

# LifeBuilder

Putting you in control





# LifeBuilder puts you in control

The flexible, tax effective investment designed for all of life's stages

LifeBuilder is an investment bond with powerful tax advantages – especially for higher income earners. LifeBuilder covers a wide range of investment needs and life stages from wealth creation, tax planning, to retirement savings and estate planning.

## Who is LifeBuilder suitable for?



### High income earners

All earnings are taxed at a maximum rate of 30%. The effective tax rate can be significantly lower than 30% depending on the investment option you choose.



### Looking for an alternative to superannuation

There are no limits on how much and when you can contribute. You can access your funds at any time.



### Retirees looking to create a tax effective income stream

There are no restrictions on when you can start your income stream – including if you are intending to retire early and access to superannuation is not available.



### Need certainty with estate planning and distributing wealth

You can provide for future generations tax free and with certainty and peace of mind with our EstatePlanner features.



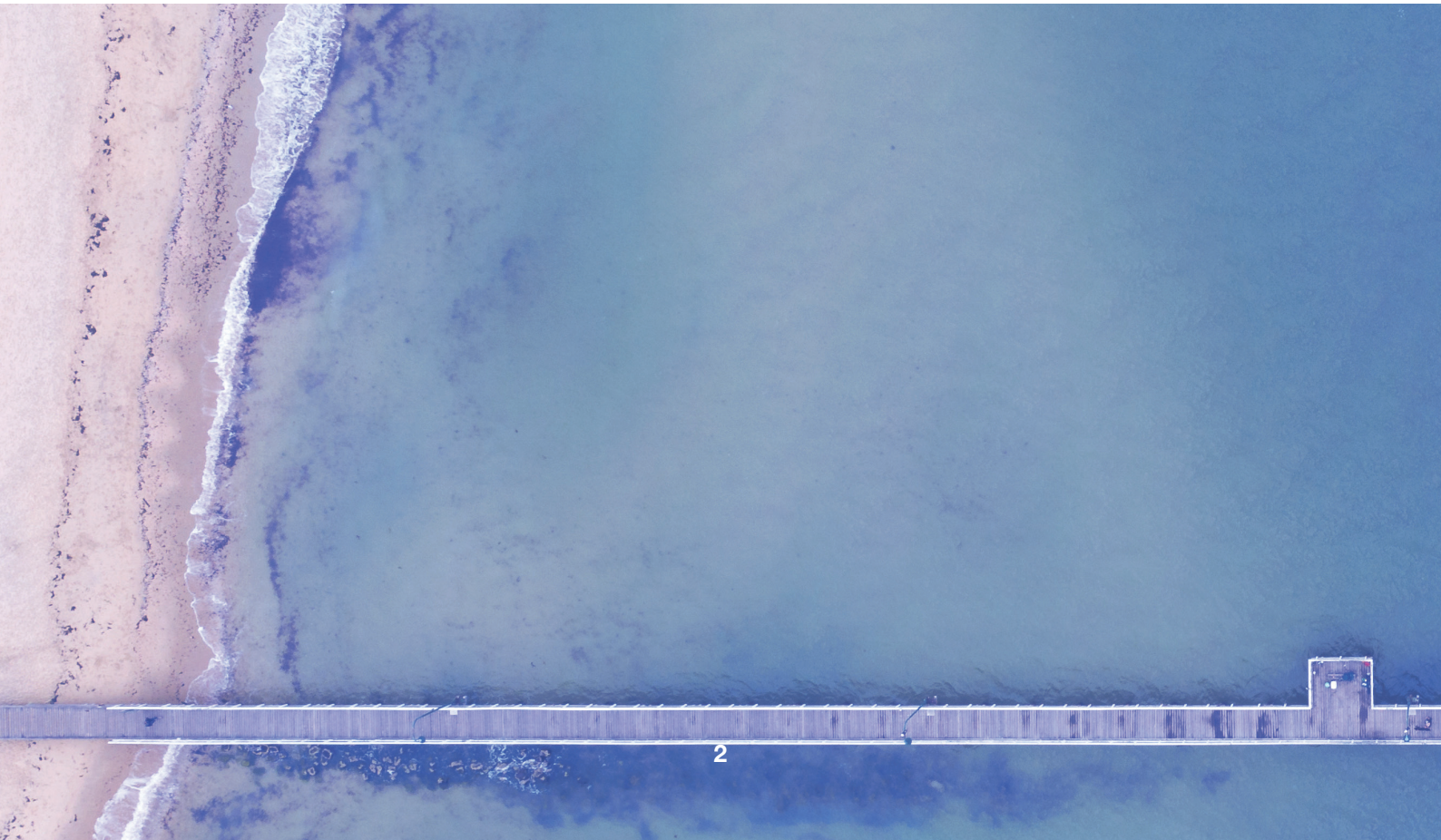
### Looking to manage income levels in private trusts

