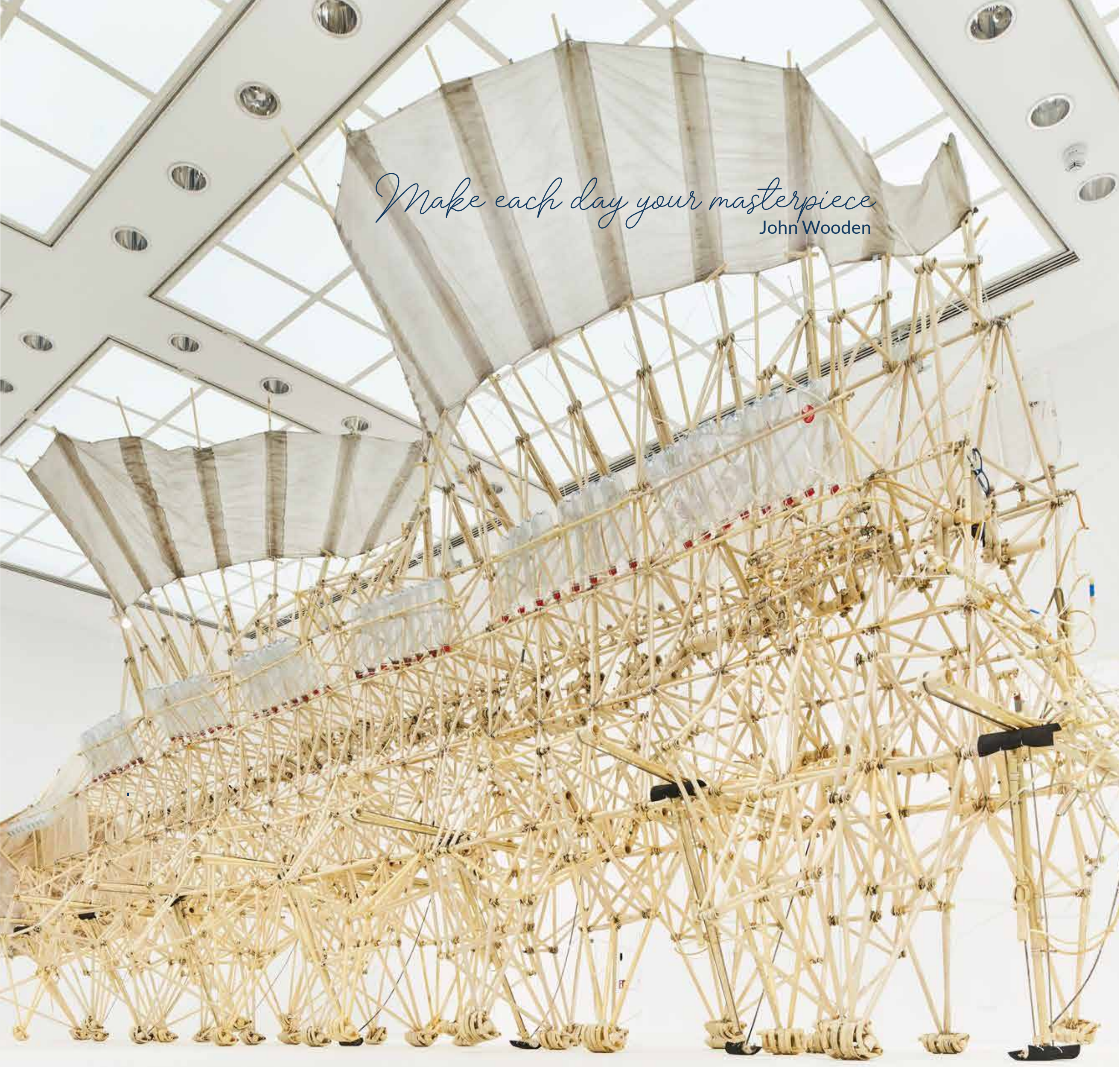
EVERGREEN

CEDARWOOD
AN OUTLINE

bespoke solutions

Make each day your masterpiece
John Wooden



Strandbeest by Theo Jansen | *Click here: https://www.youtube.com/watch?v=PuxtdylbwVs*

Dale Chihuly

Standard PPVUL Overview

Private Placement Variable Universal Life ("PPVUL") Insurance is a tailored financial instrument that combines investment flexibility with the inherent security and tax benefits exclusive to life insurance.

It is a specialized type of life insurance designed to build asset value for the owners and/or beneficiaries of the policy. Policy owners are able to place the investment component of their life insurance policy into a wide choice of investment alternatives. A portion of the premium contribution is utilized to pay for the cost of insurance, to comply with tax rules. The remaining portion of the premium contribution after expenses is available for investment within the policy. In common with all life insurance, PPVUL receives special tax treatment under the U.S. Internal Revenue Code.

