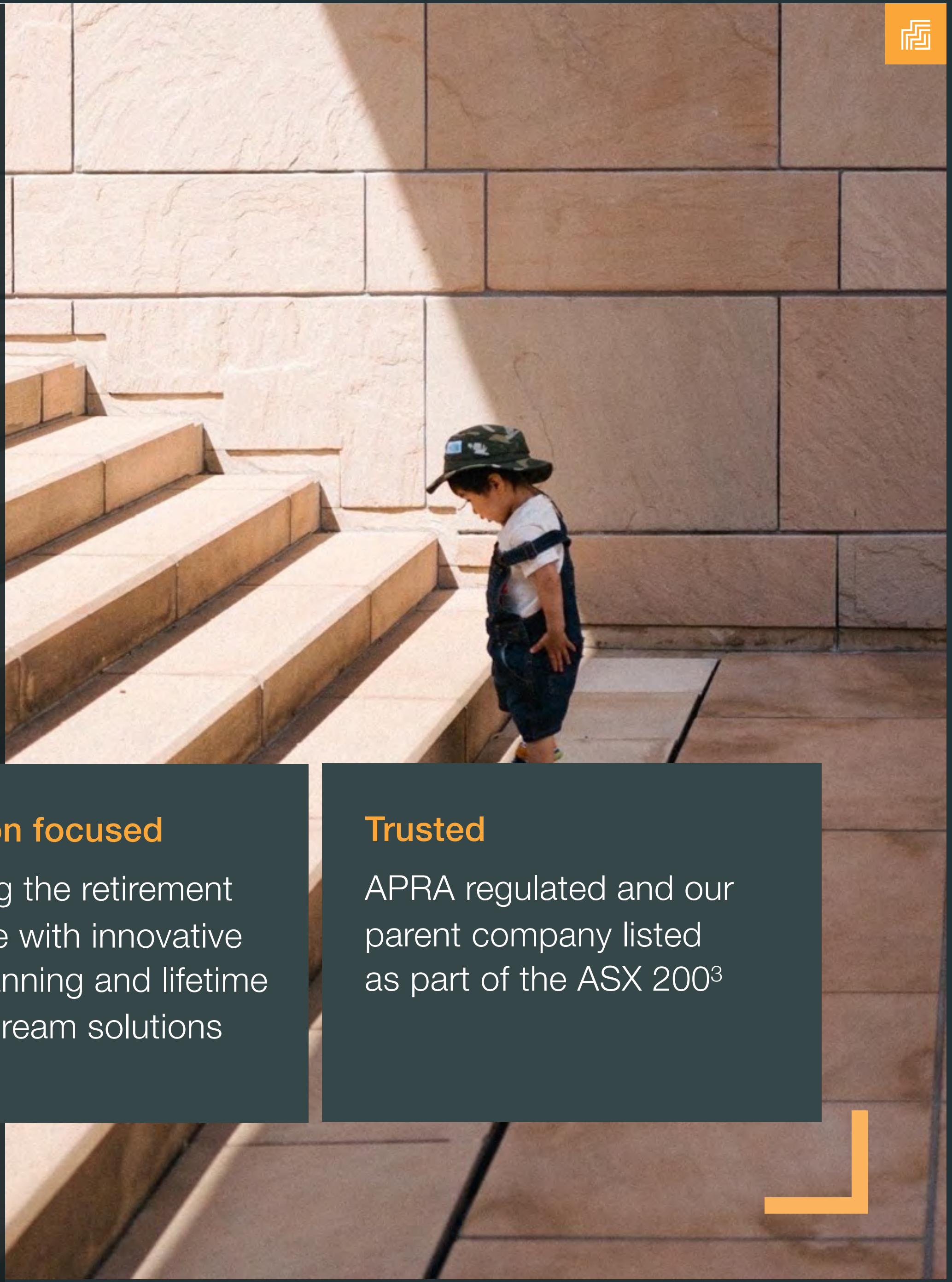
Discover Generation Life

Generation Life is the market leader and innovator in tax-aware investing, intergenerational wealth transfer, succession planning, and retirement income solutions.

As a wholly owned subsidiary of Generation Development Group, we are proud to be part of a broader Group that includes Lonsec Research and Ratings, and Evidentia Group.



Over $4.4b in Funds Under Management[1]

Market leader

#1 provider of investment bond solutions with 60% market share of total annual inflows into investment bonds[2]

Innovation focused

Redefining the retirement landscape with innovative estate planning and lifetime income stream solutions

Trusted

APRA regulated and our parent company listed as part of the ASX 200[3]

1. As at 30 June 2025
2. Plan for Life, Investment Bonds Market Report for period ended 31 March 2025.
3. ASX 200 inclusion on the 24th of April 2025.

Structural shift in advice

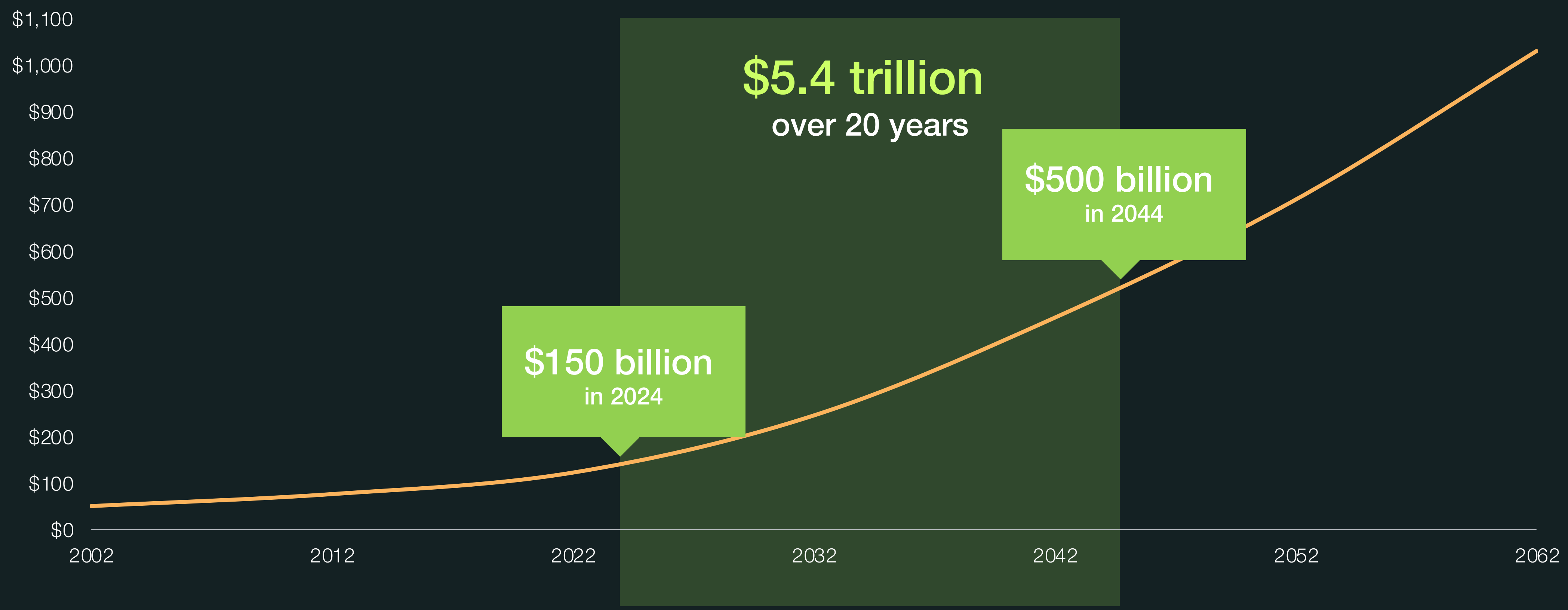
Intergenerational wealth

Over 40% of advice practices offer estate planning services[1]

1. https://www.moneymanagement.com.au/news/financial-planning/value-money-justifying-rising-fees-clients

Wealth transfer opportunity is set to grow…

Total Australian annual inheritance 2002-2062 (2024 $ billion)



Source: JBWere Australia, Family Advisory and Philanthropic Services, The Bequest Report - Reshaping Australia by passing on more than assets July 2024, accessed 20 March 2025

Structural shift in advice

Continued changes to superannuation - broader than Division 296

- 2012 - Division 293 tax introduced
- 2017 - Super Reforms (Total Balance Cap introduced, concessional and non-concessional caps lowered, Division 293 threshold lowered)
- 2022 - Retirement covenant
- 2024 - Legislated Objective of Superannuation
- 2025 - Focus on tax concessions (Div. 296 proposed)

Life events

That can push towards high balances in Super and/or prevent access to Super

Balances above $3m

Those with superannuation balances above $3m

Capped out of super

Those who can't make non-concessional contributions – may be impacted by proposed Division 296 due to no indexation

Liquidity event

Sale of a business

High-income earners

This may include C-suite, partners at audit/consulting firms, medical professionals with existing structures to cater for tax management

Life events

That can push towards high balances in Super and/or prevent access to Super

Inheritance recipient

Those who will be receiving an inheritance after the loss of a family member

Insurance recipients

Those who may receive insurance payout through super – life insurance/TPD/income protection

Loss of partner

Receiving an inheritance inside superannuation as reversionary beneficiary

Investment bonds

An unrivalled estate planning solution that empowers multi-generational advice

Three ways to transfer wealth

LifeBuilder's EstatePlanner provides three options to manage future wealth transfers and estate planning needs simply and conveniently.

