

# The Global Lookback FIA

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# Global Lookback: *The Basket*

- S&P 500<sup>®</sup>
- EURO STOXX 50<sup>®</sup>
- Nikkei 225 Index
- Hang Seng Index



## Nikkei 225 Index

Most Actively  
Traded Issues on the Tokyo  
Stock Exchange

**TOYOTA**      **CANON**  
**SONY**

CHINA

Hang Seng Index

The 40 Leading Stocks  
on the Hong Kong  
Stock Exchange

**HSBC**

**COSSO**

**ESPRIT  
HOLDINGS**



# Western Europe

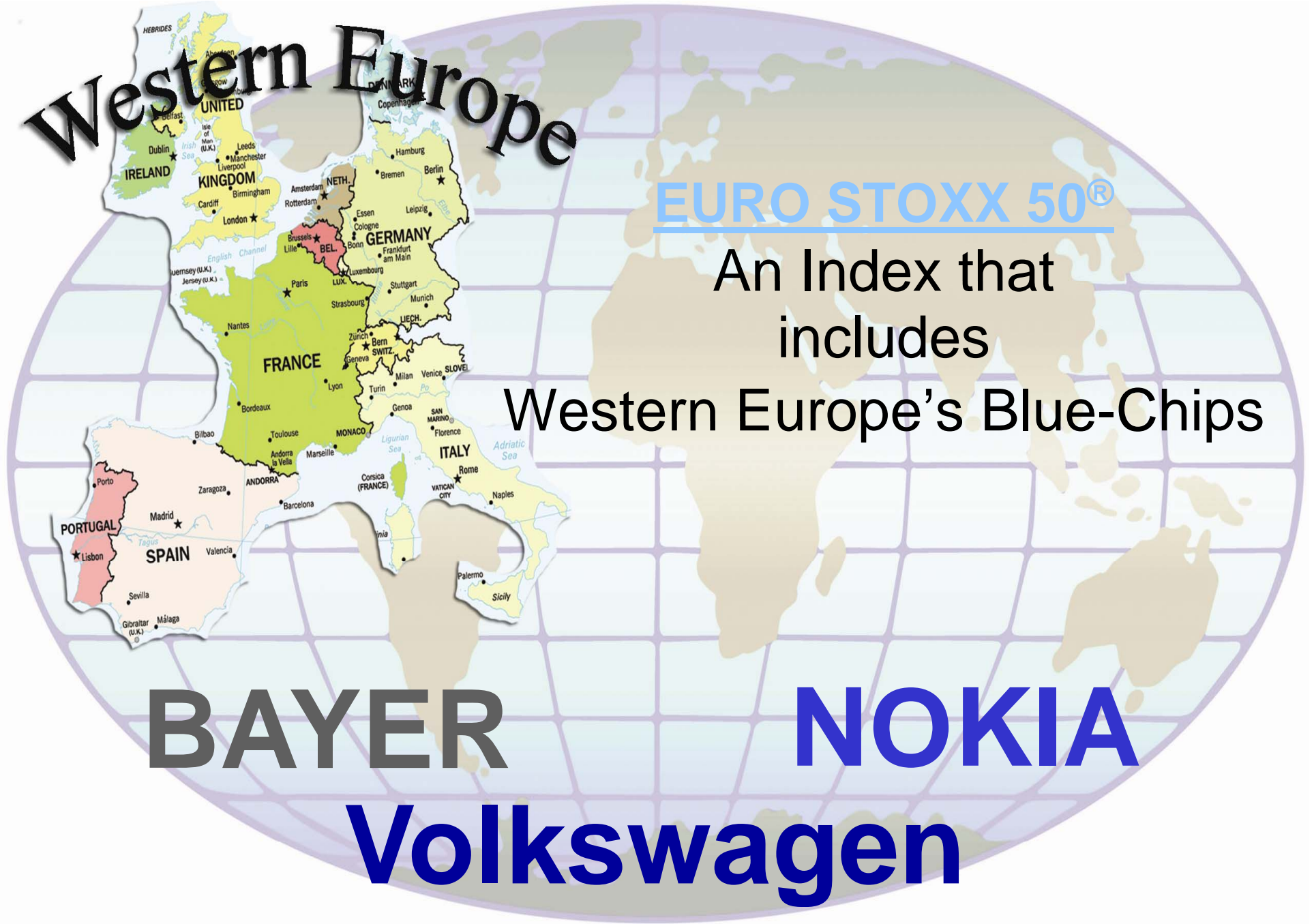
EURO STOXX 50®

An Index that  
includes  
Western Europe's Blue-Chips

**BAYER**

**NOKIA**

**Volkswagen**



**USA**

S&P 500<sup>®</sup>

500 Leading Companies  
Wide Range of  
Industries

**General  
Electric**

**WALMART**

**Microsoft**



# Global Index History

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
HIGHEST	HANG SENG	S&P 500	S&P 500	HANG SENG	HANG SENG	NIKKEI 225	NIKKEI 225	HANG SENG	S&P 500	HANG SENG	