These tax benefits include:

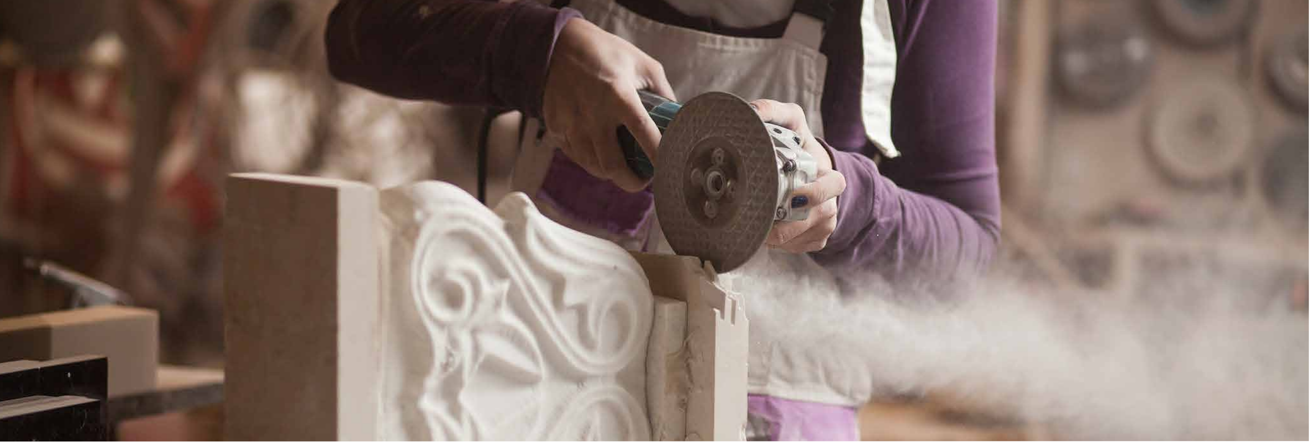
- Tax-free accumulation of investment earnings
- Mortality payments not subject to income tax
- Ability to make tax-free withdrawals and loans in certain circumstances

Creativity takes courage

Henri Matisse

The disadvantages of standard PPVUL policies include:

- The measured life may only be that of the insured or family members
- Rigorous medical underwriting is required
- The size of the policy is limited by the life insurance capacity of the individual insured. The maximum premium into a standard PPVUL policy is approximately $50 million. The amount depends upon factors such as the age of the insured and the amount of existing insurance coverage. A family may utilize the lives of more than one family member to increase the amount of insurance coverage but this would impact on their individual insurance capacity
- The total policy proceeds are distributed upon the mortality of the insured. Consequently, the time the policy will be in place is uncertain
- Since the policy must pay out in full upon the mortality of the insured, the choice of policy assets is limited to those with sufficient short-term liquidity to satisfy this requirement



Cedarwood, a structured insurance policy

Cedarwood complies with the requirements and provides all of the tax and other benefits of private placement life insurance regardless of an individual's insurance capacity or eligibility.

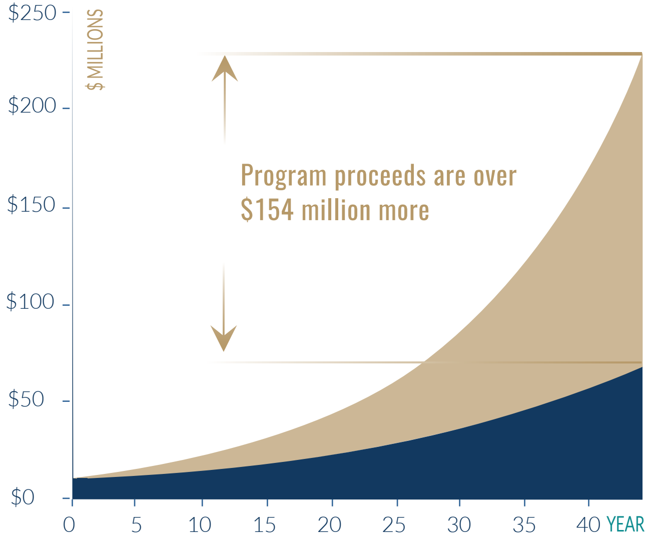
The insurance benefit in a Cedarwood policy is divided between the policy owner and the members of a group (in compliance with the applicable insurable interest laws).

This is an innovative PPVUL structure which facilitates substantial premium contributions and allows the cash value to compound tax- free.

Cedarwood is more cost effective than Evergreen's Kingswood product as a consequence of the fact that the amount of mortality cover required for this policy is less than that required for a Kingswood policy. Although Cedarwood has a lower friction cost, it is more restrictive due to the fact that the policy owner's access to cash, prior to morality, is limited to the premiums contributed. Consequently, this particular policy is best utilized as a long-term investment for the benefit of future generations.