Future Event Transfer

Can be transferred to an intended recipient at a nominated future date or the date of death of the owner.

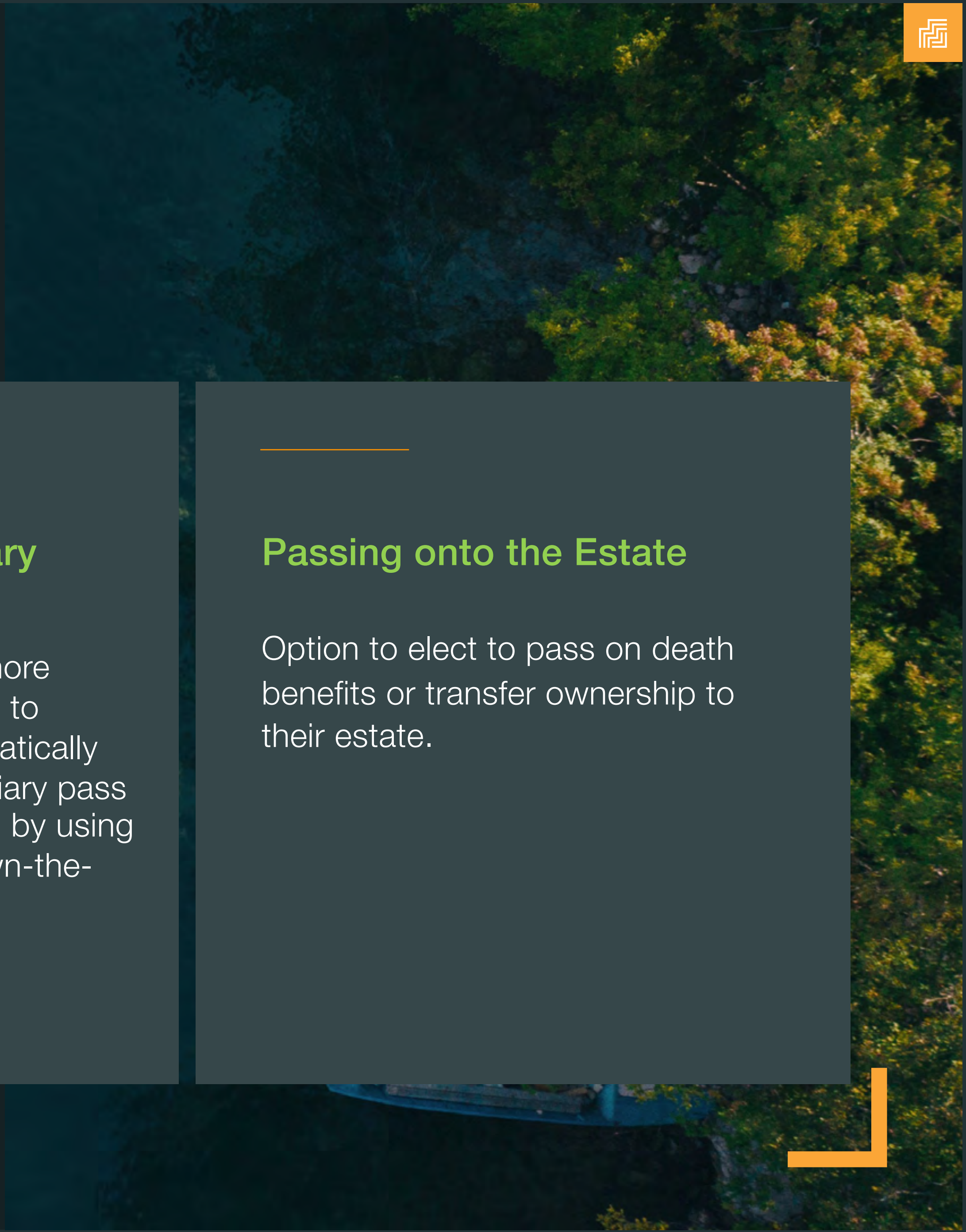
Option to place restrictions on access to funds by the recipient, including setting up a regular income payment.

Nominating a beneficiary

Ability to nominate one or more beneficiaries with the option to manage nominations automatically should a nominated beneficiary pass away before the life insured, by using the joint survivorship or down-the-line nomination feature.

Passing onto the Estate

Option to elect to pass on death benefits or transfer ownership to their estate.



Future Event Transfer

Transfer tax free to recipient(s)

On death of account owner

(Available to individual/joint owners)

Specific nominated date

(Available to individual, joint owners and trust)

Earlier of account owner's death and nominated transfer date*

(Available to individual/joint owners)

Access to funds post transfer

Immediate access to the funds

Delayed access to the funds

Nominate start date

Regular income payment

(starts immediately on transfer)

Regular income payment

(delay start date)

Nominate start date

- Frequency (m/q/hy/y)
- $ or % amount
- End date (or indefinite period)

Nominate Co-Signatory to authorise withdrawal requests for unforeseen circumstances

*Owner(s) can nominate it transfer on an earlier future transfer date in the event of owner passing away before the selected date of future.

The alternatives

Superannuation

Trust

Corporate beneficiary

Personal

Investment bonds

The alternatives

- Earnings on investments are taxed at 15% with proposed Division 296 tax to be introduced on earnings on balances above $3 million
- Superannuation death tax (15-30%)

Trust

Corporate beneficiary

Personal

Investment bonds

The alternatives

- Earnings on investments are taxed at 15%
- Proposed Division 296 tax to be introduced on earnings on balances above $3 million
- Superannuation death tax (15-30%)

- Flow through structure
- Income splitting
- In the spotlight for further tax reforms
- Trustee obligations

Corporate beneficiary

Personal

Investment bonds

The alternatives

- Earnings on investments are taxed at 15% with proposed Division 296 tax to be introduced on earnings on balances above $3 million
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- Company tax rate of 30% applies but is a tax deferral strategy and amounts treated as dividends under Division 7A are generally not frankable
- Potentially hard to fully drain

Personal

Investment bonds

The alternatives

- Earnings on investments are taxed at 15% with proposed Division 296 tax to be introduced on earnings on balances above $3 million
- Superannuation death tax (15-30%)

- Flow through structure
- Income splitting
- In the spotlight for further tax reforms
- Trustee obligations

- Company tax rate of 30% applies but is a tax deferral strategy and amounts treated as dividends under Division 7A are generally not frankable
- Potentially hard to fully drain

- Earnings are taxed at personal marginal tax rates
- Subject to creditors
- Family home can be CGT exempt

Investment bonds

Tax Optimised options generally ranges between 10% - 15%[1]
Maximum tax rate of 30%