While the trust remains invested there is no income for the trust to declare and distribute from its LifeBuilder investment.



### People looking to qualify for or improve Government benefits

Options to help manage or improve Government benefits and entitlements including using our Bonds Custodian Trust feature.

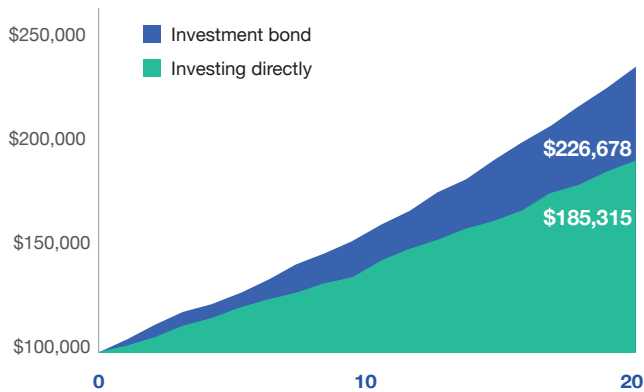


## Discover tax effective investing

Investment bond 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

The compounding effect of a lower tax rate on your earnings can be significant when compared to other direct investment options. The example below illustrates a 22% return increase from an investment bond when compared to investing direct over a 20 year period.



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.

## Simplified estate planning

LifeBuilder's EstatePlanner lets you establish tax effective inheritances with the flexibility to structure your investment, as part of, or outside of your will and legal estate.

This unique feature also simplifies estate planning and achieves intergenerational transfers without creating complex structures.

## The investment for tax-smart investors

Investment bonds may be right for you if you're looking for a tax effective investment. But that's just the start. The advantages extend to a range of the most trusted and leading Australian and international managed fund providers, giving you access to sector-specific, indexed, and diversified asset classes.

## LifeBuilder investment bond benefits

- + Maximum tax rate of 30%
- + No income or capital gains distributions
- + Tax paid after 10 years
- + Ability to transfer ownership tax free
- + No personal capital gains tax on switching investment option
- + No tax file number required
- + Structure tax free inheritances
- + Creditor protected
- + Estate planning features

## Adding to your investments

**There's a simple explanation for the 125% opportunity term:** You can invest an unlimited amount in the first year with an investment bond. Additional yearly sums of up to 125% of the previous year's contributions can be added without resetting the 10-year tax advantage period for the life of the investment.