	NIKKEI 225	EURO STOXX	EURO STOXX	NIKKEI 225	S&P 500	S&P 500	EURO STOXX	S&P 500	NIKKEI 225	EURO STOXX	
LOWEST	EURO STOXX	HANG SENG	NIKKEI 225	S&P 500	EURO STOXX	EURO STOXX	HANG SENG	EURO STOXX	EURO STOXX	S&P 500	
	S&P 500	NIKKEI 225	HANG SENG	EURO STOXX	NIKKEI 225	HANG SENG	S&P 500	NIKKEI 225	HANG SENG	NIKKEI 225	

-  S&P 500 INDEX
-  EURO STOCK 50 INDEX
-  NIKKEI 225 INDEX
-  HANG SENG INDEX

Indices ranking does not include Index Caps, Margin, Participation Rates, or Averaging Crediting Method. Past ranking is no guarantee of any future ranking results. The rankings are based on index returns and do not take into account averaging, caps, or margins.

For AGENT USE ONLY

# SIMPLE ORDER OF OPERATIONS

1. *Monthly Averaged Returns...*  
all 4 indices in **THE BASKET**

2. **Ranked & Weighted...**

leader to trailer

40% - 30% - 20% - 10%

weighted index gains **TOTALED**

3. **Participation Rate applied**

TOTAL BLENDED GAIN X **50%**

4. **Asset Fee Subtracted**

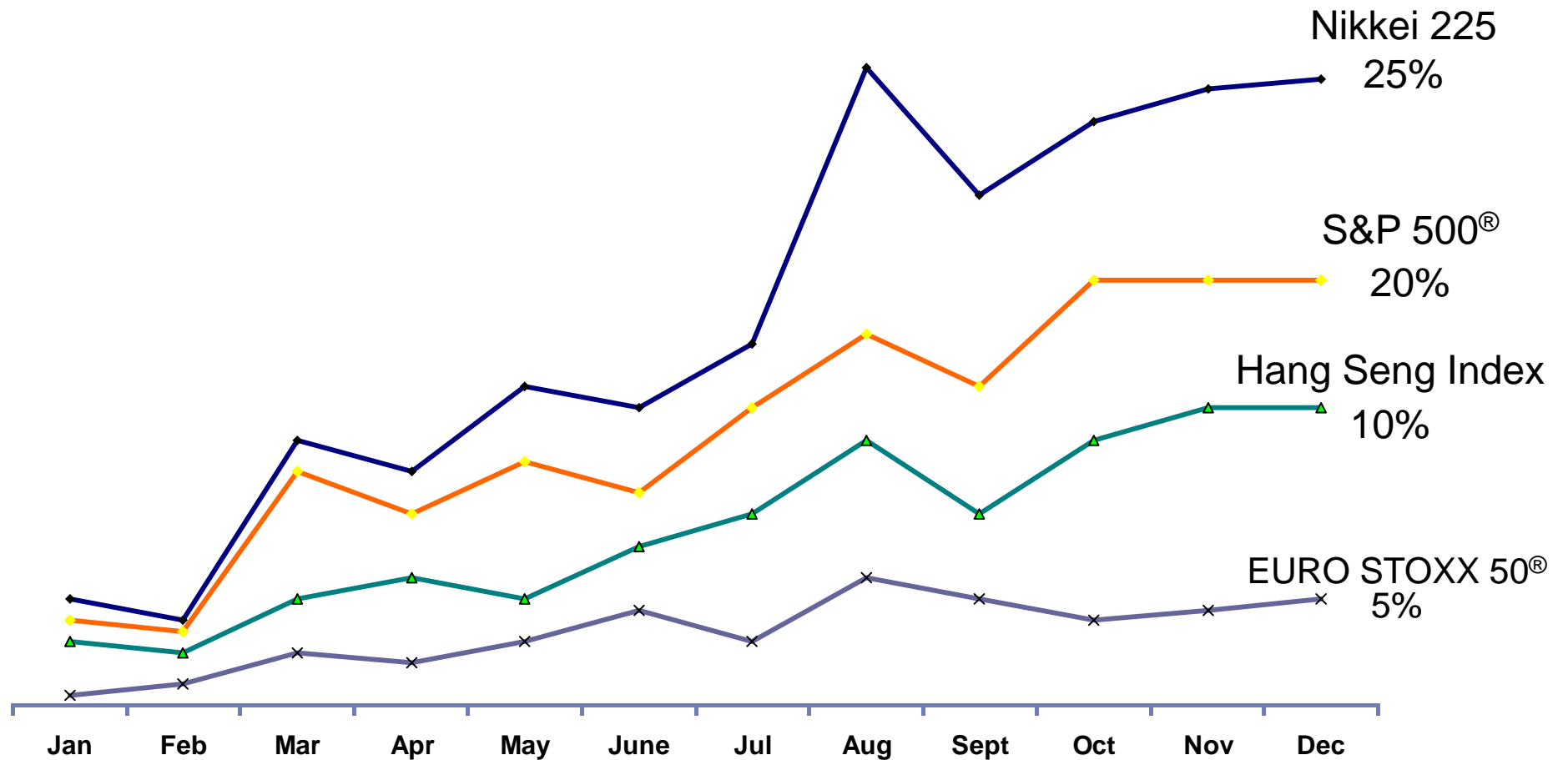
From "BLENDED GAIN"