Can be structured as a **non-estate asset**

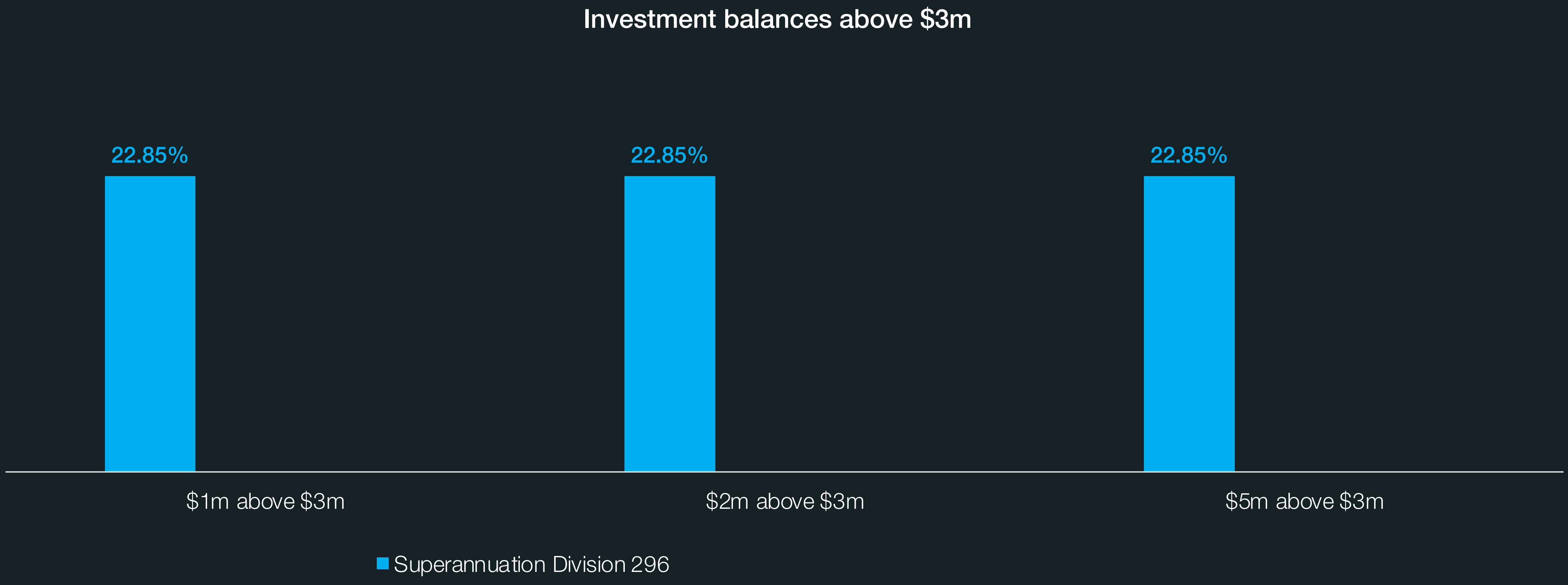
Generation Life Tax Effective Australian Share Fund **#1 performing Investment Bond Australian Share fund**[2]

Creditor protection

1. Estimated average tax rates being the estimated average annual tax as a percentage of earnings for each 12-month period over a period of 15 years. Actual tax amounts payable are not guaranteed and may vary from year to year based on, amongst other things, the earnings of an investment option.
2. Morningstar Direct Australia Fund Equity Australia Large Blend for the 5-year period to 30 June 2025.

Comparing superannuation, investment bond and trust beneficiary tax experience

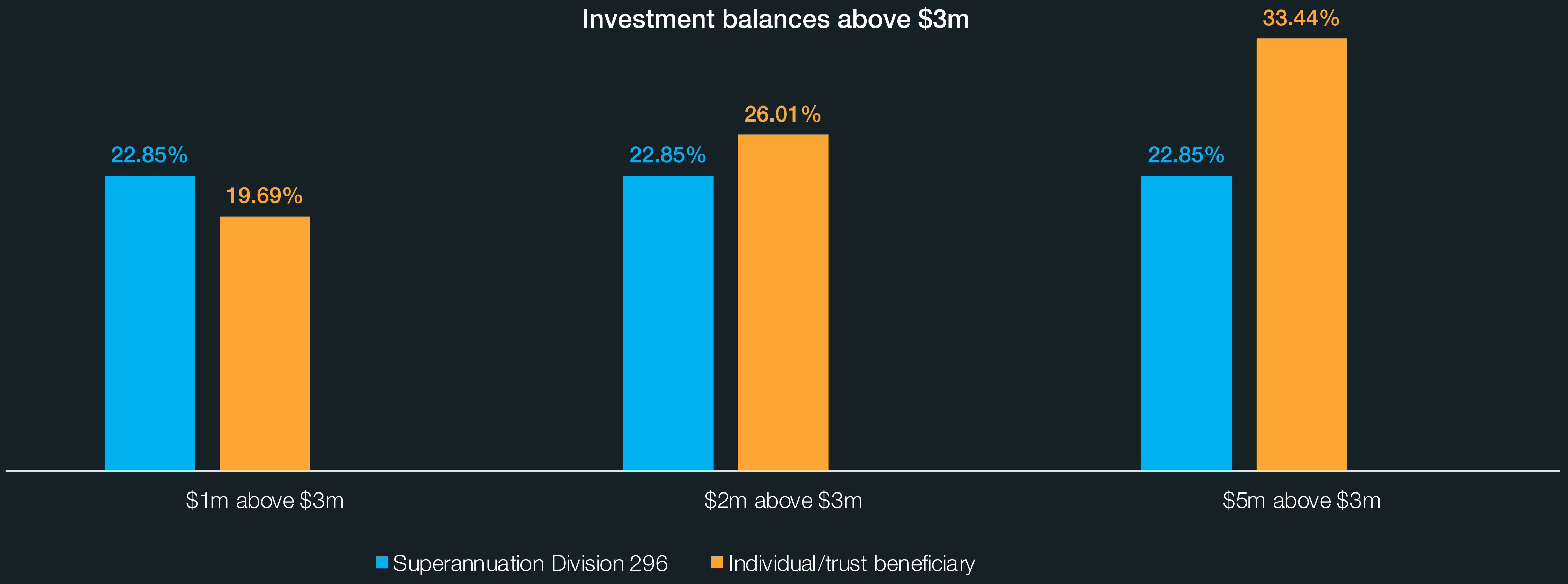
Let’s compare an investor’s outcome assuming no other taxable income



The graph above illustrates the effective long term average annual tax rate on investment balances of $1m, $2m and $5m respectively above $3m when invested in Australian and international shares across 12 investment strategies offered in the Generation Life tax optimisation range. Represents the average annual tax paid as percentage of realised income and realised gains after benefit of imputation credits. Estimated average tax rates being the estimated average annual tax as a percentage of earnings for each 12-month period over a period of 15 years for the combined selected investment strategies in the Generation Life Tax Optimised series of strategies. Actual tax amounts payable are not guaranteed and may vary from year to year based on, amongst other things, the earnings of an investment option. Past performance does not indicate future performance. Trust beneficiary assumes no other assessable income.

Comparing superannuation, investment bond and trust beneficiary tax experience

Let's compare an investor's outcome assuming no other taxable income



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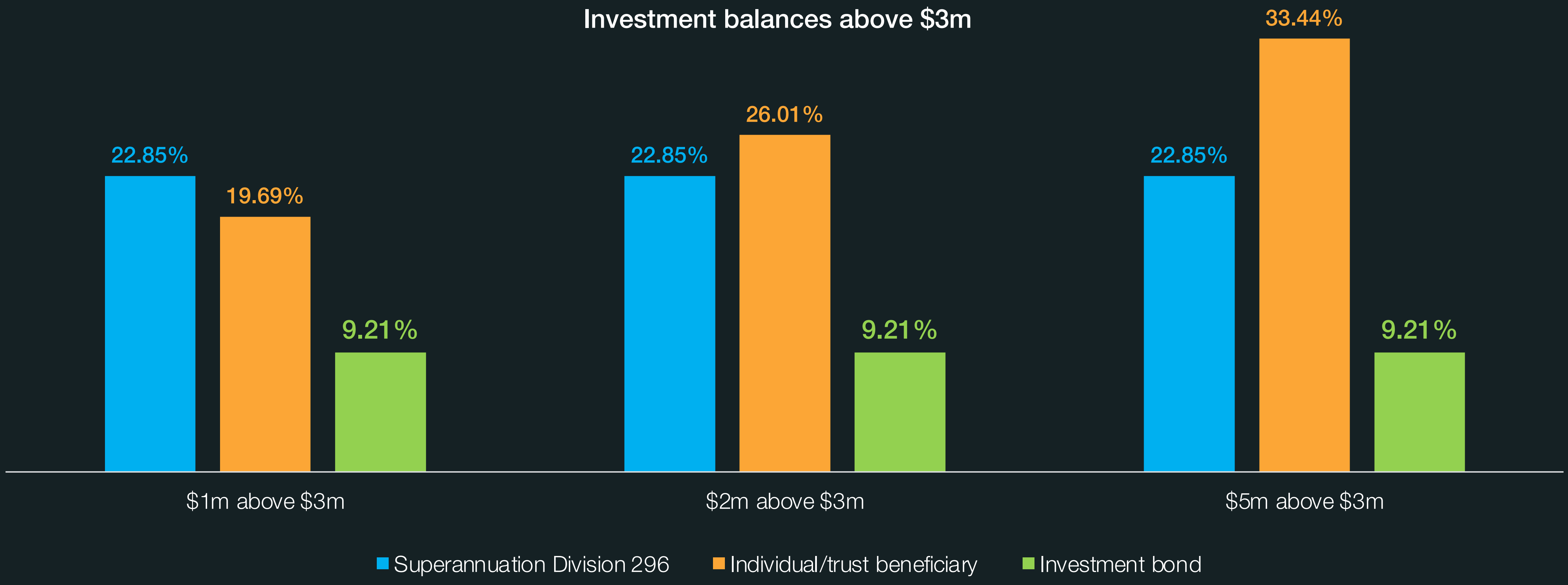

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Investment approach: portfolio construction

Our options to achieve better outcomes: highly experienced after-tax managers, higher alpha, efficient after-tax structures, tax awareness

The most common investment trade-off of…
Alpha, risk & trading costs

…is incomplete without
tax awareness

Our Tax Aware process

- Considering tax consequences when investing
- Capital management – offset capital losses against assessable income
- Income management – respecting the 45-day rule and securing all tax credits
- More control over tax outcomes
- Operational efficiencies through netting of trades

Adding tax awareness to the traditional trade-off is feasible
Alpha & risk is uncertain, tax cost is certain

Enhancing an after-tax pooled investment portfolio

The creation of cost parcels through inflows – UF11 iShares Wholesale Australian Equity Index Fund

Daily buy price of the iShares Wholesale Australian Equity Index Fund, APIR: BGL0005AU. Past performance is not a reliable indicator of future performance.

