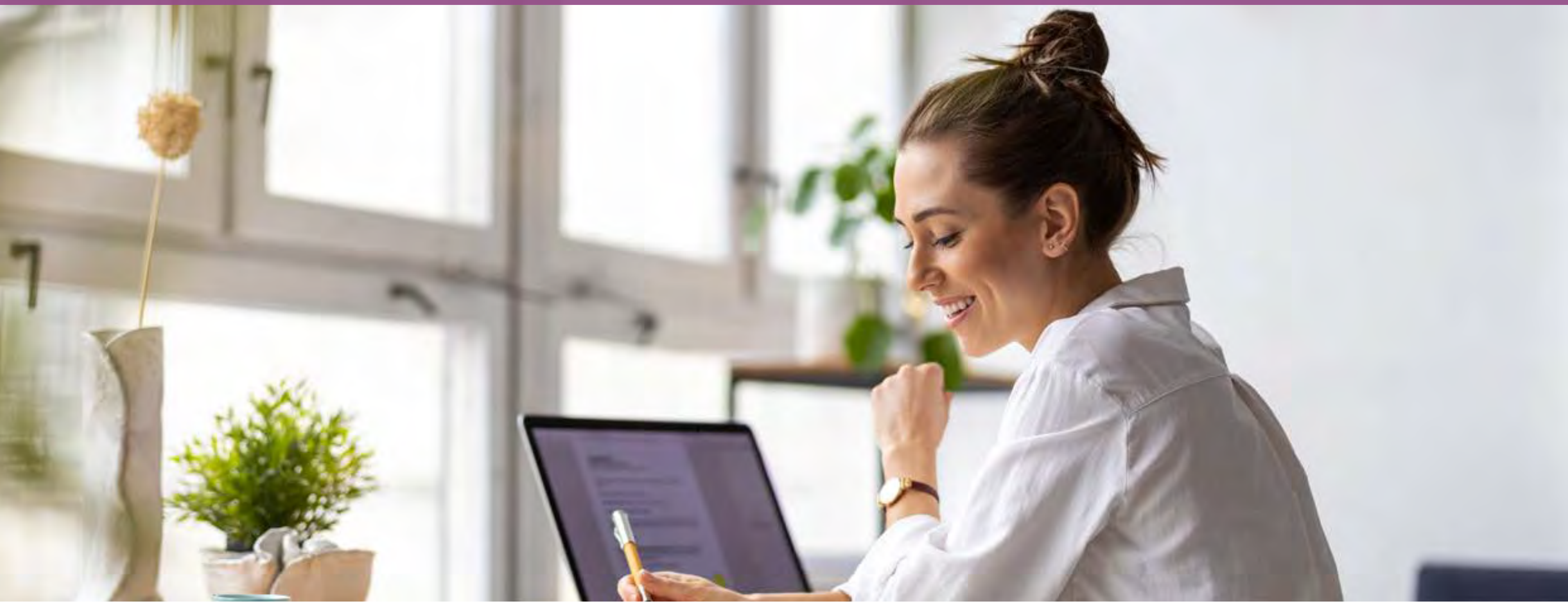

Meet Jessica. She's 38, lives in Sydney and works as a freelance journalist. Like all Australians, part of Jessica's income is contributed into a superannuation fund for her retirement.

However, Jessica wants to have a greater say with her investments.

A recent inheritance means, she has more money she would like to invest. Also, Jessica would ideally like to make the most of any investment earnings now, and not have to wait until retirement.

Jessica would like to keep the money she invests available to her in case of any emergencies or needs she may have before she retires. Although superannuation would be a great way to invest for her retirement, Jessica would like to maintain more flexibility with her investment.

This is why Jessica chose Centuria LifeGoals, the simple, flexible and tax efficient investment solution giving investors the control they want. If like Jessica you would like a tax effective investment option that you can access before you retire, LifeGoals could be a suitable option for you.

The super conundrum[1]

Super is a great way to invest for retirement and benefits from government support. However, it does have constraints, including:

- The limit for contributions from your pre-tax income ('concessional contributions') in a financial year is $27,500.
- The limit for contributions from your post-tax income ('non-concessional contributions') in a financial year is $110,000.
- If you surpass the concessional contribution limit, you'll be taxed at the marginal rate of 15% plus an excess concessional contribution charge.
- If you surpass the non-concessional contribution limit, you could face an additional tax of 47%.
- There's a $1.7m transfer balance cap on the total amount of super you can transfer into the pension phase.
- There are restrictions to when you can access your super, please refer to the ATO website.

It's important to be able to invest in a way that suits you and reflects your financial situation, but these limits mean super is unable to offer many investors the flexibility they need.

1. Source: Australian Tax Office as at 31 May 2023.

The Centuria LifeGoals solution

Fortunately, Centuria LifeGoals is giving investors a simple, flexible and tax efficient way to supplement your super. Centuria LifeGoals does this with the increasingly popular investment bond structure (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 less allowable deductions, 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 (you can start from as little as $500).
- 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 rate[2].

A Centuria LifeGoals investment gives you the flexibility you need so you can invest in a way that suits you, adapting to your financial situation as it evolves.

To show you how Centuria LifeGoals is already helping investors, let's go back to Jessica's scenario.

