



# Think Bigger

## There Is a Better Way

The annuity professional's guide to the  
Tactical Wealth Fixed Income Fund



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# The Annuity Seller **Challenge**

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Earn more while working less.

There was a time when annuities seemed like a pretty plum deal. They were easy to sell, offering retirees and other investors a more predictable income stream. And they were lucrative: agents could sell a product and then pocket a huge commission. You probably entered the business under the impression that big paydays would follow. And it's true: big producers get big paychecks.

If you've made your living selling annuities, you already know the pain points in your business model. You are always hunting for the next big sale. Every month your compensation resets to zero and you hustle for new production. To make more, you have to sell more, but client servicing slows you down. Clients may be asking why their annuity values aren't reflecting what they thought they would be earning. Then you have to explain complicated participation rate calculations and why your client isn't seeing the growth they expect, even while markets soar to all-time highs.





To make more, you have to sell more, but client servicing slows you down.

You know your clients don't fully understand what they are invested in, but your business model is based on the sale, not the ongoing support. Disappointed, they will look to move to another advisor, which is why the retention rate among annuity clients is so low. The client churn in the industry means you'll pick up clients leaving other advisors too.

As you gather experience, you determine that your time is better spent soliciting new clients that generate new revenue versus servicing old clients; so you hire staff and build a team. Your costs increase, but so does your production — so you are fine, right? Then you slow down enough to actually look at your numbers (probably around tax time) and you see that you aren't making more; you are just busier than ever.

Your increased production is being cannibalized by increased costs, and you haven't moved the dial like you had thought. Stress hits when you realize you just traded your perceived client servicing problem for a new human resource problem. Running a team consumes more of your time than you thought it would, and new pay rate and benefit regulations may mean your costs for that team increase at incredible rates. Just providing healthcare benefits leads to an increase of 30 percent to 40 percent in annual costs. You have to hustle more and more to keep up with the rising costs just to make what you were making before.



# Uncharted **Territory**

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Then something completely out of the blue happens. All of sudden, regulators change the rules of the game. Consider the DOL fiduciary rule change that prevents agents from selling clients annuities for all their investable assets. That change would shrink your potential new investable assets from new clients, which means you would have to sell even more annuities spread across more clients just to make what you were making before.

You survived that change as it was deferred, but what is your plan for surviving other regulatory changes? Clearly, the trends in regulatory changes are headed toward limited annuity sales to clients, as annuities have become too complex for clients to understand what they are buying.

Remember the financial crisis? Of course; everyone does. But they also think it can't happen again. If the stock market crashes in 2020, what is preventing insurance companies from becoming insolvent like they did in 2008? Last time it happened, clients were helpless as their supposedly safe annuity products, underwritten by top companies, converted into equity to save the insurance company. But it only bought them time. Large companies like AIG collapsed, and client investments were severely impacted. Aggressive lawyers rounded up disgruntled annuity investors and initiated lawsuits against agents like you.

If it happened again, every potential new client's investable assets would now be severely reduced, and you would have to sell even more annuities just to cover costs. Are you able to compete with agents that don't have a team and have fewer costs to support? With fewer potential



new investable assets, some annuity agents will not be able to afford to continue operations. Their whole operation will shut down and they will be scrambling for a job. Annuity sales experience generally only qualifies you for other annuity sales jobs, though, so it will be difficult to find a job. What do you do?

What if there is not only a better product for you to base your business on, but also a complete business model that addresses all those risks to your business? What if you could move to a business model that doesn't require you to sell more and more annuities, manage a human resource team, or face potential litigation from things outside your control – all of which put you at risk for losing your business/job or having to take substantial pay cuts just to keep one? Would you do it? Are you strong enough to initiate change yourself? Or do you let life happen to you?





## The Solution

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The Tactical Wealth Think Bigger program delivers a unique and lucrative business model for those who qualify. We will equip you with a superior compensation model, product offering, and selling experience. Our business model has operational support and efficiency built in, tremendously impacting your lifestyle and peace of mind. The apex of the Think Bigger program is our Recurring Revenue Commission plan. Unlike the annuity one-and-done sales commission, with our product you get paid every year for the duration of every contract you close with a client.

You will remain an independent professional running your own operation, but you will be part of our network, with access to superior products, tools, experts in multiple disciplines, business support operations, and guidance to success.

We want the strongest and brightest agents available. We look for the pioneer mentality in our team, those strong enough to change the model, to go against the industry norm to pioneer a life and lifestyle they design. These agents don't settle for what others give them. They take control and own it.