Enhancing an after-tax pooled investment portfolio

The creation of cost parcels through inflows – UF11 iShares Wholesale Australian Equity Index Fund

Daily buy price of the iShares Wholesale Australian Equity Index Fund, APIR: BGL0005AU combined with the daily buy orders of the asset from the Generation Life iShares Wholesale Australian Equity Index Fund (UF11) APIR: ALL0026AU. Past performance is not a reliable indicator of future performance.

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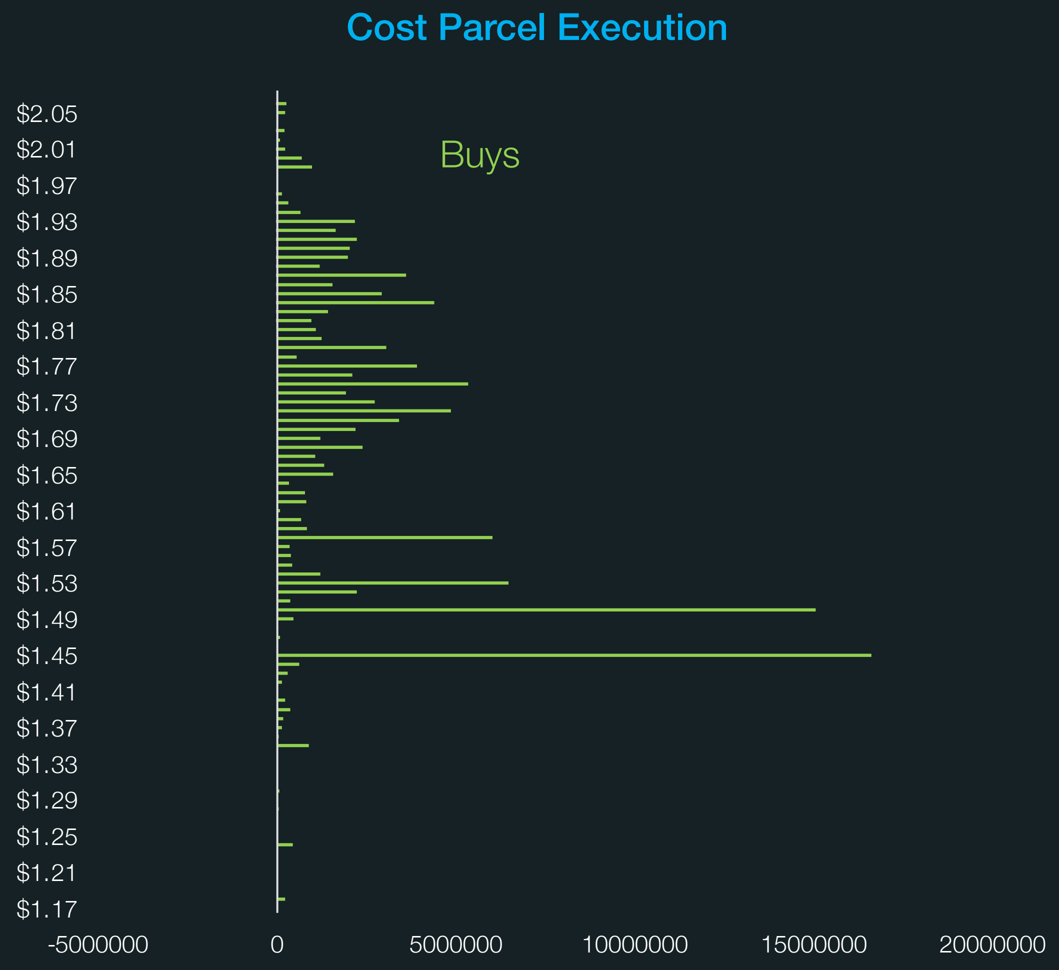
Selling the highest cost parcels

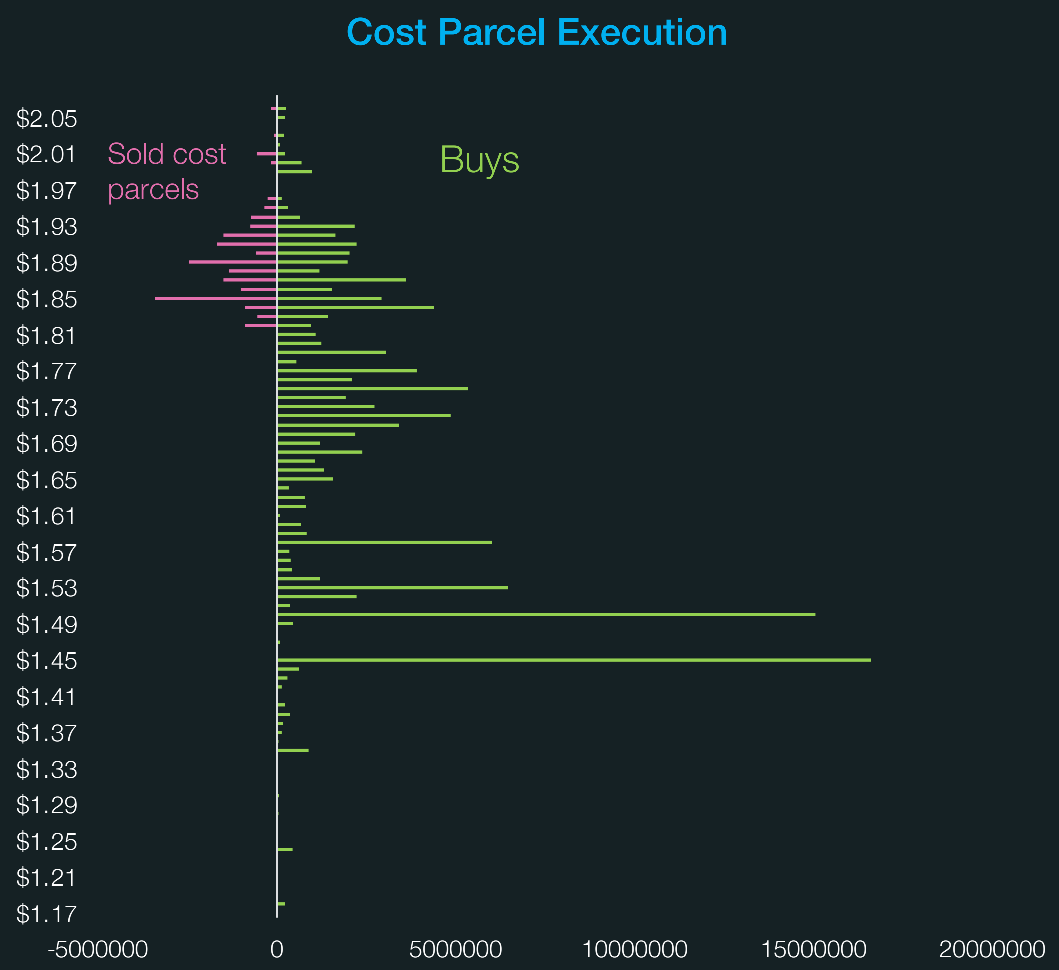
UF11 iShares Wholesale Australian Equity Index Fund



Buy orders of BGL0005AU ranked from highest to lowest price from the Generation Life iShares Wholesale Australian Equity Index Fund (UF11) APIR: ALL0026AU for the period December 2018 to December 2024. Past performance is not a reliable indicator of future performance.

