



## ChildBuilder

Plan for a child's financial future



Outthinking today.

# ChildBuilder, build your child's future

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

It's a simple cost-effective and tax-effective investment solution that can also create inheritances for children and facilitate the transfer of wealth between generations without the uncertainties and complexities of a will.

ChildBuilder is a flexible and tax-effective alternative to investing directly or through managed funds.



## Key benefits of ChildBuilder

- + A simple and tax-effective way to save for a child's future
- + No income or capital gains distributions
- + No personal tax paid on withdrawals after 10 years
- + Tax-effective saving for a child – no punitive minor tax
- + Wide range of investment options to choose from
- + No personal capital gains tax on switching between investment options
- + No tax file number required to set up an account
- + A simple solution for estate planning
- + Structure tax free inheritance



## Giving a child a financial head start

You can set up a ChildBuilder for anyone under 16 years of age and vest (transfer) ownership to them when they reach a specified age (between 10 and 25 years). The vesting is automatic and with no personal tax consequence, no stamp duty and no additional fees or charges.

When vested, the investment converts to a LifeBuilder investment bond with the benefit of the 10-year tax advantage period not re-setting. If the ChildBuilder is transferred to a child between the ages of 10 and under 16 years, a parent's or guardian's consent is required in order to transact on the investment.

In the event of your passing before the nominated vesting date or age, your ChildBuilder investment can be transferred to an Account Guardian who will hold the investment until the child reaches the nominated vesting date or age, or alternatively it can be held by your estate for the benefit of your nominated child until they reach their nominated vesting age.

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### What is ChildBuilder suitable for?

**Saving for a child's future:** A simple savings tool to help fund future costs such as school education costs, a child's first car or a child's first home deposit.

**Building wealth for a child tax-effectively:** Earnings are taxed at a maximum effective rate of 30% rather than at your personal marginal tax rate. These earnings don't contribute to your taxable income.

**Saving for a child's future through responsible investing:** ChildBuilder provides a wide range of investment options from which you can choose, including responsible investing options. You have peace of mind knowing you are helping your child financially, and also investing to create a better and more sustainable future for them.

**Providing a simple estate planning solution:** ChildBuilder can help you arrange your estate's affairs with certainty, separate to, or in conjunction with your normal will and estate arrangements.

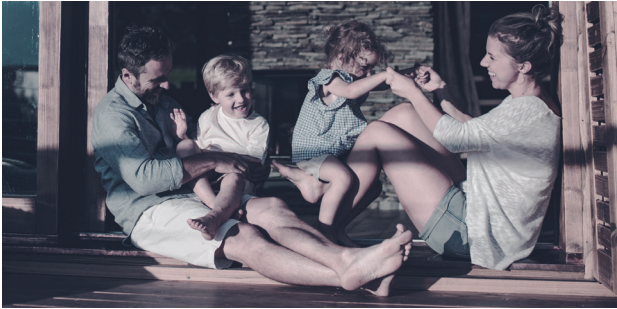


## Accelerate your investment potential

ChildBuilder's regular savings plan feature lets you build your tax-effective investment quickly to meet your investment goal. You can automatically increase your additional contributions each year by up to 25% of the previous year's contributions without impacting your ChildBuilder's valuable tax status.



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



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## Helping you meet your client's future life events

With a ChildBuilder, you can specify a non-binding intended purpose for the use of the investment once it has vested to the child. Your intended purpose is noted on your investment and can include any purpose or goal, which may be a first home deposit, education or study expenses, wedding expenses, to fund a child's overseas travel plans or a first car. There is no restriction on the type of intended purpose you can specify.



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## Accessing your investment

Life can take all sorts of twists and turns and you may need to address a change in your own financial situation or reassess the financial goals you have set for your child. As the investment owner, you retain full control and access to your ChildBuilder investment, until it vests to your nominated child. You have the flexibility to make one-off withdrawals or set up a regular withdrawal facility.



## Access to a wide range of investment options

Our range of investment options provide you with a choice of investment management styles and objectives to cater for different goals across all major asset classes. You can choose from the following options:

- Single sector strategies focused on a particular asset class.
- Multi-asset strategies with access to multiple asset classes to cater for different investor risk profiles.
- Index strategies for a low-cost approach to investing.
- Responsible Investing strategies where Environmental, Social or Governance (ESG) issues are important to you when selecting your investment portfolio.

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### Tax Aware investment process

In addition to the tax-effectiveness of an investment bond generally, Generation Life builds on the tax-efficiency of the ChildBuilder investment bond through our Tax Aware investment process. Unique to Generation Life, this is designed to reduce the tax paid on earnings while invested to improve your after-tax returns.

The Generation Life Tax Aware series of investment options is offered across the broad investment menu for ChildBuilder and provides three levels of innovative, tax-efficient investment options to choose from.



Tax Optimised



Tax Enhanced



Tax Advantage



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## Outthinking today.

### **Generation Life – a trusted partner**

As the pioneer of Australia's first truly flexible investment bond, Generation Life has been at the forefront of providing innovative tax-effective investment solutions since 2004. Over \$2.8 billion has been invested with us to date.

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### **Your investment is secured at every step**

Generation Life is a life insurance company registered under the Life Insurance Act. Our parent company Generation Development Group (ASX:GDG) is listed on the Australian Securities Exchange.

Our products are 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.



## Ideas for using ChildBuilder

It's important if you are looking at helping secure the financial needs of a child that you consider the best option to do so. With a ChildBuilder, you can establish a simple, cost-effective way to give a child a financial headstart in life.



### Meeting the rising costs of future generations

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

### Saving for a child's 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 to a child without the uncertainty and complexity of a will
- Manage wealth transfers to a child in blended family situations
- Avoid potential conflicts and inequities between children 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
- Nominate an Account Guardian to hold the investment in the event you pass before the child's nominated vesting date or age is reached.



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## Contact details

### Investor services

1800 806 362

### Enquiries

[enquiry@genlife.com.au](mailto:enquiry@genlife.com.au)

### Adviser services

1800 333 657



### Disclaimers:

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