## Compensation

Let's get right to the good part. Our Recurring Revenue Commission plan is a game changer that more than doubles your commissions earned on selling annuities. We have built an entire business model for you that dramatically increases your production commissions while working with your clients to retain their business. Our program has built-in tax savings that let you substantially increase your after-tax income on top of the increased commissions. Our compensation plan allows you to earn more and keep more of what you earn.

Here are some highlights we will dig into:

- 1. Flexible commission structure**
- 2. Built-in tax savings strategy**
- 3. Early retirement plan**
- 4. Guaranteed business buyout option**
- 5. Multiple revenue streams**
- 6. Business support services to decrease your expenses**



## 1. Flexible Commission Structure

Although 8 percent on an annuity sale is a great payout, it is only a one-time payout. We pay a straight 1 percent every year that asset is invested. It may not sound like a lot, but it is HUGE.

Your one-time 8 percent rate on an annuity equals \$8,000 per \$100,000 invested. Our 1 percent every year equals \$30,000 on our 30 year product.

Plus, Tactical Wealth products also allow investors to compound their returns instead of taking distributions. That adds up even more, since your commission is based on the increasing compounded investment value.

Our 1 percent commission rate on our 30 year compounded product equals \$77,771 versus \$8,000 on an annuity. Your annual commission is paid out monthly to create a smooth income stream for you.

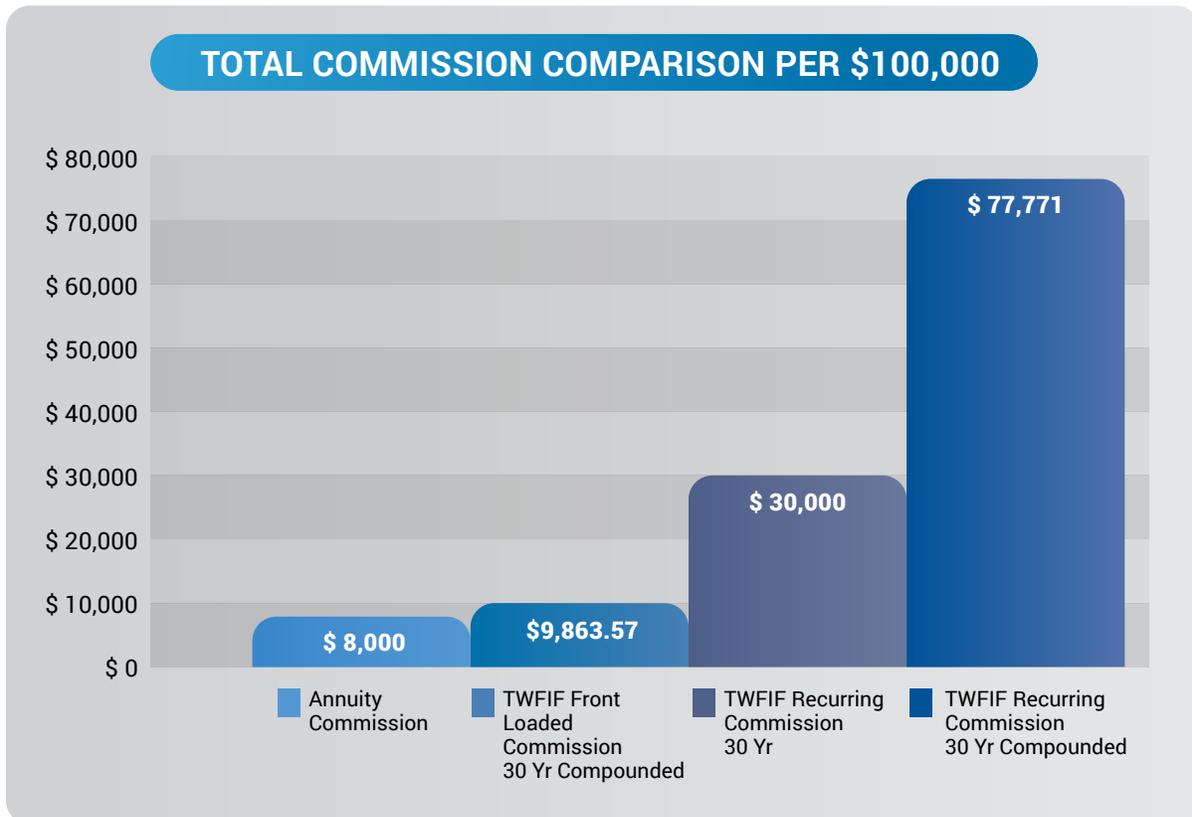
We know that switching from an 8 percent payout up front to a 1 percent recurring payout is a tough transition, so we have flexible options. To help bridge any compensation gap as you move to our recurring revenue model, we give you the option to front-load all recurring commissions on a client-by-client basis.

