



## Integrated Tax-Management for High-Net-Worth Investors

Combining the tax benefits of life insurance with the flexibility of sophisticated asset management strategies, private placement life insurance (PPLI) may be suitable for sophisticated investors seeking tax-efficiency within their wealth management plan.

PPLI contracts are traditional universal life contracts that provide an insurance death benefit and an investment vehicle for the cash value, while also emphasizing favorable tax treatment during the lifetime of the policyholder. With income and capital gains generated income tax-free, PPLI allows for the tax-advantaged compounding of wealth.

Available only to accredited investors with a minimum of \$2 million to invest, PPLI from Lombard International Life Assurance Company may be accessed through unified managed account (UMA) portfolios from Raymond James Asset Management Services. Freedom High Net Worth UMA portfolios utilize separately managed account (SMA) strategies carefully screened and selected by the AMS Manager Research & Due Diligence team.

### KEY TAKEAWAYS

Private placement life insurance (PPLI) offers qualified investors a vehicle in which investment returns are income tax-advantaged.

PPLI typically has lower mortality and administrative costs than other traditional life insurance contracts, and existing policies can be transferred tax-free.

Funds can be accessed by way of borrowing against the cash value or by withdrawal of contributions.

PPLI offered by Lombard International Life Assurance Company can be accessed through managed account portfolios from Raymond James Asset Management Services.

## BENEFITS OF PPLI

Compared to other forms of traditional life insurance, PPLI typically has lower mortality and administrative costs, and no surrender fees. Existing life insurance policies with large cash values may be considered for tax-free transfer into a PPLI contract. If the PPLI contract is properly designed, access to the cash value via loans or withdrawals is also income tax-free.

Within PPLI contracts, the death benefit can fluctuate based on the value of the underlying assets and heirs ultimately receive the death benefit income tax-free. Protection from creditors may also be possible, depending upon state law.

Cost-effective and flexible, PPLI allows private asset managers to make investment choices purely on merit, without concern for adverse tax consequences.

## FREEDOM HIGH NET WORTH UMA PORTFOLIOS

Constructed and monitored by AMS using a diligent process, Freedom High Net Worth UMA portfolios combine SMA strategies and exchange-traded funds (ETFs) in a single diversified portfolio. SMAs are utilized in asset classes where active management has the potential for the greatest impact beyond market performance, a measurement known as alpha.<sup>1</sup> Low-cost ETFs are used in relatively efficient asset classes, areas of the market that provide limited opportunity for manager outperformance.

<sup>1</sup>Alpha is the excess return of an investment relative to the return of a benchmark index.



Portfolios are available in a range of objectives, and your advisor will work with you to select the portfolio that's right for you and your goals:

- > Traditional Conservative
- > Traditional Moderate Conservative
- > Strategic Moderate
- > Traditional Moderate
- > Strategic Moderate Growth
- > Traditional Moderate Growth
- > Strategic Growth
- > Traditional Growth

Work with your advisor to determine whether utilizing PPLI with a Freedom High Net Worth portfolio to integrate tax efficiency into your wealth management plan is suitable for your investment goals.

Private Placement Life Insurance are unregistered securities products and are not subject to the same regulatory requirements as registered securities products. As such, Private Placement products should only be presented to accredited investors or qualified purchasers as described by the Securities Act of 1933. The information presented here is not an offer to purchase or the solicitation of an offer to purchase an investment product.

Variable life insurance is long-term investment and may not be suitable for all investors. Investments in variable products are subject to fluctuating values of the underlying investment options and entail risk, including the possible loss of principal. Product guarantees, including the death benefit, are subject to the claims-paying ability of the issuing insurance company.

Alternative investments are available only to those who meet specific suitability requirements, including minimum net worth tests. Please

review any offering materials carefully, and consult with your tax advisor or accountant prior to investing. There are special risks involved with alternative investments, including investment strategies, and different regulatory and reporting requirements. There is no assurance that any investment will meet its investment objectives or that substantial losses will be avoided. Alternative Investments involve substantial risks that may be greater than those associated with traditional investments and may be offered only to clients who meet specific suitability requirements, including minimum net worth tests. These risks include but are not limited to: limited or no liquidity, tax considerations, incentive fee structures, speculative investment strategies, and different regulatory and reporting requirements.

Changes in tax laws or regulations may occur at any time and could substantially impact your situation. You should discuss any tax or legal matters with the appropriate professional.

## RAYMOND JAMES®

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