

Centuria LifeGoals

Centuria LifeGoals is providing investors with the simple, flexible and tax efficient solution they can use to easily pass wealth onto loved ones.

Laura, 50. Business owner

Meet Laura. She's a 50 year old dentist living in Melbourne with her second husband, their two daughters and one stepson (her husband's son from a previous marriage).

Laura lives life to the fullest and when she isn't working, she's hiking, kayaking or surfing with her family. However, after reading about the challenges of estate planning, she's decided to be proactive in how her own estate is planned out.

As the owner of a successful business, Laura has considerable assets she'd like to securely divide among her loved ones, but at the same time, set up a structure that allows the assets to grow over time.

This is why Laura chose Centuria LifeGoals, the simple, flexible and tax efficient investment solution giving investors greater control in how they plan their estates.

The need for sound estate planning

If you don't properly plan out your estate, there could be real impacts for both your loved ones and the value of the inheritance. For instance, a lack of clear instructions could mean your estate is wrongly distributed with your intended beneficiaries missing out.

If your loved ones had to collate and source your assets, or even dispute their ownership, they may face high legal fees. This can also lead to lengthy delays and – in some cases – there may be tax implications as well. Fortunately, Centuria LifeGoals has been structured to give you a simple, flexible and tax efficient way to invest while also effectively arranging your estate for your loved ones.

The Centuria LifeGoals solution

But first, what is Centuria LifeGoals? Centuria LifeGoals is a kind of investment bond structure which is essentially a mixture of a managed fund and life insurance policy. The most exciting features of Centuria LifeGoals include:

- The investment bond structure has a 30% tax rate, and you can access your entire Centuria LifeGoals investment with no additional tax to pay if you hold it for 10 years (and meet the 125% rule).
- There's no initial investment amount limit when establishing your Centuria LifeGoals account and you can start from as little as \$500.

Your Journey. Your LifeGoals.

- After this, you can invest up to 125% of the previous year's contributions, allowing you to put away more money each year (if you exceed this the 10 year period simply resets).
- Unlike superannuation, you have the freedom to withdraw money whenever you want, and if you do so before the 10 year mark the only tax to pay is the difference between the 30% tax paid and your own tax rate¹.

Your Centuria LifeGoals investment can also be used to help maximise your estate plans, protecting your loved ones from unintended stress and allocating your assets in the way you want. To show you how this works, let's go back to Laura's scenario.

Case study: How Laura generated returns and security with Centuria LifeGoals

Investment bonds like Centuria LifeGoals are extremely useful for estate planning as the holder of the account can nominate anyone as their beneficiary in the event of their death. Investment bonds fall outside of an estate so aren't distributed according to a will or subject to intestacy laws (when no will is left and an estate has to be decided upon in the courts).

When Laura sets up her Centuria LifeGoals, she only wants her daughters to inherit this money. She and her husband have already decided that neither he nor his son need the money so she wants her estate to be quickly and securely passed onto her children. She invests an initial \$150,000 and contributes \$200 per month in the first year and chooses to automatically increase this by 5% per annum to meet the 125% rule over the next 15 years.

With Centuria LifeGoals, upon Laura's death the money would be paid to her beneficiaries (Laura's daughters) with no tax to pay. Should Laura's circumstances change and she needs the money she can access it at anytime.

With Centuria LifeGoals, Laura is the owner and life insured of the policy. During her lifetime she can still invest and withdraw funds with flexibility and then automatically pass it onto her beneficiaries. If she had chosen to use another structure (such as a unit trust or term deposit), this would form part of her estate.

This way, Laura can enjoy the rest of her action-packed life safe in the knowledge that her estate is arranged and confirmed for her loved ones thanks to Centuria LifeGoals. After 15 years of investing in a managed growth option, her contributions would have amounted to \$201,789 and have generated a total value of \$327,582 after tax and fees – fortunately Laura is still fighting fit and able to leave the money where it is for her daughters to one day inherit.

LIFT

How could Centuria LifeGoals work for you?

Not your investor profile? You don't have to be like Laura to benefit from Centuria LifeGoals. Everyone's financial situation is different and Centuria LifeGoals is used for a wide range of financial goals.

To understand just how flexible Centuria LifeGoals can be, we've created an innovative new financial calculator (LIFT) to help you decide how to grow your investment by selecting LifeGoals investment options. By simply entering information about your current situation and your financial aspirations, the calculator instantly shows how Centuria LifeGoals could work for your own specific situation.

Visit:
centuria.com.au/lift

1. In years 9 & 10 this difference is discounted by one-third and two-thirds respectively.

These scenarios have been produced purely to illustrate how Centuria LifeGoals can be used by different investor profiles and are all fictional.

Centuria's Investment Bonds offer a tax effective investment vehicle outside of superannuation. They have features that investors should consider if they wish to invest outside of superannuation. Suitability of an investment in a Centuria Investment Bond will depend on a person's circumstances, financial objectives and needs, none of which have been taken into consideration in this document. Prospective investors should obtain and read a copy of the Product Disclosure Statement (PDS) and consider the information in the PDS in light of their circumstances, objectives and needs before making a decision to invest. The information provided in this document is general in nature only and does not constitute personal financial advice. We recommend that prospective investors consult with their financial adviser. This document is not an offer to invest in any of Centuria's Investment Bonds. Investment in Centuria's Investment Bonds are subject to risk as detailed in the PDS. Centuria will receive fees in relation to an investment in its Investment Bonds. Issued by Centuria Life Limited ABN 79 087 649 054 AFSL 230867.

CA-CLL-11/02/20-001102