By selecting the front-loaded commission option, you forfeit future recurring revenue on that client but are paid up front at the Net Present





Value of those future commission payments, which often exceeds the 8 percent annuity rate. For our 30 year product, the front-load commission cap is nearly \$10,000 per \$100,000 investment; which is an immediate 25 percent higher commission than your 8 percent on annuities.



This flexible payout structure allows you to manage your earnings to achieve bigger objectives. It is part of our Think Bigger business model and allows you to have control over taxes and life events. Astute agents know that it is more important to focus on what you keep after taxes. Flexible payouts provide opportunity for advanced tax planning over a multi-year period, so you keep more of what you earn. Perhaps you have kids with a college tuition bill and you need a quick bump in cash. You can elect the front-loaded payout to cover it when you need it.

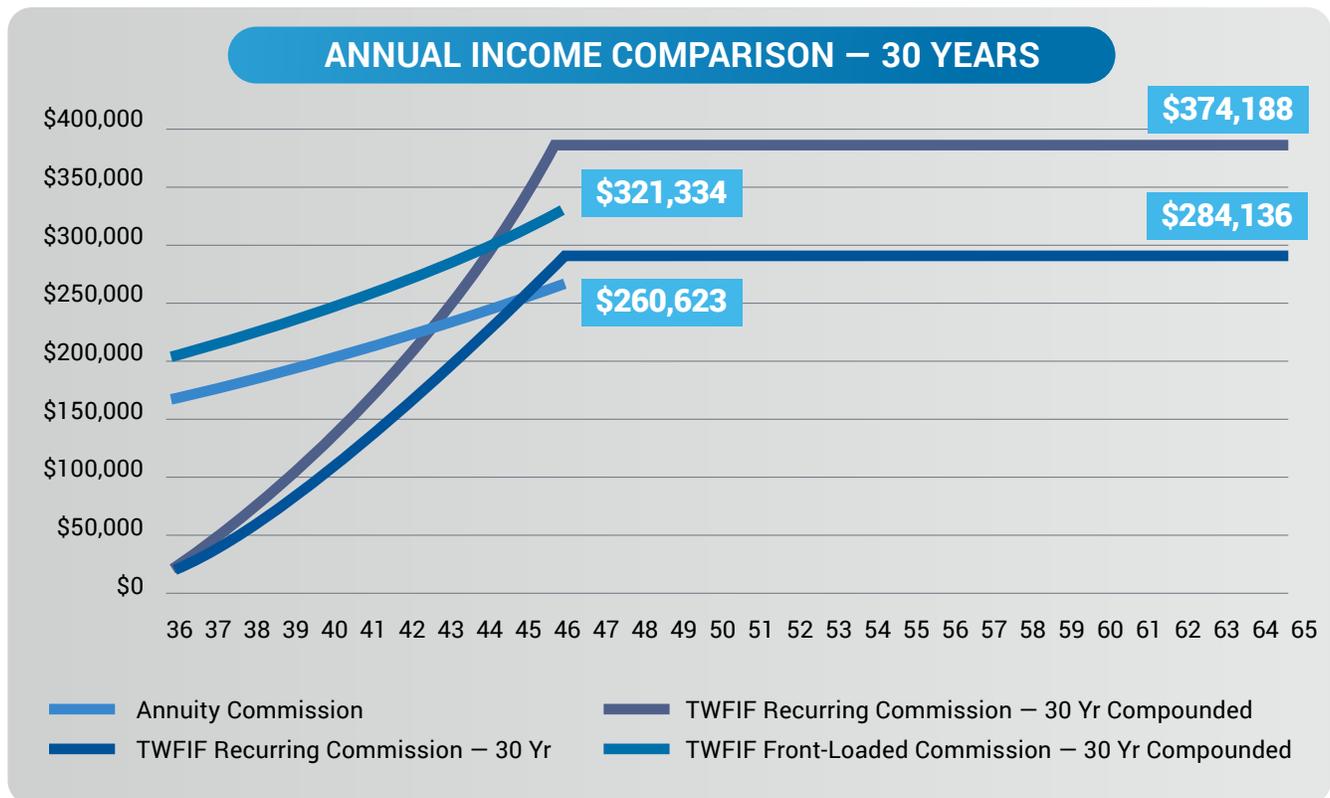


Assumptions used: An agent currently age 36 will work to gather investment assets until age 46, when he decides to coast and live off the recurring revenue stream he built. At age 65, he decides to retire fully and sell his book of business back to us, resulting in a large final payment.

For the Tactical Wealth example, we used a low \$2,000,000 annual production number that increased 5 percent each year.

Under our model, in year 1, he raised \$2 million. In year 2 he raised \$2.1 million, in year 3 he raised \$2.205 million, etc. These are easily achievable results.