A Significant Performance Advantage

Cedarwood outperforms the taxable account by 3.2 times



Note: Assumes $10 million initial contribution to the Program
with 8% return on investments and 45% tax rate

For every $10 million of initial investment
and assuming an 8% annual return over 45 years:

The investments within Cedarwood would grow on a tax-free basis to more than $225 million and would be distributed tax-free.

If the same investments were made in a taxable account subject to 45% tax, the value would be substantially less, approximately $69 million.

Hotel room

Structural advantages

As a consequence of this unique structuring

- investments from $5 million to upwards of $500 million are able to be accommodated in the policy
- there are no individual insurance eligibility issues in respect of the policy owner or family members and no capacity limitations
- the friction cost is lower than in policies which comply with 7702(a)
- Evergreen is able to explain the requirements and assist new investment managers in the structuring of funds in the policy, so as to comply with regulatory guidelines

Cedarwood Explained

The design of a Cedarwood policy is based upon the division of insurance benefits between a policy owner and the members of a group. This complies with the applicable insurable interest laws.

As a result of this unique architecture, premium contributions into this policy are not limited in size by either the insurance capacity or the insurance eligibility of the individual and/or family members.

While surrenders are limited to the lesser of the total amount of premium paid into the policy or the policy cash value, Cedarwood offers attractive and predictable cash flow streams due to its unique structure which is based upon the insurance of a number of individuals.

Cedarwood has been developed in conjunction with major national law firms and is compliant with the relevant tax, insurance and ERISA laws.

All mortality risk is 100% reinsured with a major global reinsurer.

