

ChildBuilder

Plan for a child's financial future



ChildBuilder, build your child's future

ChildBuilder is an investment bond designed for anyone (parents, grandparents, family and friends) wanting to establish a tax effective investment for a child's future financial needs and goals.

Who is ChildBuilder suitable for?



Child specific endowment plan

ChildBuilder's simplest strategy is investing a lump sum to grow until the investment bond vests to the nominated child at a set age, or automatically at age 25.



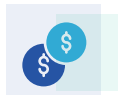
Funding a child's first home or deposit

ChildBuilder also offers you a simple, tax effective investment that can be set to operate as a type of directed inheritance to help a child or grandchild into their first property.



Education funding saving plan

ChildBuilder is an ideal savings tool for you to fund the rising costs of education in Australia for your child or grandchild.



Student loan and debt reduction

Forward thinking parents and grandparents can use ChildBuilder to reduce or pay out student loans and other debt burdens.



Estate planning

ChildBuilder can help you arrange your estate's affairs with certainty, separate to, or in conjunction with your normal will and estate arrangements.



Peace of mind

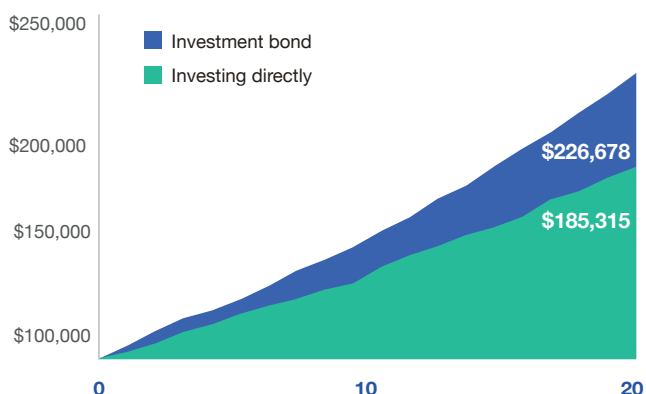
ChildBuilder operates under legislation that requires the investment be held on behalf of, and for the benefit of the child in the event of your passing before the nominated vesting date.

Invest well for the children in your life

ChildBuilder is simple and cost-effective, and can also create inheritances for children by transferring wealth between generations without the uncertainty and complexity of a will.

ChildBuilder is a flexible and tax effective alternative to investments such as cash, term deposits and managed funds. Earnings are taxed at a maximum of 30% rather than your personal marginal tax rate and these earnings don't contribute to your taxable income.

How investment bonds can raise returns



This illustration is over a 20 year period, comparing investing directly versus investing in an investment bond based on an original investment of \$100,000, assuming a pre-tax return of 6% p.a. for an investor on a marginal tax rate of 47% (including levies). Investment returns are for illustrative purposes only and do not represent any actual or future performance expectations.

A flexible investment for those who care about a child's future

ChildBuilder is particularly suited to ensuring your wishes as a parent, grandparent or other benefactor will be met and your wealth or an inheritance is passed on to a child. ChildBuilder operates with the same tax benefits as Generation Life's LifeBuilder.

You can set up a ChildBuilder for anyone under 16 years of age and transfer ownership to them when they reach a specified age between 10 and 25 years.

Once vested, the investment converts to a LifeBuilder investment bond. This brings the added benefit of your 10-year tax advantage period not having to reset. If the ChildBuilder is transferred to a child over 10 but under 16 years, a parent or guardian's consent is required in order to transact on the investment.

ChildBuilder investment bond benefits

- + Simple, cost effective way to save for a child's future
- + No income or capital gains distributions
- + Tax paid after 10 years
- + Tax effective saving - no punitive minor tax
- + No personal capital gains tax on switching investment option
- + No tax file number required
- + Tax free inheritances
- + Creditor protected
- + Estate planning solution

Helping you meet your child's future life events

ChildBuilder's regular savings plan feature allows you to build your investment to meet the rising costs of living and save for a child's future life event.

Another powerful feature is the option of progressively increasing the level of annual savings using the investment bond's 125% advantage and automatic escalation feature. Regular contributions can benefit from the dollar cost averaging effect across both rising and falling markets.

Life can take all sorts of twists and turns and you may need to address a change in your own financial situation or reassess your estate planning goals. As the bond owner, you retain full control until your ChildBuilder bond vests.

The 125% opportunity at work

This example illustrates how the 125% opportunity works over a period of 15 years. It is based on total contributions of \$10,000 in the first year with additional contributions each subsequent investment year of 125% of the previous investment year's contributions. The 125% opportunity can continue for the life of your investment and is not re-set after 10 years.