For our annuity comparison, we assumed the agent would earn 8 percent commission on annuity contracts and achieved a 30 percent renewal rate as annuities matured.





## 2. Built-In Tax Savings Strategies

Our team and founders include CPAs and business professionals that are focused on creating a tax-efficient business model that you can benefit from as well. Maximizing revenue is a standard business objective, but it doesn't do you any good to make more money just to pay it to the government in taxes.

Taxes are an inevitable part of a successful business. They are often the highest-cost line item for many high producers we recruit, but we rarely find anyone specifically addressing them proactively.

Effective tax management requires a proactive approach that looks at multi-year periods. Think Bigger: Do you think big companies or wealthy individuals like Warren Buffett and Bill Gates look at taxes after the year ends when they have their annual meeting with their accountant? No way! They take a proactive approach and have a multi-year plan to address taxes. And it is very successful, with their effective tax rates way below that of others with less revenue but no proactive management system.

Our tax strategies incorporate the same concepts. It often is a combination of multiple entities and trusts to manage the flow of income to be more tax efficient. The strategies are so effective, we've had advisors make more after-tax income while switching to our 1 percent commission model than they made under their 8 percent commission model with the same production.

These strategies require extensive set-up efforts, which means substantial costs. You can implement these strategies on your own and absorb the costs, or you can leverage the infrastructure we have already



built to achieve the same result. It's your choice, and we will provide guidance either way. There are some requirements to participate on our side, and a lot depends on how you are currently set up, so we have a 12 to 18 month onboarding timeline to get you optimized.

### **3. Early Retirement Plan**

As an agent or advisor, you are very competent at discussing retirement with clients. It often is the client's number-one objective, and there are so many ways you can help them achieve a successful retirement. Retirement to clients can mean many different things, as every individual has a different perspective on it.

To us, retirement is financial freedom to pursue whatever you're interested in without worrying about the next payday or how your bills will get paid. It's when you are comfortable with your lifestyle and you can maintain it throughout any changes coming down the pike.

You've probably seen clients who have a preconceived notion of their retirement plan, so advice you give is not fully or timely implemented. Should they follow your advice because you're classically trained in annuity sales or portfolio management? They are supposed to have faith that you are a skilled professional who knows what is in their best interest. The unspoken question they may have is: If you are so skilled in financial matters, why am I in a better financial situation than you?

Our retirement focus is on agents/advisors whose careers we can impact. We strive to put our agents/advisors in early retirement. Then they can show clients what has worked for them, leading by example. Typical human behavior is to follow where one sees success. If clients see you as financially free (our retirement definition), then they will tend



to listen closely to your advice and act on your recommendations in a timely manner.

In our definition of retirement, financial freedom can be a set of tools as well as accumulated assets that allow you to navigate through imminent changes. We look at accumulated assets as simply one tool to be used as life plays out, and arguably one of the most important.

However, other tools can be more important in certain conditions. For example, we hear a lot of talk about the top 1 percent needing to pay their fair share of taxes. Several critical components of our business address that topic. As financial advisors, our task is to make all of our clients fit into that top 1 percent category; for our Think Bigger program, our task is to get all of our agents/advisors there.

Surprisingly, it doesn't take much to get that label – currently around \$719,000 of income will do it. So what happens when you get there? If all the rhetoric and proposed tax changes are targeting that demographic, don't you want to be prepared for it? Our tax strategies may be more important at that point, and they are another tool that can help you navigate those potential changes to protect your financial freedom.

Our recurring revenue commission structure allows you to essentially “retire” early while you still get paid for all the work you did in previous periods. Your commission is paid out for every dollar of investments you have accumulated in our fund from the beginning. You don't need to continue the hunter/gatherer game where your compensation starts at zero each month. In our program, your compensation starts right where you left it last month.

If you produce \$5 million investments each year for only four years, your continuing commission is \$200,000 per year for as long as you



service that client and it is invested in our fund. If you work for 10 years, that recurring income grows to \$500,000 annually.

Or maybe you're a great producer generating \$100 million investments in only two years. You'll collect \$1 million annual income without any more hustle, having to manage a team, or incurring operational costs.

One of the wonderful and often underappreciated components of our business model for agents/advisors is the stable income component. It works the same way for clients, but both you and your clients will recognize this benefit during the next market debacle. Market volatility will stress your contemporaries, but you will be secure.

The investments in our fund are structured to meet certain requirements that allow for valuations to be held constant. Unlike investments in stocks and bonds or even real estate, the investments on our balance sheet do not fluctuate in value. That means your clients will see smooth, predictable statements and your commissions are not subject to valuation changes in assets.