Case study:
How Centuria LifeGoals got Jessica's investments in shape

Jessica had an additional $200,000 to invest but wanted a tax effective investment that had flexibility to access before retirement. With a 10 year investment horizon in mind, Jessica chose to set up a Centuria LifeGoals account investing in the managed growth option to complement her existing super. She could afford to invest an additional $500 per month in the first year and throughout the next ten years plans to continue investing while meeting the 125% rule.

This would mean that when Jessica reaches 48, she would have contributed $399,517 and her Centuria LifeGoals investment would have grown to approximately $513,769* (after tax and fees). As she had met the 125% rule throughout, she would be able to access the entire sum without any additional tax to pay.

With Centuria LifeGoals, Jessica will be able to invest in a way that suits her and can now enjoy her wealth without having to wait until retirement. Jessica now feels more secure than ever, and now thanks to Centuria LifeGoals she feels stronger than ever.

How could Centuria LifeGoals work for you?

Not your investor profile? You don't have to be like Jessica 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 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/lifegoals

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

*Please refer to page 14 "Returns Calculation Assumptions" for the assumptions used in calculating the investment returns figure. The investment returns are illustrative in nature and should not be taken to provide an estimate of the amount of investment earnings you will receive. The actual returns may differ to the calculated returns. Centuria does not guarantee the performance of the financial product, the repayment of capital or any income or capital return.

*Returns calculation assumptions

The investment returns are calculated using the Centuria LifeGoals Investment Forecaster Calculator ('Calculator'). The Calculator can be accessed on the Centuria website (www.centuria.com.au/investment-bonds/investment-forecaster-tool/).

Below are the assumptions used for calculating the investment returns.

Investor's marginal tax rate

A marginal tax rate of 47% of taxable income over $180k (includes 2% Medicare levy surcharge)

Investment option

OPTION	GROWTH/DEFENSIVE SPLIT
Cash enhanced	100% defensive
Fixed interest	100% defensive
Balanced	50% growth, 50% defensive
Growth	70% growth, 30% defensive
Australian shares	100% growth
International shares	100 growth
Property	100% growth

For each investment option which has a capital gain component (i.e. investment options which are not 100% defensive), it is assumed that 15% of capital gains are realised each year.

Additionally, the 'Balanced', 'Growth' and 'Australian shares' investment options are assumed to have franking credits attached to the income return . The default assumption is that 14%, 22% and 75% of income returns of the respective 'Balanced', 'Growth' and 'Australian shares' investment options would be subject to franking credits.

For a chosen portfolio which contains multiple investment options, it is assumed that the portfolio would be rebalanced every year such that the proportions between each investment option remain constant throughout the life of the investment.

Asset class returns

Total return = income return + capital return

Growth:

Total return:	5.60%
Income return:	3.16%
Growth return:	2.44%

Australian shares:

Total return:	6.90%
Income return:	3.49%
Growth return:	3.41%

International shares:

Total return:	2.30%
Income return:	2.30%
Growth return:	0.00%

Enhanced cash:

Total return:	6.60%
Income return:	2.57%
Growth return:	4.03%

Fixed interest:

Total return:	1.60%
Income return:	1.60%
Growth return:	0.00%

Property:

Total return:	6.40%
Income return:	5.83%
Growth return:	0.57%

The default assumed investment returns have been set based on simulations from Mercer's Capital Market Simulator and as a result are considered reasonable long-term estimates at the current date. The default returns are illustrative only and should not be taken to provide an estimate of the amount of investment earnings you will receive.

The rate of investment return is assumed to remain constant over the projection period.

If you have a short investment time horizon (for example less than 10 years) the assumed rates may not be appropriate.

Franking

Franking credits are a tax rebate to shareholders who receive dividends that have already occurred company tax.

Mercer Actuarial have estimated the average level of Franking in 'Balanced', 'Growth' and 'Australian shares' funds will be 14%, 22% and 75% respectively.

Please note, it is not expected that income received on Cash or Fixed income investment with not received any franked income.

Inflation (CPI)

The default rate of inflation set by ASIC is 2.5% based on the mid point of the Reserve Bank of Australia's target rate of inflation. The actual rate of inflation may differ significantly from 2.5% and financial outcome at the end of the selected period could be affected.

Fees and tax

Investment returns are calculated after fees and tax based on the investor's marginal tax rate which is assumed to be 47% of taxable income over $180k for illustrative purposes.

Tax

Unless otherwise stated the calculations are based on the Australian taxation legislation and rules at 1 July 2019. In particular, the Calculator allows for: All investment earnings in the investment bond (including realised capital gains) are taxed at 30%.

Investment income is taxed at the time it is earned, and capital gains are taxed at the time the gains are realised. The default assumption is that 15% of capital gains are realised each year -The Calculator allows for the impact of imputation credits.

Fees

The Calculator allows for total fees (including investment and administration fees) according to the default assumptions below. The Calculator deducts these amounts from the investment return shown prior to calculating earnings and tax for each year. The fees shown below are the gross fees, before allowance for any tax benefit.

The default fees have been determined by reference to the fees charged for "passive" investment options for each type of product, which is consistent with the approach used to determine the default returns. They have been reviewed by Centuria's actuary and are considered reasonable for use in the Calculator.