**= Credited Interest to CLIENT**





# Global Lookback: Hypothetical



**Monthly Average Returns**

# Ranking & Weighting

Nikkei 225 Index      25% x 40% = 10.0%

S&P 500<sup>®</sup>            20% x 30% = 6.0%

Hang Seng Index      10% x 20% = 2.0%

EURO STOXX 50<sup>®</sup>      5% x 10% = .5%

# Drill Down-PR and FEE

10.00%  
+ 6.0%  
+ 2.00%  
+ .50%

$$18.5\% \times 50\% = 9.25\%$$

$$9.5\% - 2\% = 7.5\%!$$

# Global Lookback: Performance Weighted

70% of Total Return...  
Top 2 Indices!

# “Option K” eliminates PROBLEMS

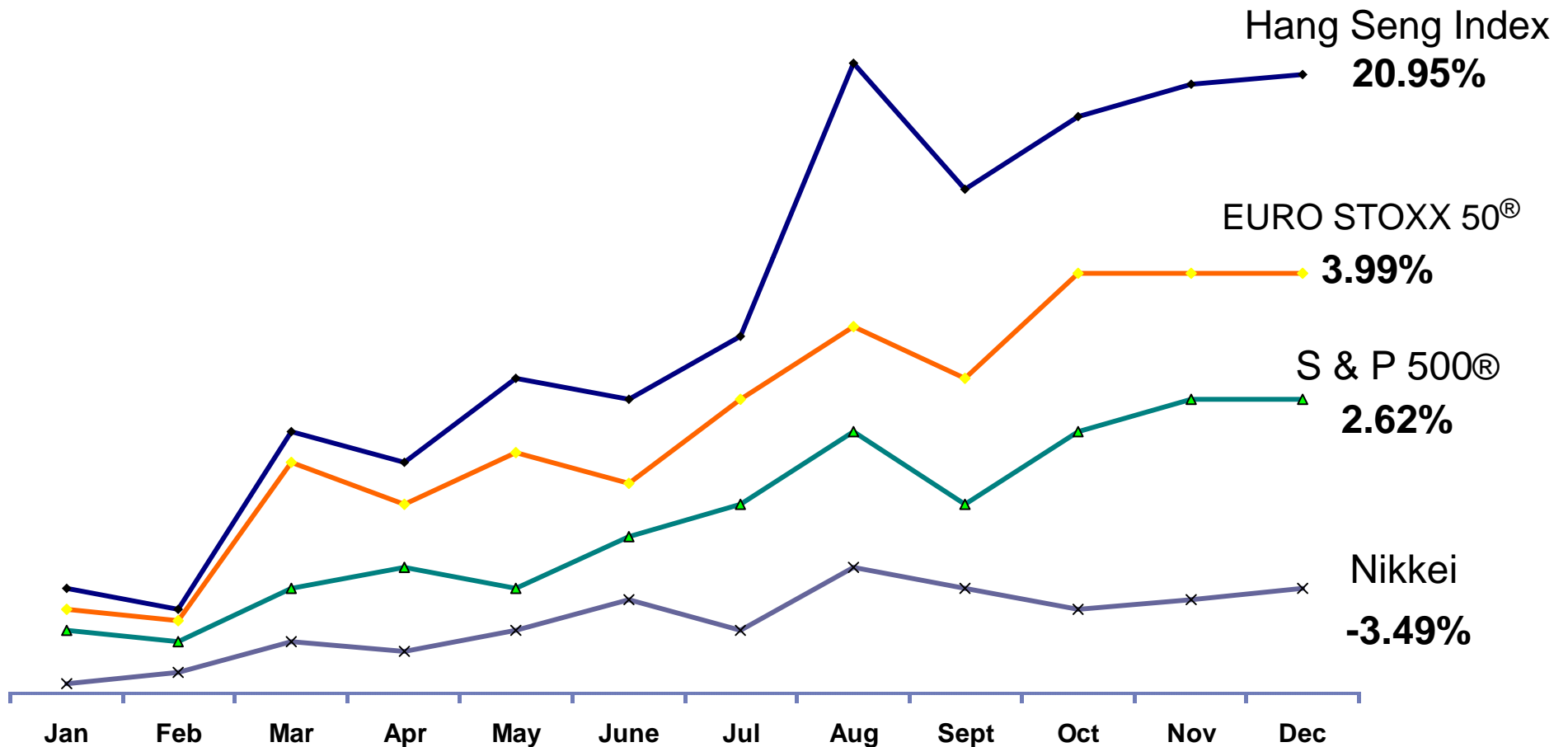
- S&P only crediting methods—monthly cap vs A PT to PT or Monthly Avg or Trigger?
- Client Confusion over 4 S&P methods?
- Agent feels obligated to pick the method that will perform best
- Variations on the Same S&P Theme...
- More Choices DOES NOT = Diversification!

# Global Lookback: Plan Features

- 9 Year Contract Term
- 10% Penalty-Free Withdrawals even in year 1
- 5 by 5 Annuitization
- **Full Account Value** Death Benefit
- Income Outlook + 5 Optional Rider \*\*
- Competitive Street Compensation

*\*\* See Rider State Availability*

# Global Lookback: REAL DATA



**2 January 2007 to 2008 Monthly Average Returns**

# Ranking and Weighting

**Hang Seng Index**      20.95% x 40% = 8.38%

**EURO STOXX 50®**      3.99% x 30% = 1.20%

**S&P 500®**      2.62% x 20% = .52%

**Nikkei 225 Index**      -3.49% x 10% = -.35%



# Drill Down—PR & FEE

$$\begin{array}{r} 8.38\% \\ + 1.20\% \\ + .52\% \\ - \underline{.35\%} \end{array}$$

9.75 Blended Gain

$$\text{PR } 9.75\% \times 50\% = 4.875\%$$

$$\text{FEE } 4.875\% - 2\% = 2.875\%$$



# Frequently Better than S&P Only

- Monthly Avg S&P 500 at 100% P/R & no fee

**2.62%**

- Global Lookback 50% P/R, 2% Fee:

**2.875%**

<u>Policy Anniversary</u>	<u>Participation Rate</u>	<u>Asset Fee</u>	<u>Credited</u>	<u>Total Indexed Return</u>	<u>S&amp;P 500</u>	<u>Nikkei 225</u>	<u>Hang Seng</u>	<u>EuroStoxx 50</u>
9/11/2010	50%	2.00%	<u>0.00%</u>	2.5%	2.70%	-0.40%	0.20%	0.00%
9/11/2010	50%	2.00%	<u>0.00%</u>	2.5%	2.70%	-0.40%	0.20%	0.00%
9/4/2010	50%	2.00%	<u>1.25%</u>	6.5%	4.00%	-0.10%	1.90%	0.70%
9/4/2010	50%	2.00%	<u>1.25%</u>	6.5%	4.00%	-0.10%	1.90%	0.70%
8/27/2010	50%	2.00%	<u>0.00%</u>	3.1%	2.90%	-0.50%	0.80%	-0.10%
8/26/2010	50%	2.00%	<u>0.00%</u>	3.1%	3.00%	-0.50%	0.80%	-0.20%
8/19/2010	50%	2.00%	<u>2.05%</u>	8.1%	5.00%	-0.10%	0.90%	2.30%
8/13/2010	50%	2.00%	<u>1.05%</u>	6.1%	4.10%	-0.20%	0.70%	1.50%
8/12/2010	50%	2.00%	<u>1.15%</u>	6.3%	4.60%	-0.40%	0.20%	1.90%
8/6/2010	50%	2.00%	<u>0.75%</u>	5.5%	3.70%	-0.10%	0.40%	1.50%
8/5/2010	50%	2.00%	<u>0.25%</u>	4.5%	3.40%	-0.20%	0.10%	1.20%
7/27/2010	50%	2.00%	<u>2.40%</u>	8.8%	5.00%	0.30%	1.00%	2.50%
7/20/2010	50%	2.00%	<u>5.25%</u>	14.5%	7.10%	0.90%	2.30%	4.20%
7/18/2010	50%	2.00%	<u>5.35%</u>	14.7%	7.00%	1.00%	2.50%	4.20%
7/13/2010	50%	2.00%	<u>9.10%</u>	22.2%	10.10%	1.10%	3.90%	7.10%
7/11/2010	50%	2.00%	<u>8.95%</u>	21.9%	10.00%	1.00%	3.90%	7.00%
7/7/2010	50%	2.00%	<u>6.65%</u>	17.3%	8.20%	0.50%	3.20%	5.40%
7/7/2010	50%	2.00%	<u>6.65%</u>	17.3%	8.20%	0.50%	3.20%	5.40%
6/25/2010	50%	2.00%	<u>6.70%</u>	17.4%	8.40%	0.70%	5.20%	3.10%
6/18/2010	50%	2.00%	<u>6.50%</u>	17.0%	8.00%	0.50%	3.20%	5.30%
6/11/2010	50%	2.00%	<u>3.95%</u>	11.9%	6.10%	0.20%	3.40%	2.20%
6/11/2010	50%	2.00%	<u>3.95%</u>	11.9%	6.10%	0.20%	3.40%	2.20%
6/4/2010	50%	2.00%	<u>4.20%</u>	12.4%	6.10%	0.60%	3.50%	2.20%
6/4/2010	50%	2.00%	<u>4.20%</u>	12.4%	6.10%	0.60%	3.50%	2.20%

# Global Lookback: *Power Phrases*

- “SMART CREDITING”

**“Basket of 4 indices Retrospectively Ranked”**

- **Performance Weighted** at year end!
- **Uncapped Potential** for interest crediting in every contract year!
- **Globally Diversified** — not just the S&P 😊

***Lookback upon “Retrospective Allocation” within a basket of globally diverse indices***

# TODAY's CAPPED METHODS

Year 10	5% CAP
Year 9	5% CAP
Year 8	3% GAIN
Year 7	0 is HERO
Year 6	5% CAP
Year 5	5% CAP
Year 4	5% CAP
Year 3	5% CAP
Year 2	0 is HERO
Year 1	5% CAP

Yield = 3.8 %

w/ 10% Bonus = 4.8%

# Blundo's Retirement

## Rate History for Contract Issued: 20 October 2006

10/20/2006 -- Contract Year 1

Point-to-Point Cap 7.50% Earned Interest 7.5 %

10/20/2007 -- Contract Year 2

Point-to-Point Cap 7.25% Earned Interest 0/Zero

10/20/2008 -- Contract Year 3

Point-to-Point Cap 7.25% Earned Interest 7.25%

10/20/2009 -- Contract Year 4

Point-to-Point Cap 6.25% Earned Interest 6.19%

10/20/2010 -- Contract Year 5

Point-to-Point Cap 6.75% Earned Interest ????

# Your GLOBAL Tools

## **Jack Marrion Reprint**

Global Guide--Downloadable on BEACON

INCOME OUTLOOK + 5 Calculator

# Questions?

**If you have questions about  
this product, please e-mail  
[info@thewpi.org](mailto:info@thewpi.org) or call 269-216-9978.**