Many advisors/agents saw their income cut in half during the last financial crisis as the market plunged. Even financial advisors with great client relationships who didn't have any clients leave had their income cut simply because it was based on the investment asset valuations. Our fund was intentionally designed to head off that problem. You and your clients will not see your income go down based on decreasing market valuations.



## 4. Guaranteed Business Buyout Option

In contrast to building a book of annuity clients, building a book of Tactical Wealth Fixed Income Fund investors has tremendous value. When you are ready to walk away from the business completely, you can sell your book for the present value of the structured income stream you have created. You can shop it around and likely find many offers, but rest assured that your book of TWFIF investors is most valuable to us. And we'll buy it from you using a similar valuation formula to our front-loaded commission payout based on the Net Present Value of those future payments.





Working with us pays you more overall, and it builds a business of recurring revenue you can sell if you decide to walk away. Annuity businesses typically sell for a small amount, mostly because of the low renewal rate and lack of recurring revenue. Our model is built on recurring revenue, so selling your book will garner tremendous value that you can cash in anytime.

## 5. Multiple Revenue Streams

As you grow your business and work with our team, you'll find that one of our focal points is how to monetize your existing client base. It is much easier to add new revenue streams from existing clients than to be hunting for the next client for one specific revenue stream. With a happy client base, it is easy to add new value services and wrap in another revenue stream for it.

For example, you can offer tax or legal services to your clients. Most clients will want our tax strategies working for them as well, and they will need their wills/trust/estate documents updated annually. Our team will deliver the services and pay you a share of the fees.

Another easy way to add another revenue stream is with client mortgages. Most people have mortgages — and should with current record-low interest rates — and we happen to own a private lending company.

Referring your clients to our multiple product lines will add multiple revenue streams to your business and grow your wealth, your client relationships, and the value of your book of business.



## **6. Business Support Services to Decrease Your Expenses**

You will remain in control of your operation and can choose to run it as you see fit. However, we do offer business support services that you can leverage to decrease your operating costs. We offer a full suite of financial planning products, centralized call centers, assistants to complete our investment paperwork, marketing material that you can white-brand as your own, and more. They're all designed to free up your time to focus on revenue-generating activities.



Our agents have described our process as more of a lifestyle change than just a great compensation package. You can make more money and keep more with our tax strategies, but you also get to control your time. You are in charge. You decide how much you work, when you work, and your payout structure. You are freed up to Think Bigger about your business and where you want it to go.

Retire when you want, when you have financial freedom and can maintain your lifestyle from the recurring revenue you earn for all your previous production.

Apply now to discover more about our Think Bigger initiative for agents/ advisors, and let us tailor a package built for you.





## Simple and Compelling Product

If we're paying you more than annuities, the product must be more difficult to sell, right? Not at all. It is refreshingly simple for clients to understand, which makes the entire selling process more efficient. You should see an increase in your number of conversions and a decrease in your time to close.

Fixed Income Fund highlights:

- 1. Simple and easy to understand**
- 2. Highest interest paid**
- 3. No investor fees**
- 4. Advanced risk management**