Selling the highest cost parcels

UF11 iShares Wholesale Australian Equity Index Fund

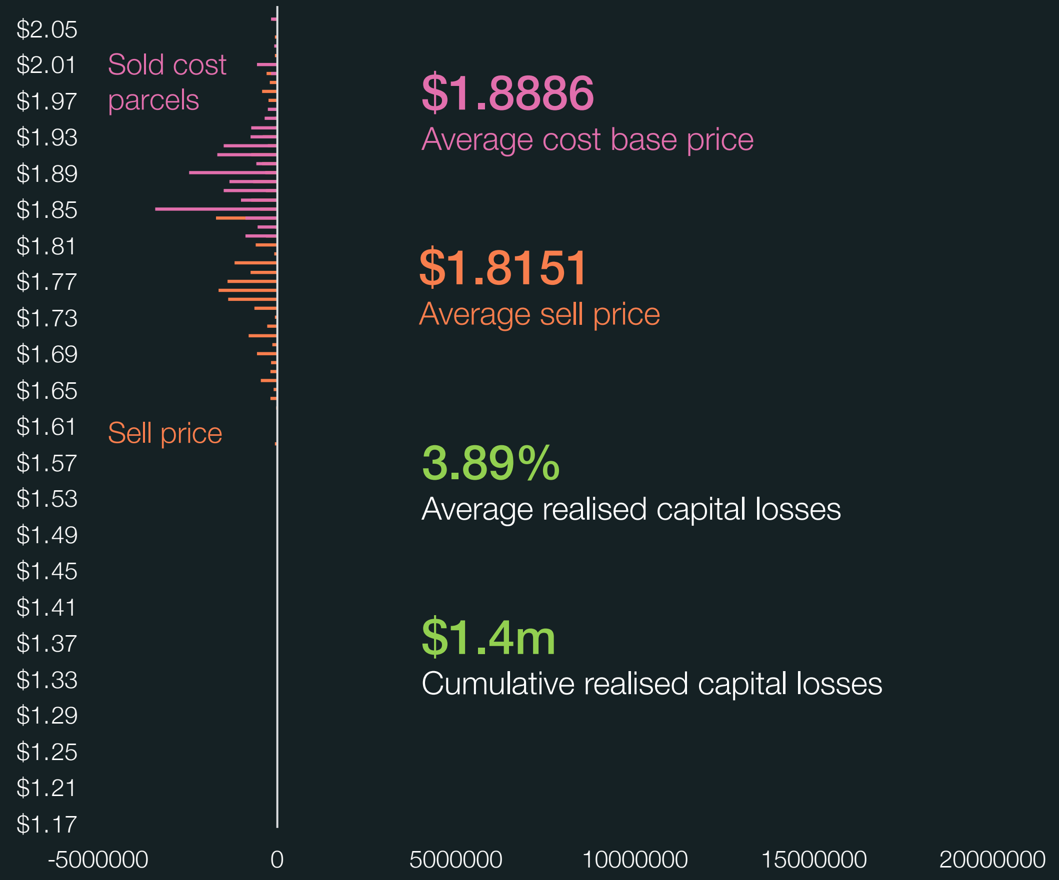


Buy orders of BGL0005AU ranked from highest to lowest price from the Generation Life iShares Wholesale Australian Equity Index Fund (UF11) APIR: ALL0026AU for the period December 2018 to December 2024. Past performance is not a reliable indicator of future performance.

Managing capital outflows

UF11 iShares Wholesale Australian Equity Index Fund

Cost Parcel Execution



$1.8886
Average cost base price

$1.8151
Average sell price

3.89%
Average realised capital losses

$1.4m
Cumulative realised capital losses

Buy orders of BGL0005AU ranked from highest to lowest price from the Generation Life iShares Wholesale Australian Equity Index Fund (UF11) APIR: ALL0026AU for the period December 2018 to December 2024. Past performance is not a reliable indicator of future performance.

Generation Life Tax Effective Australian Share Fund

31 May 2025 - $140 million

#1 fund

out of 51 qualifying Australian share fund funds over 5 years[1]

Name	5-year return p.a.
Generation Life Tax Effective Australian Share Fund	10.62%
ANZ Investment Bond-Russell Australian Share Fund (Closed)	9.64%
Futurity Mgd & Blnd Rspnb Invm Port FM	9.37%
IOOF WealthBuilder Australian Share Fund	9.32%

2.80% **higher p.a.** than the **average** return of the investment category which is 7.82%.

2.63% **p.a. higher** than the **median** return of the sector which is 7.99%.

1.37% **tax receivable p.a.** since inception versus **1.19% tax payable p.a.** for iShares Australian Shares.

Tax Smart Feature	Explanation	Potential Benefit
Accelerating Tax Losses	Swapping securities that are trading at a loss for similar securities - all while staying fully invested	Generating tax losses to offset gains
Manage to a Tax Rates	Intentionally managing for a 30% revenue account tax-payer including considering the types of dividends (eligible for franking)	Avoiding the costliest taxable events (e.g. unfranked income)
Deferring Gains	Delaying the realisation of gains, allowing for a deferral of tax consequences	Keeping dollars invested and compounding over time

1. Morningstar Direct Australia Fund Equity Australia Large Blend for the 5-year period to 30 June 2025.

2 Tax effective share funds

Invesco

Generation Life Tax Effective Australian Share Fund #1 performing Investment Bond Australian Share fund.[1]

Up to 5.6% p.a. performance uplift

35 options

Tax Optimised

9 Active share funds

HYPERION ASSET MANAGEMENT · MFS · BAEP · Perpetual · IML INVESTORS MUTUAL LTD · DNR Capital · MAGELLAN ASSET MANAGEMENT LIMITED · FRANKLIN TEMPLETON

Up to 3.3% p.a. performance uplift

2 Fixed interest

MACQUARIE · PIMCO

Up to 2.4% p.a. performance uplift

14 Diversified

Fidelity INTERNATIONAL · Vanguard · Dimensional · MLC

Up to 3.1% p.a. performance uplift

8 Model portfolios

evergreen · EVIDENTIA GROUP · Mercer · MORNINGSTAR

Up to 3.1% p.a. performance uplift

Forecast expected long-term after-tax return uplift when compared to investing in a similar strategy directly by an individual on a marginal tax rate of 47% (including Medicare). Underlying investment returns are based on long-term pre-tax returns for the investment strategies, while tax assumptions are based on the long-term historical tax profile of the strategies. Forecast assumes an investment holding period of 15 years with no withdrawals and with all income reinvested. No guarantee is provided that the estimated long-term after-tax returns can be achieved and the returns are estimates only.

1. Morningstar Direct Australia Fund Equity Australia Large Blend for the 5-year period to 30 June 2025.

Case study

Case study

Alternative tax structures outside of superannuation

Meet John

John is 50 years old and is a medical specialist who could be subject to malpractice. He is on the highest marginal tax rate.

John's situation...

John recently exceeded $3m balance in his superannuation and expects to be impacted by the proposed Division 296 tax. He recently received a $500,000 inheritance from his late mother.

He intends to continue working but would like the flexibility to access his funds before fully retiring. He also wants to reduce his working hours before he turns 65.

John has surplus income of $50,000 per year after PAYG tax.

John’s concern…

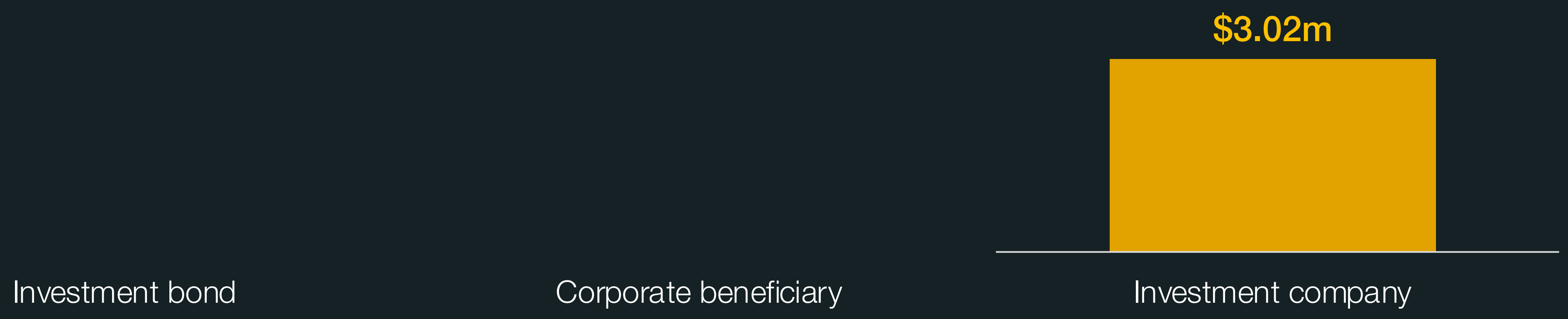
He cannot make any further non-concessional contributions to his superannuation due to having reached the Total Superannuation Balance threshold.

