amounts and lower mortality and lapse rates, we are able to work with our carrier partners to provide best-in-class pricing — as high as 15% better in some cases.⁵ But the value goes beyond charge reductions and additional features. Our exclusive products give Member Firms access to product information and insights that allow them to advocate for clients and actively manage their policies, bringing the full power of life insurance to plan for retirement, estate planning, income protection, and business planning needs. Please see **M's Exclusive Product brochure** for a more complete overview of how our exclusive products frequently deliver more value.

⁵ Price advantages are determined by comparing the premium solves for 40 unique scenarios that consider four funding scenarios, four ages, and three risk classes. This number represents the maximum price advantage among the 40 scenarios. We believe these values to be accurate as of Aug. 17, 2021.

Ask your M Financial Group Member Firm professional how an M Financial Group exclusive product can support your financial goals.

OUR EXCLUSIVE PRODUCT PORTFOLIO

Every insurance product in the M Exclusive Product portfolio delivers advantages to you through:

- Creative innovation and ideas
- Strong long-term relationships
- Favorable experience fundamentals
- Commitment to in-force management

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This example is for informational purposes only and is not an offer or a solicitation of an offer to buy any financial instrument. It has been prepared without regard to the individual financial circumstances and objectives of individual investors. The appropriateness of a particular investment will depend on an investor's individual circumstances and objectives. Please discuss your questions about the M Exclusive Product portfolio with your M Financial professional.

Variable life insurance products are long-term investments and may not be suitable for all investors. An investment in variable life insurance is subject to fluctuating values of the underlying investment options and entails risks, including the possible loss of principal.

Variable Universal Life insurance combines the protection and tax advantages of life insurance with the investment potential of a comprehensive selection of variable investment options. The insurance component provides death benefit coverage and the carryable component gives you the flexibility to potentially increase the policy's cash value.

The policy values are hypothetical for illustration purposes only and may not be used to project or predict investment results. Policy values will vary based on the actual performance of subaccount investments selected, actual insurance charges over the life of the plan, and the timing of premium payments.

Investments in securities involve risks, including the possible loss of principal. When redeemed, shares may be worth more or less than their original value.

Loans and partial withdrawals will decrease the death benefit and cash value and may be subject to policy limitations and income tax.

Investors should consider the investment objectives, risks, charges, and expenses of any variable life insurance product carefully before investing. This and other important information about the investment company is contained in each product's prospectus. Please read it carefully before you invest.

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