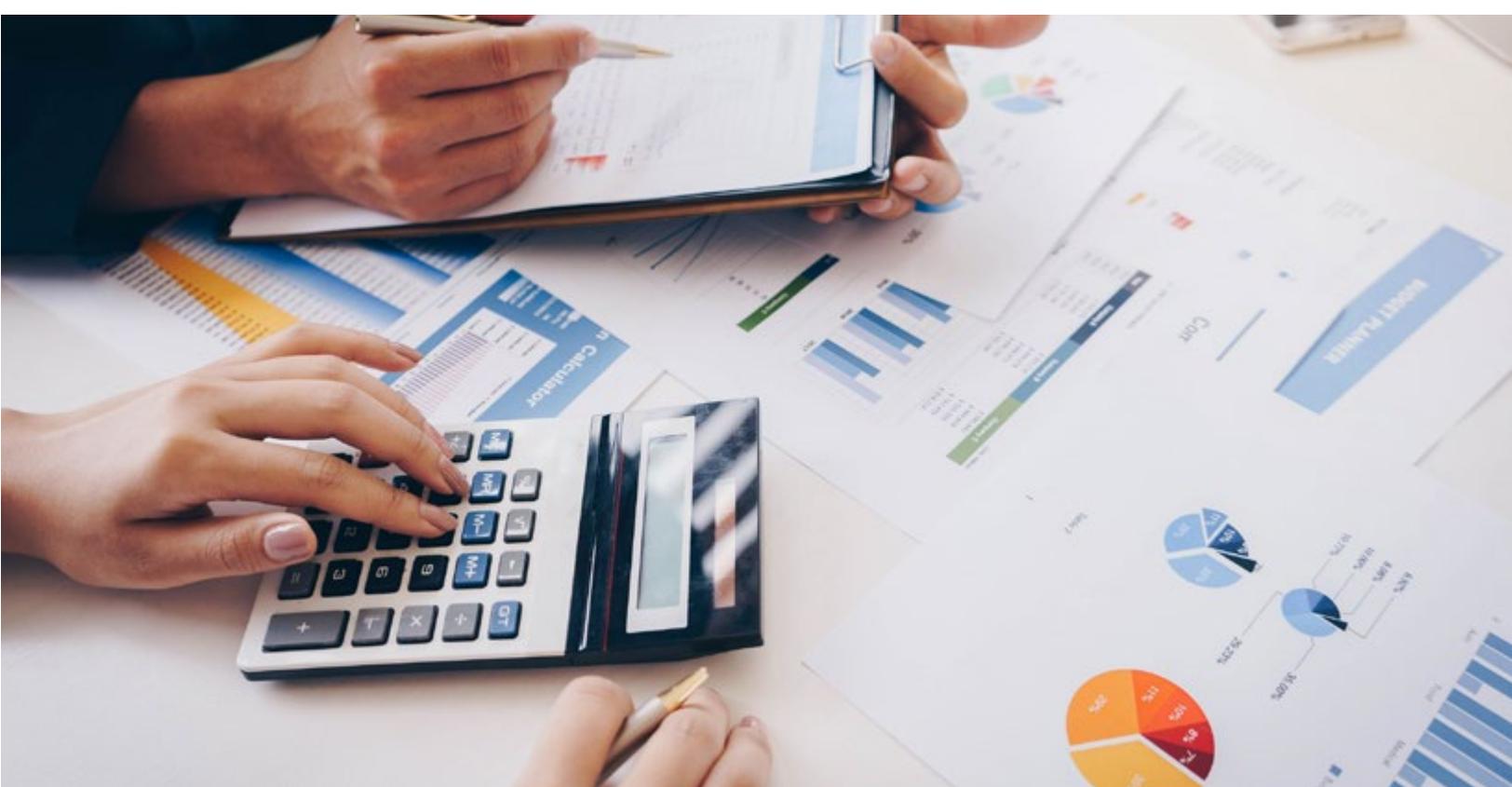




## 1. Simple and Easy to Understand

We have found that many clients, and in some cases even agents, do not fully understand the complexities or even the risks involved with annuity contracts. They can be a totally foreign concept to investors simply looking for a secure income stream. Our product is simple; it is based on real estate, the largest and oldest asset in the world. Revenue is generated through pooled mortgages, which 99 percent of people understand. Simple products make the selling process very quick; it is easily understood and agents do not have to waste time running multiple variations of annuity contracts, explaining bonuses/deferrals, riders, participation rates, penalties, and fees.

We essentially function similarly to a traditional lending bank, where investor assets are used to buy or issue mortgages under stringent lending requirements. The interest paid by borrowers is used to pay our investors. Clients are investing in real estate with a cost way below market value (currently approximately 56 percent of market value) and without the headache of dealing with tenants.





## 2. Highest Interest Paid

Many claim to provide the highest interest rates; however, we offer a high rate guarantee where we will beat any other documented rate for the same investment duration. Most of the time, we find those higher published rates often come with limitations in the fine print that are overlooked. We also find that investors are led to believe that annuity distribution rates equal the interest rate earned, which is clearly not the case.

With our fund, what you see is what you get. Our 30 year product pays out 5.75 percent, or \$5,750 per \$100,000 invested, paid out as \$479.17 monthly through ACH deposits directly to investors' bank accounts. Clients can allow payments to be reinvested and compound for any period before activating payments, which increases their monthly payment substantially.

An investor that allows compounding for a full 30 year period will see an average annual return of over 14.5 percent. That's the highest fixed income average annual rate around.





### 3. No Investor Fees

Clearly, financial regulators are focusing on investor fees, as traditional products have many buried fees clients do not typically understand. Fees also often come up with potential clients – and that’s one of our strengths. Our fund gets way ahead of the fee regulations by eliminating all investor fees. There are no front-load fees, management fees, transaction fees, or redemption fees.

We make money by structuring loans at slightly higher rates than we pay investors. Simple as that. Although mortgage rates are at historical lows, since we intentionally designed the most efficient business model, we can pass that savings on to our investors through our no-fee fund.





## 4. Advanced Risk Management

We have a specific approach to managing risks in our fund. Our investment documentation includes a Security Agreement that ensures investors are always paid first and have clear title to the fund's assets. They cannot be converted to equity shareholders who then absorb any losses, like some annuity investors went through in the last financial crisis.