Due to his professional concern around malpractice, he doesn’t wish to hold assets directly.

John speaks to his financial adviser about exploring alternative tax structures outside of superannuation.

John's solutions…

John's financial adviser provided three options and shows the expected proceeds after 15 years invested in the Vanguard All Growth Portfolio.



Assumptions: $500,000 initial investment, $50,000 p.a. contribution, from year 1 to year 15 at 47% MTR, investing in Vanguard All Growth option. The graph above compares investment strategies held through a Generation Life Investment Bond, an individual, a corporate beneficiary and bucket company invested in the Vanguard All Growth Portfolio over a 15-year period returning 12.1% p.a. before tax with a franking level of 89.4%, an income return of 3.4% p.a. and growth return of 8.8% p.a. Passive company structure with tax rate of 30.0% assumed. Progressive personal tax rates used (including 2% Medicare Levy) as at 2024/2025 rates and thresholds and indexed at 3% per annum. Underlying income is assumed to be reinvested and a full withdrawal made at the end of the period and paid to the investor. Returns are based on historical investment returns and expected tax assessable amounts. Generation Life does not make any guarantee or representation as to any particular level of investment returns. Past performance is not an indication of future performance.

John’s solutions…

John’s financial adviser provided three options and shows the expected proceeds after 15 years invested in the Vanguard All Growth Portfolio.

A company is taxed at 30% unless it qualifies as a **base rate entity,** in which case it will be taxed at 25%.

Base rate entity: Turnover of less than $50 million and no more than than 80% passive income.

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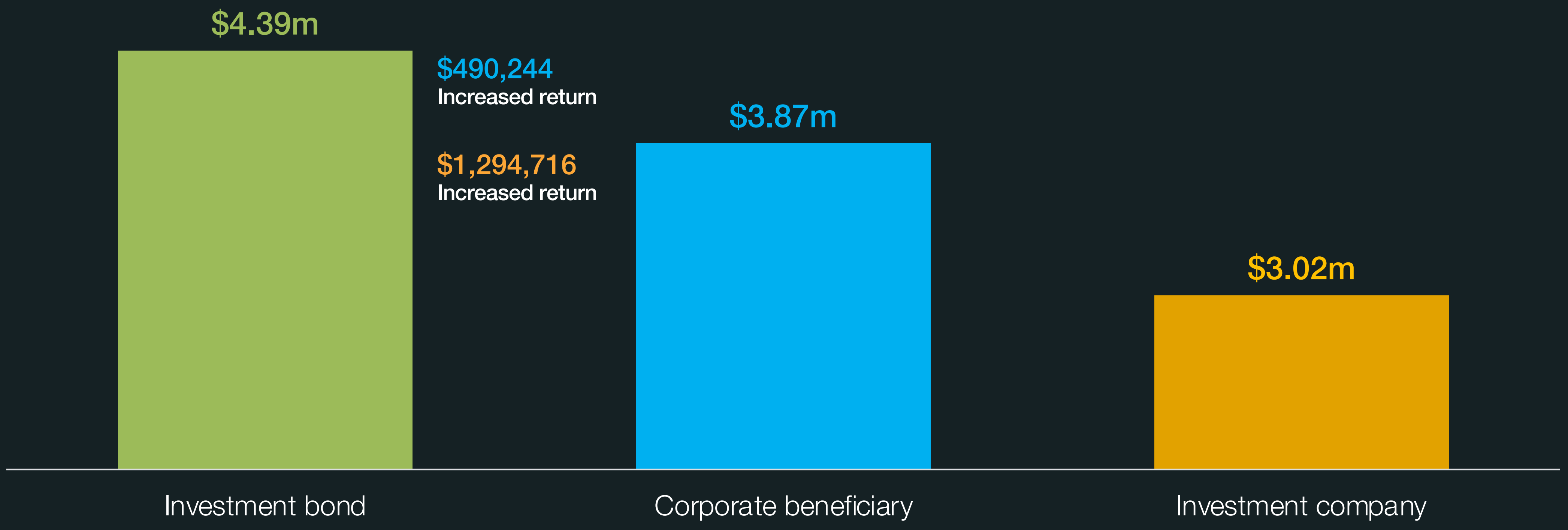

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John's outcomes using investment bonds…

- Ability to access funds at anytime when he decides to reduce his work hours
- Simple structure to generate tax-effective returns
- Simple ongoing administration and monitoring with no set up costs
- No Division 7A issues (compliance intensive)
- Not a tax deferral strategy – no top up tax after 10 years
- Creditor protected in event of bankruptcy[1]
- Non-estate asset - death benefit payments not subject to potential trustee discretion[1]

1 Subject to appropriate investment bond structuring.

Case study

Case study

Reducing tax impact of death benefit income streams & lump sum payments

Meet Jack and Sarah…

Sarah is 74 years old and Jack is 78 years old.

Both Sarah and Jack have been happily married for over 30 years and have two independent adult professional working children at the highest marginal tax rate.

Jack and Sarah's situation…

Jack has a superannuation balance of $4 million, and Sarah has $2 million in her account-based pension and $1m in her accumulation account.

Subsequently Jack sadly passed away. He had nominated Sarah as his reversionary beneficiary for his superannuation.

Impact on Sarah's superannuation…

Due to Jack's passing, Sarah will need to transfer her $2m allocated pension back into accumulation phase to ensure she doesn't exceed her $2m superannuation Transfer Balance Cap.

Therefore, $2m of Jack's total superannuation can be rolled out into Sarah's superannuation. The other $2m was paid out as cash.

Sarah’s concern…

Due to Sarah’s new total superannuation balance of $5m she is concerned about the impact the proposed Division 296 tax and death benefit tax may have on her superannuation balance in accumulation of $3m.

Managing the tax effects

Given her age, Sarah has considered the impact of super death taxes on her adult beneficiaries. She also wants to ensure that the $2m funds received from Jack's death benefit payout are passed on tax-effectively to her adult children by using an investment bond future transfer arrangement.

Year	Net super proceeds after death tax and Division 296 tax	Investment bond proceeds
Age 80	$4.85m	**$5.12m**
Age 85	$8.16m	**$9.53m**
Age 90	$13.71m	**$16.59m**

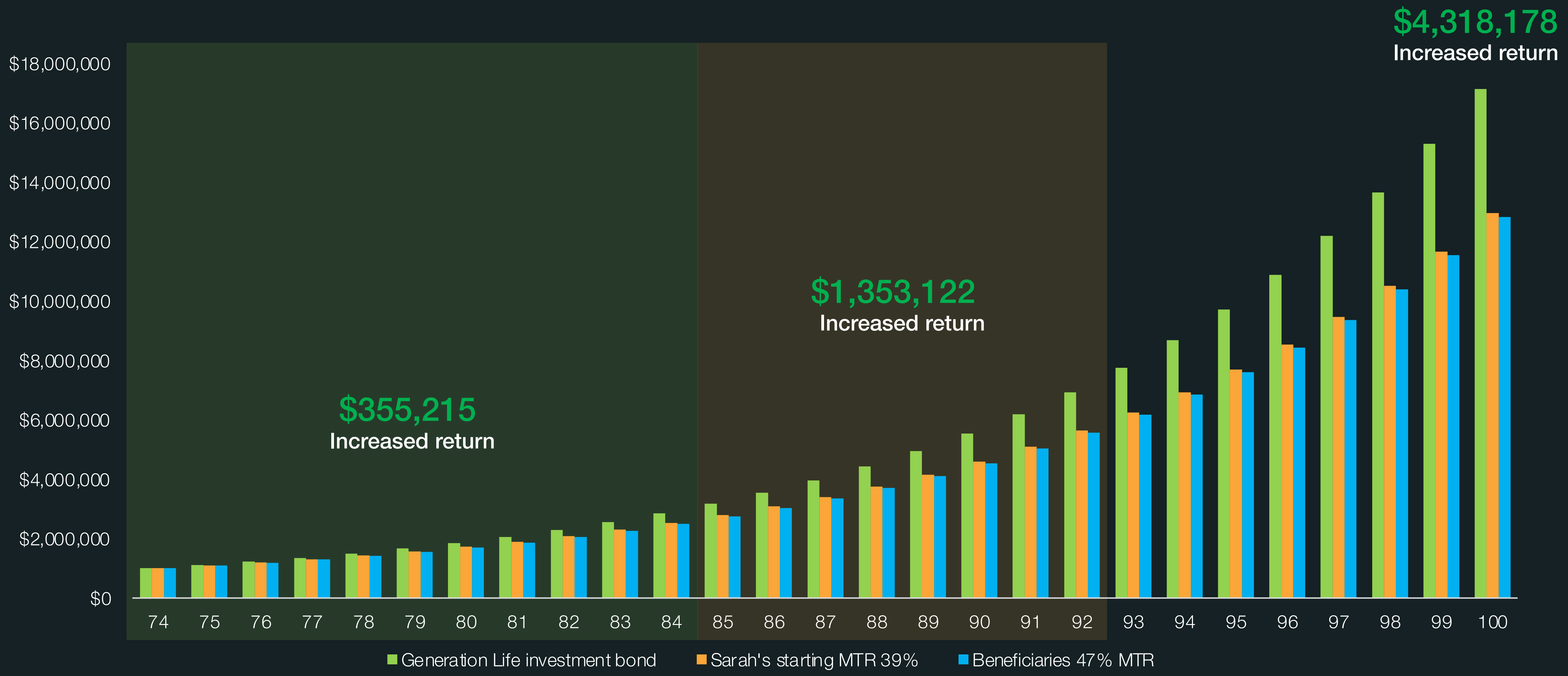
The net after tax proceeds of the investment bond versus the superannuation proceeds when Sarah is 87 years old is $1.84m.