Oh, the thinks you can think if only you try

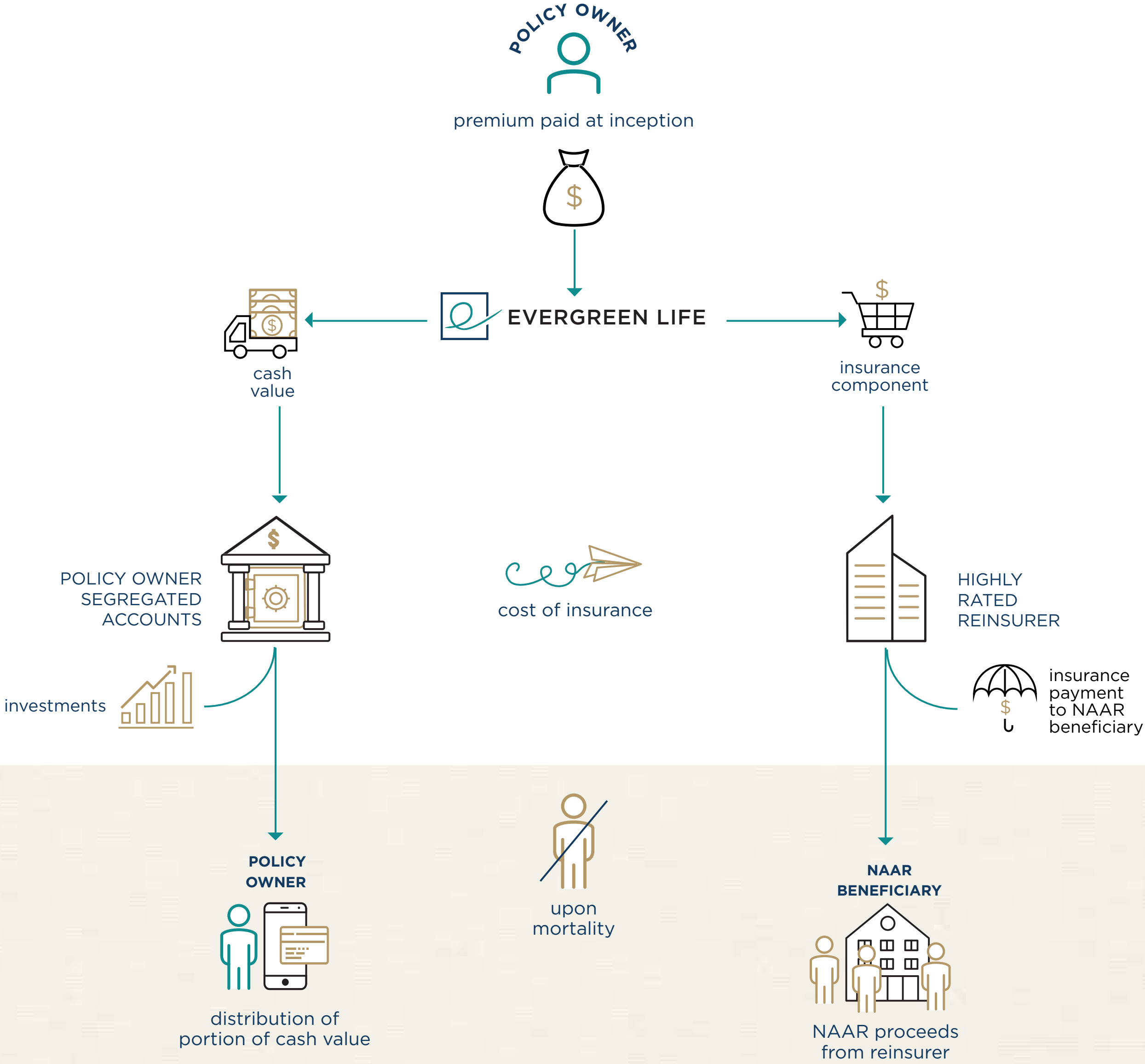
Dr. Seuss

Astronomical Clock - Prague

Investment Flexibility

The Cedarwood policy has been designed so that it is able to accommodate a wide range of investment options including, inter alia, equity, fixed income and alternative assets. Investments within the policy are managed in compliance with the diversification and the applicable investor control rules governing life insurance policies.

The insurer is willing to consider new managers and broaden its investment platforms to include additional managers on condition that they are unrelated to the particular policy owner.



POLICY OWNER
premium paid at inception
EVERGREEN LIFE
cash value
insurance component
POLICY OWNER SEGREGATED ACCOUNTS
cost of insurance
HIGHLY RATED REINSURER
investments
insurance payment to NAAR beneficiary
POLICY OWNER
upon mortality
NAAR BENEFICIARY
distribution of portion of cash value
NAAR proceeds from reinsurer

How an investment in an Evergreen policy is protected

Evergreen has been specifically constructed to ensure that policyholders have maximum protection against the credit risk of Evergreen Life and its reinsurers. Safeguards have been put in place to fully protect policy premiums, cash value and policy benefits. Investments in the segregated accounts are never subject to the claims of creditors of Evergreen Life. Each policy is ring-fenced, meaning that it is protected from all other policies. This is achieved primarily through the following:

- Evergreen Life's use of Segregated Accounts to hold assets constituting the cash value
- The fact that the reinsurance proceeds are paid directly into the Segregated Accounts
- Evergreen Life's own Private Act in Bermuda, which provides additional legal protections to policyholders

Image: Kintsugi Bowl

Segregated Accounts

Every policyholder directs their cash value account into one or more Segregated Accounts. Each segregated account engages the services of one or more professional money manager/s. Under Bermuda law, segregated accounts are fully protected from Evergreen Life's creditors and have the same insulation of liability as do Separate Accounts in the U.S. Segregated accounts are held solely for the benefit of the policyholder.

Reinsurance

Most life insurance companies generally purchase their own form of insurance (called reinsurance) which covers all or part of the life insurance component (often referred to as Net Amount at Risk “NAAR”) on a policy. Evergreen Life always purchases reinsurance on 100% of the NAAR of each policy. This reinsurance is obtained from industry-leading rated reinsurance companies. In the United States, reinsurance proceeds are paid to the general account of the insurance company which, in turn, could become subject to the claims of creditors. Evergreen Life has eliminated this risk by structuring itself so that all reinsurance proceeds are processed through a segregated account, thereby totally shielding policyholders from any exposure to a potential claim by a creditor of Evergreen Life.

Private Act

On the specific application by Evergreen Life, the Bermuda Parliament passed a Private Act (“The Evergreen Life Limited Act 2008”), which provides an extra layer of protection to policyholders. This Act enabled Evergreen Life to enhance, even further, Bermuda’s already superior Segregated Account Laws so as to provide increased security for its policyholders. The Act was used to augment the treatment of reinsurance proceeds, by legislating and thereby ensuring that a potential liquidator of Evergreen Life is legally bound to recognize the nature of the segregated accounts (whereby the assets of an account are held securely and solely for the benefit of the policyholder and may never become co-mingled with any funds of the insurer).

Logic will get you from A to B.
Imagination will take you everywhere
Albert Einstein

Risks and Disclaimers

Potential policyholders should work closely with their financial, legal and other advisers to structure their policy to best meet their estate planning needs.

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The hypothetical investment rates used in the sample illustrations are for information purposes only and should not be deemed a representation of past or future investment results. Actual rates of return may be more or less than those shown and will depend upon a number of factors, including the segregated accounts selected.

Actual Cash Values and the Death Benefit of a particular policy also depend upon a number of factors: Death Benefit Option in effect, the amount and timing of premium payments, actual rates of return of the selected segregated accounts, the actual charges deducted which are dependent upon the insured's particular circumstances, loans and partial surrenders. There is no representation, expressed or implied, that the results described herein will be applicable to any one individual.

This information does not constitute an offer to sell or a solicitation to buy a VUL policy in any jurisdiction.

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