We also have a fully funded Contingency Reserve Fund to cover additional expenses incurred to secure the fund's interest in non-performing loans, including foreclosure proceedings. The Contingency Reserve Fund also ensures that investors' monthly payments will continue in the event of any loan default.

Our lending practices require all loans to have a maximum loan-to-value ratio of 70 percent. We manage it to a lower level across the portfolio, currently sitting at 56 percent. This means we are investing in real estate at well below market prices and have ample room to maneuver if a borrower defaults.





Our lending is also focused on lender-friendly states, such as Texas, where you can initiate foreclosure proceedings in 21 days (as opposed to states like New York that require a 445-day period). The risk of investments in real estate are specifically identified and addressed with our comprehensive risk mitigation techniques. Clients can feel comfortable knowing their monthly income is stable and consistent.

## How do we compare to other fixed income products?

	TACTICAL WEALTH FIXED INCOME FUND	FIXED ANNUITY	VARIABLE & INDEXED ANNUITY	BONDS	CDS
Secure Monthly Income	✓	✓	✓	✗	✗
Highest Interest Paid	✓	✗	✗	✗	✗
Simple to Understand	✓	✗	✗	✓	✓
Stable Valuation	✓	✓	✗	✗	✓
Convertible to Equity at Risk	✗	✓	✓	✗	✗
No Leverage Employed	✓	✗	✗	✓	✗
Multiple Investment Recourse Protection	✓	✗	✗	✗	✗
Offers Tax Advantages	✓	✓	✓	✗	✗
Investor Fees	✗	✓	✓	✓	✓



## Our Typical Investor Profiles

Investors who may be a good fit for our fixed income fund tend to fall into two categories: at/near retirement or pre-retirement with a long time left to work. They're either trying to protect their retirement and generate consistent cash flow to maintain their lifestyle in their golden years, or they're trying to maximize their retirement savings without the pain of whipsaws in the volatile stock market.

Let's take a look at two different types of fixed income investors and why they may be ideal investors for our fund.