### 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.

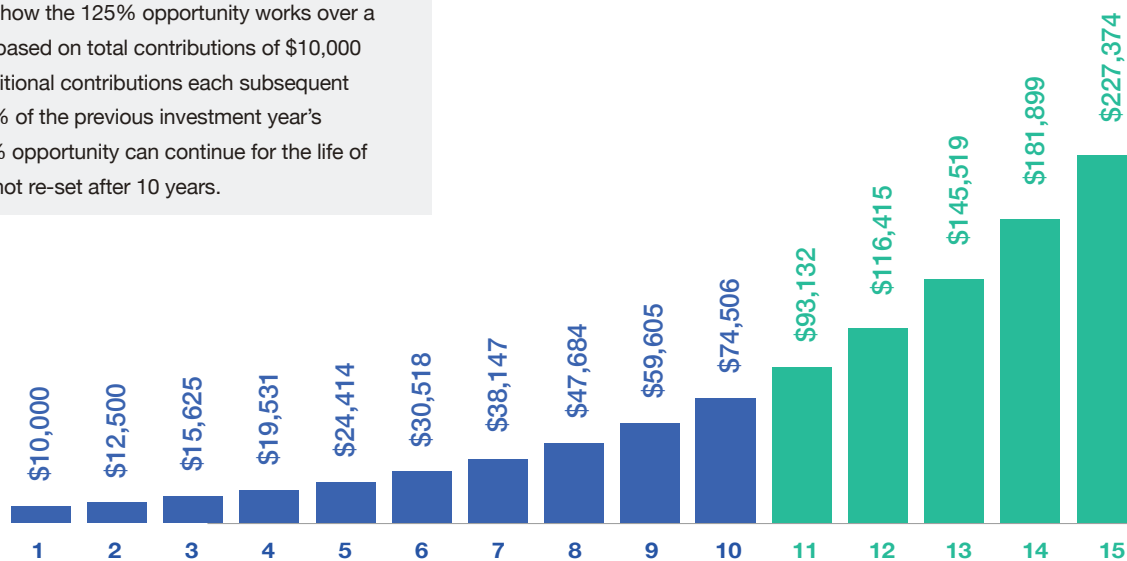


Illustration of contribution levels to take advantage of the 125% opportunity and does not include any projection returns.

## Tax advantages upon withdrawals

**Investment bonds provide complete flexibility by allowing withdrawals at any time with one caveat:** If you make a withdrawal within the first 10 years, the earnings will be entitled to a tax offset of 30%. But if you make a withdrawal after 10 years, it won't be taxed.

## 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
- Companies or trusts (including deceased estate)
- Children aged 10 to under 16 years (with parent and guardian consent)

### Automated options to help manage and control your investments

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

### Ease of access to funds

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

### Simple ownership transfer

- At any time to any legal entity
- No capital gains tax or stamp duty cost

### Flexibility to choose who and how your investment is passed on

- Future Event transfer facility provides the option to choose when and how your investment will be tax effectively transferred including the ability to control how much can be withdrawn annually
- EstatePlanner makes it easy for you to manage your beneficiary nominations



# Ideas for using LifeBuilder

## Investing outside superannuation

- Looking for a tax effective, flexible investment solution outside superannuation
- Allow for uncapped contributions with complete flexibility
- Create a tax effective income stream for early retirement before superannuation preservation age
- Overcome superannuation's estate planning limitations

## Building wealth tax effectively

- Building wealth in a tax effective structure
- Maximise after tax returns
- Early mortgage payout
- Save for a specific life event

## Improving Government benefits in aged care

- Qualify for the Commonwealth seniors health card
- Increase pension entitlements
- Reduce level of deemed income for Centrelink or Department of Veterans' Affairs purposes

## Private Trusts and alternative structures

- Looking for an alternative to private trusts & private investment companies
- Reduce or eliminate the level of distributable income inside a discretionary or family trust
- Tax effective "in specie" transfers from family wealth structures

## Estate Planning

- Passing on wealth outside of a will and estate
- Have full control and peace of mind over the transfer of wealth without any capital gains tax implication
- Provide tax free inheritances with flexibility and certainty
- Set a future transfer date or event and set an annual limit on how much is accessed
- Set up a tax free inheritance outside my will and legal estate
- Simplify a complex will and blended family estate issue
- Make charitable bequests after my death

## Loan & gearing strategies

- Using investment bonds as a loan security & in margin lending strategies
- Business, investment or personal loans



# 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.

## 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.

## 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.



Outthinking today.

### Contact details

#### Investor services

1800 806 362

#### Adviser services

1800 333 657

#### Enquiries

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### LifeBuilder | Investment bonds

Generation Life is an Australian leader in investment bonds.

We pride ourselves in providing an extensive investment menu with choice and quality for our investors.

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