Her beneficiaries would save $1.6m in Death Benefit taxes.

Assumptions: The table above compares a $3m investment into a diversified Australian and international share strategy through a Generation Life Investment Bond against a similar investment strategy held through a $3m Accumulation account and $2m allocated pension account with minimum annual drawdowns. Superannuation taxable components of 60% with a death benefit tax of 15% plus 2% Medicare levy applicable to non-dependent beneficiaries. Assumes proposed Division 296 tax of 15% on earnings on TSB balances above $3m applies. The strategy assumed to return 12.2% p.a. before tax (an income return of 3.4% p.a. and growth return of 8.8% p.a.) with a franking level of 89%, Returns are based on historical investment returns and expected tax assessable amounts without taking into account fees, charges and expenses. Generation Life does not make any guarantee or representation as to any particular level of investment returns. Past performance is not an indication of future performance.

Setting up investment bonds for her children…

Sarah decides to invest the $2 million lump sum into two investment bonds earmarked for each of her children.



Based on an investment of $1,000,000 in the Vanguard High Growth Portfolio with a total annual gross investment return of 9.5% p.a. Average return calculated using tax components and return history of the fund from inception to 30 June 2023. Past performance is not an indication of future performance. Performance is net of fund taxes, management fees and other operating expenses (if applicable) and excludes the effect of any investor specific costs, personal taxes on sale of assets or management fee rebates. Adult Children's MTR of 47% (including Medicare Levy). Sarah's starting MTR is 39%. Other assessable income increases by 4% per annum.

Sarah’s outcome…

Sarah can complement her superannuation with a highly tax-effective structure.

An investment bond does not distribute income or capital gains.

Sarah can also utilise the investment bond (as a non-estate asset) as part of her estate plan to pass onto her adult non-dependant children tax-free.

Case study

Case study

Death benefit taxes and missed opportunities

Meet Bill and Helen…

Bill is 79 years old and Helen is 77 years old.

They also have two adult children.

Bill and Helen's situation...

Helen has a lower superannuation balance due to having taken time out of the workforce to care for their children and elderly parents.

Several years ago, their adviser had implemented a strategy, where contributions were being directed to Helen's superannuation to reduce the taxable component of their superannuation assets.

Subsequently, Helen sadly passed away. She had nominated Bill as her reversionary beneficiary.

Bill's concern…

After Helen passed away Bill was left with a higher taxable component on his superannuation balance.

Bill is concerned that upon his death, his adult children (who he has nominated as beneficiaries) will be left with a large amount of death benefit tax to pay.

Just 11 months after Helen's passing, Bill also passes away.

Sadly, a common occurrence, with 70% of men more likely of passing away within a year of their spouse.[1]

1. National Council on Aging (2025) 'The widowhood effect: how to survive the loss of a spouse', National Council on Aging, 2 May. Available at: https://www.ncoa.org/article/the-widowhood-effect-how-to-survive-the-loss-of-a-spouse/ (Accessed: 4 August 2025).

The unintended tax impact…

With both parents deceased, Helen and Bill's superannuation death benefits were paid to their adult children, leaving them with tax implications.

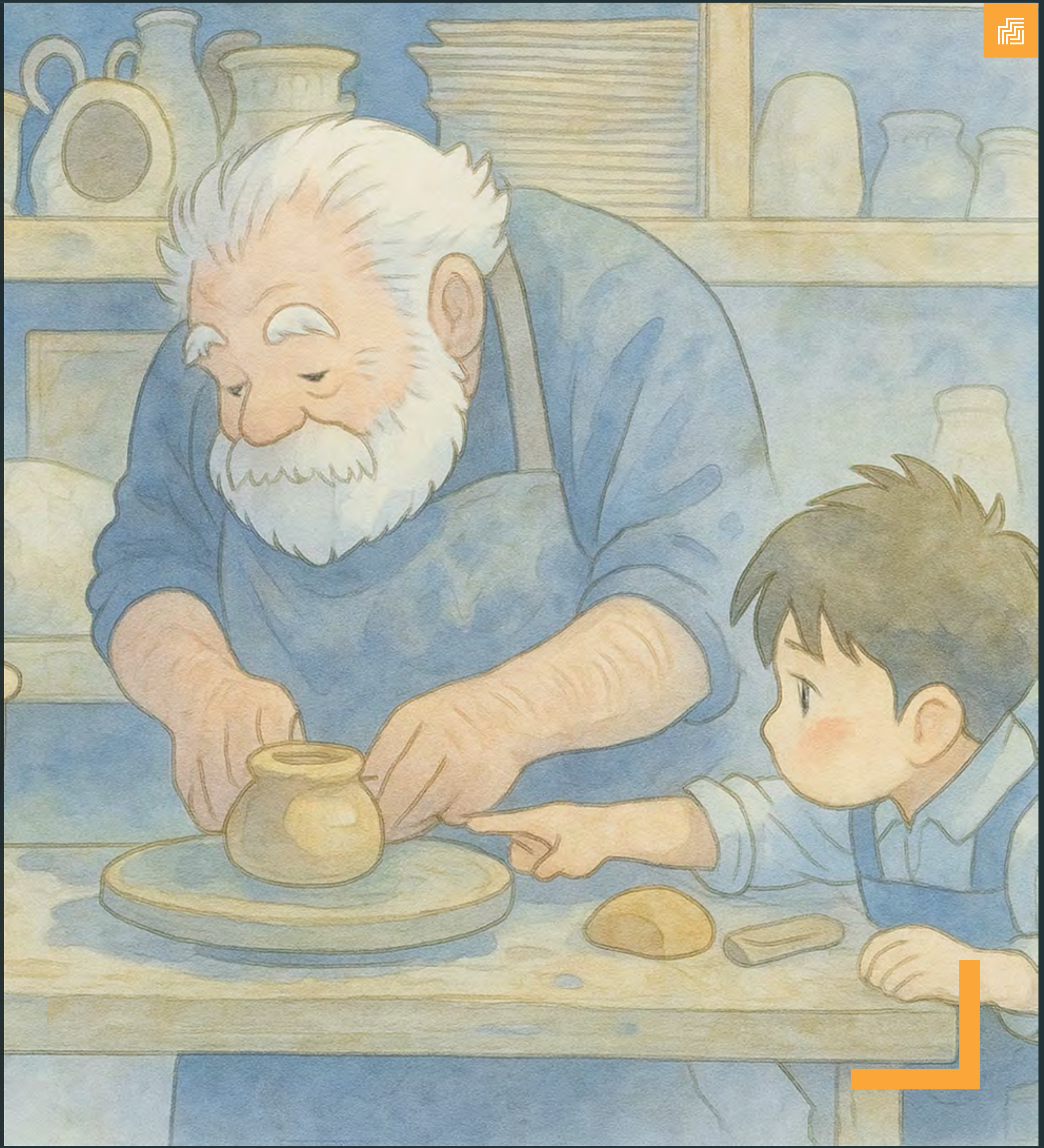
If Bill and Helen had established a tax-paid structure outside of superannuation, such as an investment bond, they could have:

- Held and managed their wealth through a tax-effective investment structure
- Had access to their funds at any time which could be used for any purpose
- Ensured certainty of wealth transfer – bypassing possible trustee discretion
- Avoided the tax burden on their children due to the payment of death tax on the taxable component

Case study

Case study

Proposed Division 296 and the superannuation death benefit tax



Meet Raymond…

Raymond is 82 years old and a wealthy retiree.

Raymond’s situation…

Raymond has an SMSF worth $9.3m invested in managed funds with a 70% taxable component.

He's on the top marginal tax rate of 47%. He is single and has two non-dependant adult children, who are professionals also in the top marginal tax bracket.