**RETIREE RACHEL**

The Retiree Who's Over Annuities

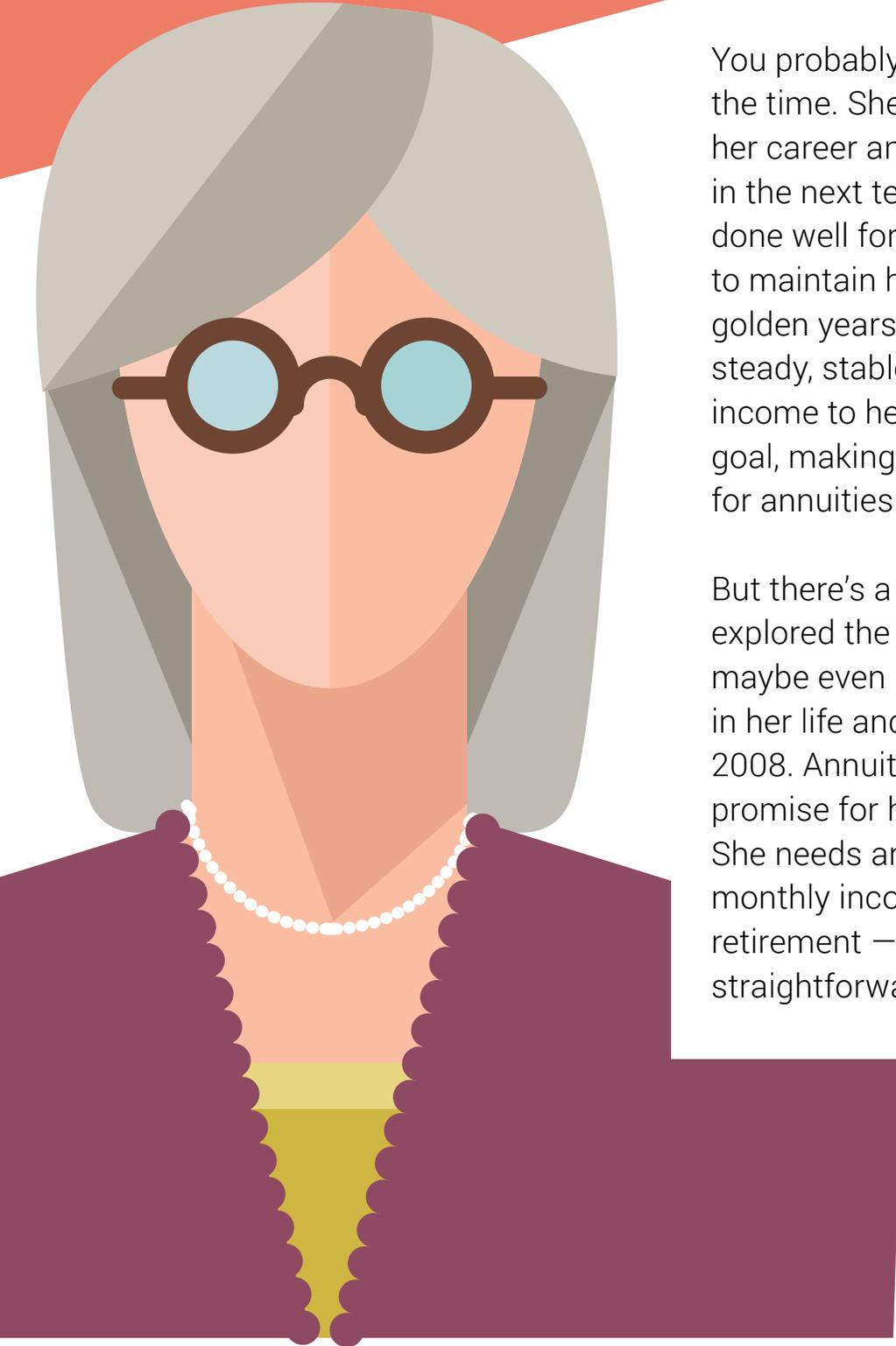


**MILLENNIAL MIKE**

Investor with Time to Save  
for Retirement

# Retiree Rachel:

## The Retiree Who's Over Annuities



You probably talk to this client all the time. She's on the last leg of her career and thinking of retiring in the next ten years or so. She's done well for herself and wants to maintain her lifestyle into her golden years. She's looking for a steady, stable source of recurring income to help her achieve that goal, making her a good candidate for annuities.

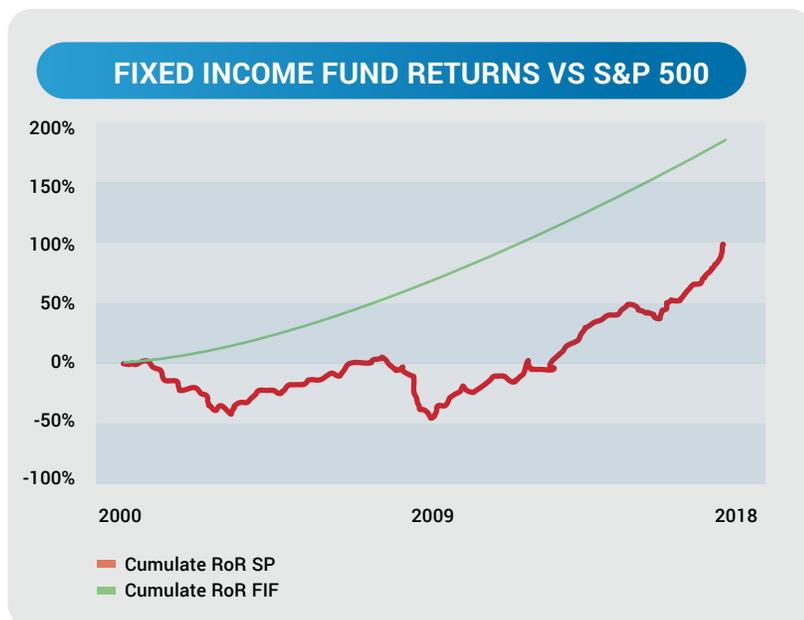
But there's a problem. She's already explored the annuity route — and maybe even invested in one earlier in her life and paid the price in 2008. Annuities just don't hold the promise for her that they once did. She needs an alternative source of monthly income to support her into retirement — one that is simple, straightforward, and secure.

# Millennial Mike: Investor with Time to Save for Retirement

As you know, fixed income investments are often positioned as the financial vehicle of choice for retirees. But did you know that fixed income investments can also provide a VERY lucrative investment for clients looking to maximize retirement savings far down the road?

Our fund capitalizes on the power of compounding and can generate an astounding 14.5 percent average annual return in our 30 year product. That is over 426 percent return in 30 years, which beats almost every stock, fund, and diversified portfolio available.

However, most clients don't even know this is possible. "Fixed Income" is not traditionally looked at as a "growth" model, but our fund changes that. It also does it safely, without the gyrations of the stock market.



# Thank You for Reading

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We hope this ebook has helped you understand how our fund gives you an advantage over other annuity agents. Specifically, we hope you now understand why the TWFIF is a unique offering for clients who fit the typical annuity profile but just aren't interested in another annuity product. And we think you'll agree that our fund can help you generate a comfortable income for yourself — and plan for your own retirement.

**If you would like to learn more about Tactical Wealth, please visit our website for more information or contact us if you're ready to speak to a representative today.**



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