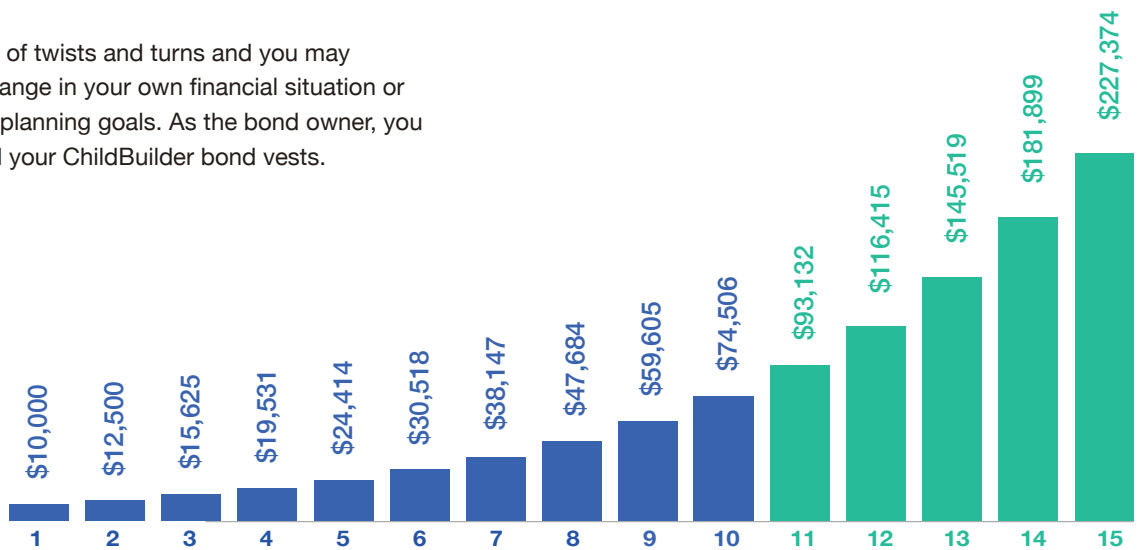


Illustration of contribution levels to take advantage of the 125% opportunity and does not include any projection returns.

Key Features

Investment earnings - taxed at a maximum rate of 30%

Minimum investment amount - \$1,000

Access to a wide range of investment options - providing broad diversification benefits

Flexible ownership options - Individuals or joint individuals (aged 10 or over)

Automated options to help manage and control your investments

- Progressive investing (dollar cost averaging)
- Automatic portfolio re-balancing
- Regular savings plan

You control the child's access to the funds

- Pre-arrange how the child can access their funds
- Ability to set an annual limit on how much can be withdrawn after the vesting date
- Can set the length of time that the annual withdrawal limit will apply for

Simple ownership transfer

- Vesting at any time (from age 10-25)
- Transfer is automatic with no personal tax consequences, no stamp duty and no additional fees or charges

Ease of access to funds

- At any time with a one off withdrawal request
- Regular Withdrawal Facility

Ideas for using ChildBuilder

Meeting the rising costs of future generations

- Give a child in my life a financial head start tax effectively
- Ensuring that my child's future is secured
- Save for private school education
- Pay out my child's future student loans

Saving for specific life events

- Save for a child's first home deposit
- Save for a child's wedding
- Set up a tax effective investment to start a family
- Save for a child's overseas travel plans

Building wealth tax effectively

- Create inheritances and transfer wealth between generations without the uncertainty and complexity of a will
- Manage wealth transfers in blended family situations
- Avoid potential conflicts and inequities between classes of beneficiaries that might be difficult to handle under a will
- Make a financial provision (outside of a will) for a child from a previous marriage or relationship
- Set a date and annual limit on when my child can access my investment



Setting special intended purposes

You can specify a non-binding intended purpose for the use of ChildBuilder once the investment has vested to the child. These can be noted on your investment confirmation and might include objectives or goals such as:

- a first home deposit
- education or study expenses
- funding living away from home expenses
- a first car
- wedding expenses
- overseas travel

There is no restriction on the type of intended purpose you can specify.



Invest with a trusted partner

Highly recommended for over a decade

Generation Life is now Australia's leading investment bond provider. As the pioneer of Australia's first truly flexible investment bond, we have been at the forefront of providing innovative tax effective solutions for over 16 years and we have had over \$1.5 billion invested with us to date. With a Highly Recommended rating* by Zenith Investment Partners for 11 consecutive years¹, as well as a Highly Recommended rating from Lonsec², we have a strong and trusted foundation to deliver solid investment outcomes for investors.

Outthinking today.

Generation Life is a regulated life insurance company and our parent company is listed on the Australian Stock Exchange. We focus on simplicity and value and specialise in flexible tax effective solutions that deliver down the line.

* Rating applies to Generation Life Investment Bonds.



Your investment is secured at every step

Generation Life's investment bonds are investment-linked life insurance contracts governed under the Life Insurance Act 1995 and the Corporations Act 2001. The rules that underpin the operation of our investment bonds and investment options are approved by the Australian Prudential Regulation Authority (APRA).

Each investment option is held separately and distinctly from the other investment options and assets of Generation Life.

Importantly, this means each investment option is legally independent and is quarantined and protected from any potential adverse positions that may impact either Generation Life or any of the other investment options.

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Outthinking today.

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