



VARIABLE ANNUITY FACT SHEET

HOW THE PLAN WORKS

Upon completion of the appropriate paperwork giving Designs discretionary authority, the client's respective subaccounts are actively managed in one of the five available and selected risk tolerance models or within the alternative strategies.

CUSTODY

Assets are held at their respective Variable Annuity company.

MINIMUM ACCOUNT SIZE

No minimum for management. Minimums apply for the respective VA (Variable Annuity) companies.

PORTFOLIO OBJECTIVES

- Conservative
- Moderately Conservative
- Moderate
- Moderately Aggressive
- Aggressive

1099'S

Clients may receive a 1099 for "withdrawals" for management fees from respective VA companies.

PARTICIPATING COMPANIES

- Allianz
- AXA
- Equitable
- Hartford
- Jackson National Life
- Jefferson National
- Lincoln Financial Group
- Nationwide
- Ohio National
- Prudential (can manage all, but only no-load only VA's are available to bill fees directly)
- Sammons
- Transamerica
- Voya
- Transamerica
- WRL

BILLING CYCLE

Accounts are billed quarterly for management fees in advance during the first month of each calendar quarter.



The first billing cycle begins on the account inception date based on the initial account value. A "mid-quarter" billing happens monthly for new accounts and fees are pro-rated based on the funded amount and inception date.

FEES Annual management fees can range from 0.20% to 2.00% based on the end of the quarter account size. Designs retains up to 50 bps of management fees for accounts less than \$500k and 33 bps for accounts over \$500k. The adviser is paid all remaining fees for all strategies.

Fees are billed quarterly in advance and debited from the managed accounts or to the place the client chooses in the paperwork setup.

Adviser fees are paid quarterly as listed on the payout schedule. Payouts occur 24 times a year.

Adviser fees count toward CFD Investments, Inc. gross dealer commission, but do not go through the BD pay grid.

Managed Accounts uses a tiered Asset Based Pricing model for custodial fees. No transaction fees exist if below allowable annual trade count.

BILLING VALUE

The management fee billing value is equal to the closing market value of all cash and securities on the last business day of the quarter.

ACCOUNT INFORMATION FOR CLIENTS



Clients have free access via internet allowing them to check daily account values and statements, through Designs Wealth Reporting, Albridge, and by their respective custodians.



Clients receive monthly or quarterly statements and all transaction confirmations by the respective custodian.



Creative Financial Designs, Inc. mails end-of-the-year summaries to all clients.

LICENSING

To receive management fees, advisers must be a Series 65 or Series 66 (if required by your respective state) and be an IAR of Creative Financial Designs, Inc.

ACCOUNT INFORMATION FOR ADVISERS



All advisers have internet access to the respective custodians for statements, tax information, confirmations and daily account values



Designs Wealth Reporting and Albridge are available for advisers to pull portfolio information and returns

RIA Virtual Office additionally offers:

- Management Fee Statements
- "Your Accounts" (all advisers managed accounts, client current account balances, 12/31 values, risk tolerance portfolio, simple returns, account number)
- Marketing Items
- Client Statements
- Compliance
- Portfolio rate-of-returns
- Basic model portfolios
- Management paperwork
- PowerPoints
- Webinar replays
- Monthly newsletters
- And more..



BENEFITS OF MANAGEMENT

- Provides professional investment management for each client's account(s) in a diversified portfolio based on the client's risk tolerance.
- Advisers can normally continue to use living and death benefits that may be beneficial to the client. (However, watch management fees).

- Adviser can still receive Variable Annuity commissions available on respective contract.
- Increase time to handle relationships and larger picture items, not investments and research.
- Provide a steady stream of income.
- Possible increase in business valuation.

CLIENT MANAGEMENT PAPERWORK

Client management paperwork is available through Docupace Starting Point.

INVESTMENT MANAGER RESEARCH PROCESS

Designs uses Morningstar, ValueLine, eVALUEator, ENSOGO, NFS, etc. software along with proprietary information for fundamental research on mutual funds, ETF's, and stocks. For technical research, CFD, Inc. uses Point and Figure charting, Bollinger Bands, moving averages, RSI, and many more as it sees fit.