Raymond’s concern …

That the proposed Division 296 tax may soon be passed into law and even be grandfathered to apply from 1 July 2025.

Raymond speaks to his financial adviser to review his superannuation holdings. Given his age, his financial adviser also raises the potential impact of superannuation death taxes for his non-dependant children.

To assess the situation, Raymond's financial adviser ran three scenarios.

Scenario 1
Superannuation

Leave money in superannuation and pay Division 296 and death benefit taxes

Scenario 2
Trust

Invest superannuation balance above $3m in a trust structure

Scenario 3
Investment bond

Invest superannuation balance above $3m into two investment bonds

Raymond's outcome based on the three strategies

Raymond's financial adviser provided three outcomes if he invested the excess $6.3m through different structures.

Year	Superannuation Division 296 tax	Superannuation Death Benefit tax	Net superannuation proceeds after death tax	Family trust	Two investment bonds
Age 83	$6,768,045	($742,302)	$6,025,743	**$6,721,812**	**$6,784,938**
Age 84	$7,271,940	($797,568)	$6,474,372	**$7,173,928**	**$7,310,528**
Age 85	$7,814,429	($857,066)	$6,957,363	**$7,173,928**	**$7,880,180**
Age 86	$8,398,468	($921,122)	$7,477,346	**$8,177,938**	**$8,497,585**
Age 87	$9,027,241	($990,084)	$8,037,157	**$8,734,667**	**$9,166,749**
Age 88	$9,704,172	($1,064,329)	$8,639,843	**$9,331,394**	**$9,892,009**
Age 89	$10,432,952	($1,144,259)	$9,288,693	**$9,970,992**	**$10,678,068**

Assumptions: The table above compares investment strategies held through a Generation Life Investment Bond and family trust against similar investment strategies held through a superannuation fund on amounts above $3 million over a 8-year period returning 8.7% p.a. before tax with a franking level of 81.40%, an income return of 3.1% p.a. and growth return of 5.6% p.a. Returns are based on historical investment returns and expected tax assessable amounts without taking into account fees and charges. Generation Life does not make any guarantee or representation as to any particular level of investment returns. Past performance is not an indication of future performance.

If Raymond was to pass away at aged 89, he would leave an **additional $1,389,375** to his children via bonds.

His children would not suffer the $1,144,259 in death benefit taxes. Regardless of the death benefit tax, the end value benefit of the investment bonds compared to superannuation incurring the proposed Division 296 tax would be $245,116.

Raymond’s outcomes…

Eliminate his concerns around Division 296 tax or death benefit tax implications

Easy, convenient and effective way to pass on wealth

Can be transferred as part of Raymond's estate planning wishes to his children free of death benefit tax

Raymond has access to the funds whenever he needs them until his passing

His children may not have any assessable income to declare on their investment bond withdrawals they make if the transfers occur after 10 years

Raymond may consider restructuring his remaining superannuation balance for no additional death benefit tax implications

Case study

Case study

Blended families

Meet Greg…

Greg is married to his second wife Jane and have two young children together.

He also has a 14-year-old daughter Sarah, from his first marriage.

Greg’s situation…

They have mutual wills in place to provide for each other and their children. Greg would like to separately provide for Sarah.

They currently have set aside $50,000 for each of their children.

Greg's concern…

Greg recently came across a newspaper article where a son missed out on his late mum's super because it was paid to her second husband. The court backed the trustee's decision.[1]

Greg had intended to enter into reciprocal wills with his second wife to provide for his children. He is now worried that if he does, his wife may not honour his wishes - Sarah might be left with nothing, and with no legal grounds to contest it.

Greg speaks to his financial adviser

1. The Australian (2025) 'Your super could skip your children, court ruling shows', The Australian, 21 July. Available at: https://www.theaustralian.com.au/wealth/retirement/son-loses-mothers-super-to-stepfather-despite-court-challenge/news-story/86dfe80840662a6e600ae4b3cd71840a (Accessed: 4 August 2025).

The features of an investment bond that can provide certainty

Can be structured to not form part of the estate

Future event transfer – ability to skip a generation

Future event transfer – ability to appoint an Account Guardian (e.g. sibling) to hold on trust until the child is eligible to receive the transfer

Binding nominations – cannot be changed once death occurs – no trustee or LPR discretions

Can work like a testamentary trust to make regular payments or ad hoc payments with a Co-signatory to manage this

Case study

Case study

Investing excess superannuation balances

Meet Rachel...

Rachel is 75-year-old and widowed. She has 3 adult children.

Rachel’s situation…

Rachel has a superannuation balance of $3.9m and due to the proposed Division 296 tax, she is concerned about the future tax impact on her superannuation balance.

Rachel also has a family trust.

Rachel's objective…

Rachel would like to withdraw from her superannuation balance to make annual contributions into an alternative structure to ensure she is not impacted by Division 296.

She would also like to implement effective estate planning and wealth transfer structures so she can transfer wealth to her three adult children.

Rachel speaks to her financial adviser.

Rachel’s solution…

Rachel withdraws $900,000 from her superannuation and contributes into three investment bonds for her children within the existing trust structure.

Each investment bond has been earmarked to transfer to each child using the Future Event Transfer facility.

Rachel’s superannuation balance
$3.9m

Withdraw amount above Division 296
$900,000

Rachel’s personal bank account
$900,000

Set up three investment bonds inside the trust structure

Investment bond 1	Investment bond 2	Investment bond 3
$300,000	$300,000	$300,000

Rachel's superannuation balance

$3m

Withdraw amount above Division 296 in subsequent years

$355,506

Rachel's personal bank account

$355,506

Annual contribution to each investment bond held inside the trust structure

Investment bond 1	Investment bond 2	Investment bond 3
+$118,502	+$118,502	+$118,502

What happens in subsequent years…

Rachel withdraws $355,506 annually from her superannuation and makes yearly contributions into three investment bonds for her children.

What if Rachel wants to control access in the future...

Investment bonds are a great way to transfer wealth with peace of mind and certainty.

If one of Rachel's adult children struggles with money management, she can set up restrictions on when and how much can be accessed.

Balance of each investment bond in 15 years

Adult child 1	Adult child 2	Adult child 3
$5,791,589	$5,791,589	$5,791,589

Future Event Transfer in 15 years with a set regular income payment

Full access provided

Full access provided

Rachel’s outcomes…

Rachel's trust is able to transfer her three investment bonds to her adult children at a future date tax-free using the Future Event transfer facility.

Rachel withdraws her superannuation balance above $3m and invests into investment bonds, therefore, minimising the impact of Division 296.

Rachel can also control how her children can access funds by setting up a regular set income arrangement.

9 key features of investment bonds

Life Insurance and Tax Act	**Maximum tax rate of 30%** Tax Optimised options generally range between 10% - 15%[1]	**No distributions** and access to funds at anytime	**Tax paid** - no personal tax after 10 years - tax advantages within 10 years	**125% advantage**
Portability and tax-free transfers	**No personal capital gains tax** on investment switching	**No tax file number required**	**Creditor protection**	Can be structured as a **non-estate asset**

Estimated average tax rates being the estimated average annual tax as a percentage of earnings for each 12-month period over a period of 15 years. Actual tax amounts payable are not guaranteed and may vary from year to year based on, amongst other things, the earnings of an investment option.

5 key uses of investment bonds

1.

Alternative to superannuation

The most tax-effective investment solution after super

2.

Estate planning

Be in control of transferring wealth

3.

Saving for a child

Meeting the rising costs of future generations

4.

Trusts

Reducing distributable income within trusts

5.

Government entitlements

Improving pension entitlements

Our leading investment menu

Investment bonds

At Generation Life, we offer a wide range of investment options to meet investment objectives.

76 investment options across all major asset classes:

27	Diversified
13	Australian shares
14	International shares
6	Australian fixed interest
4	Property
7	International fixed interest
3	Alternatives
2	Cash and deposits

AllianceBernstein
Ardea Investment Management
BAEP
BlackRock
Dimensional
DNR Capital
Equity Trustees
evergreen
Evidentia Group
L1 Capital
Fidelity International
Franklin Templeton
generation
GQG Partners
GMO
Hyperion Asset Management
Invesco
IML Investors Mutual Ltd
Kapstream Janus Henderson
Macquarie
Magellan
Mercer
MFS
M Mutual Limited
Morningstar
MetLife
MLC
Pendal
Perpetual
PIMCO
Schroders
Stewart Investors
Vanguard
VanEck
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Thank you.

Generation Life

Highly recommended for over a decade

1. Rating relate to LifeBuilder and ChildBuilder investment bond products

Awards

Research ratings

Investment Bonds[1]

Zenith for Generation Life Tax Effective Australian Share Fund

Thank you

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