



FUTURITY

Investment Bond

Futurity Investment Bond overview | For Financial Advisers only

More than an investment.

A tax-effective investment to grow your wealth and unlock life's potential.

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Investment Bond.



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Futurity Investment Bond

The Futurity Investment Bond offers a simple, flexible and tax-effective way to build wealth, support long-term financial goals and manage intergenerational wealth transfer.

With a current maximum tax rate of 30% on earnings within an investment bond, its internal tax structure may help reduce personal tax liabilities and improve long-term investment outcomes.

Built for long-term investors, it also includes estate planning features such as Future Activated Transfer, that support the efficient transfer of your wealth, helping give the next generation a strong financial start. While designed for the future, you can access and manage your investment at any time, keeping you in control every step of the way.

Simple and tax effective

Unlike other investment products, such as managed funds, investment bonds are structured as tax-paid products. This means Futurity pays tax on investment earnings at the current maximum rate up to 30%, rather than at an individual's personal marginal tax rate.

Withdrawals and the 10-Year Rule

You can access your funds at any time.

The maximum tax benefits are achieved when your Futurity Investment Bond reaches 10 years from the Commencement Date (10-Year Rule). Withdrawals made after the 10-Year Rule is met do not incur any personal tax liability.

If a withdrawal occurs before the 10-Year Rule is met, a portion of the earnings may be assessable with a compensating tax offset, currently fixed at 30%.

Contributions and the 125% Rule

No maximum contribution limit applies.

However, if you are seeking to maintain the 10-Year Rule, it is important to monitor the impact of the 125% Rule when making contributions.

The 125% Rule allows for ongoing contributions up to 125% of the previous investment year's total contributions without resetting the Commencement Date of the 10-Year Rule. Resetting the Commencement Date will delay the tax benefits of meeting the 10-Year Rule.

Investing alongside superannuation

Investment bonds work best not as a replacement for superannuation, but alongside it. Where contribution caps, preservation rules and conditions of release constrain what superannuation can do, investment bonds may fill the gap.

For investors who have reached their concessional and non-concessional limits, or their tax-effective limits under Divisions 293 and/or 296, an investment bond offers a further tax-paid structure for accumulating wealth, funding life events ahead of preservation age, and transferring wealth efficiently.

Estate planning

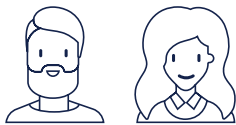
Futurity Investment Bond's estate planning solutions enable you to pass on wealth seamlessly either as part of or outside of a will and legal estate.

The Future Activated Transfer feature allows for automatic ownership transfers at a future date or event (such as death) while fully preserving the 10-Year Rule status of the Investment Bond. Alternatively, Bond Estate Nominations can be made for beneficiaries to receive Bond proceeds upon the death of the life insured.

These features provide certainty and control, serving as an effective estate planning and wealth transfer solution.

Investment Bond overview

Who's involved with your Futurity Investment Bond



Bond Owners

This is you, the Bond Owners who own and control the Futurity Investment Bond.

Optional roles

Available at application or after establishment.



Bond Representative(s)
(optional)

Someone who can act for you while you are alive.

FUTURITY INVESTMENT BOND

We administer your Futurity Investment Bond, including establishment, Regular Savings Plan and additional contributions, investment switching and withdrawals.

Investment menu

We manage the menu of 40 Investment Options, which we invest into the UMFs of leading Australian and international investment managers.

Diversified – 15 Investment Options

Sector-specific – 25 Investment Options



Life/Lives insured

The person or multiple persons upon whose death(s) will prompt a Bond Death Maturity event.



Bond Guardian(s)
(optional)

Someone who acts for the last surviving Bond Owner if they die or are incapacitated before a Bond Death Maturity event or the specified Future Activated Transfer date.



Bond Estate Nomination
(optional)

You can set how your Investment Bond proceeds will be distributed upon a Bond Death Maturity.



Legal Personal Representative(s)



Future Activated Transfer
(optional)

Nominate a Future Activated Transfer recipient to transfer the Investment Bond.

If the last surviving Bond Owner dies without having appointed a Bond Guardian before a Bond Death Maturity event or the specified Future Activated Transfer date, the Investment Bond will be held in trust by the deceased Bond Owner's LPR.

Investing beyond superannuation for life's bigger goals



David, aged 55, is planning for retirement at age 67, with a focus on maintaining his lifestyle, travelling and supporting his child financially.

David has built a \$2.75 million superannuation balance and continues to save strongly. He has \$650,000 available to invest outside of superannuation as a lump sum and capacity to contribute \$10,000 per month from after tax income.

With the introduction of Division 296, David is shortly exposed to additional tax on superannuation earnings above the \$3 million threshold. He is therefore seeking a tax-effective way to diversify his savings outside superannuation, while still building wealth for retirement.

To achieve this, David's financial adviser suggests he invest in an investment bond as follows.→

David's investment bond

Initial investment	\$650,000
Ongoing contributions	\$120,000 in year 1, increasing by up to 25% p.a. in line with the 125% Rule
Investment allocation	100% Vanguard Growth Index Fund
Objective	Building tax-effective savings outside of superannuation available for retirement

How a Futurity Investment Bond can help

Tax-effective investing

Earnings are taxed internally within the investment bond at a maximum rate of 30%. If the investment bond has met the conditions of the 10-Year Rule, withdrawals are tax-free in the investor's hands.

Reduce exposure to Division 296

As the investment bond sits outside the superannuation system, it is not counted towards the \$3 million superannuation threshold applicable for Division 296.

Contribution flexibility

Contributions can increase each year, subject to the 125% Rule, if David wants to maintain the benefits of the 10-Year Rule, providing flexibility as David continues to save.

Control and investment flexibility

David can access a broad investment menu and switch his investment choice at any time without personal tax or CGT liabilities.

Wealth transfer

Ownership of the investment bond can be transferred to David's only child at a nominated date or on David's death through the Future Activated Transfer feature. This preserves the 10-Year Rule and 125% Rule, and can occur without personal tax or CGT liabilities.

Alternatively, David can nominate his child to receive death benefit payments on David's death using the Bond Estate Nomination feature. Investment bond death benefit recipients do not incur personal tax or CGT liabilities, unlike superannuation death benefits where tax may apply if payments are made to non-tax dependants, such as adult children.

Intergenerational wealth transfer



Helen and Steve, aged 68 and 65, are setting aside \$800,000 from their accumulated savings to pass on to the next generation. They have a divorced son, Harvey, who has two children of his own, Noah and Charlotte.

Their financial adviser recommends three investment bonds. Helen and Steve will initially invest \$400,000 in a bond for Harvey, to pass to him once they have both died. They will also invest \$200,000 in a separate bond for each grandchild, Noah and Charlotte, to help them build a home deposit. Each grandchild's bond will transfer to them on their 25th birthday. This gives Helen and Steve greater certainty that their estate planning wishes will be met, including if they die before the grandchildren turn 25.

Investment bond for Harvey

Initial investment	\$400,000
Future Activated Transfer instruction	Transfer to Harvey on the death of the last surviving Bond Owner (Helen or Steve)
Objective	Tax-effective transfer of jointly owned savings to Harvey, outside of Helen and Steve's will and legal estate.

Two investment bonds – one each for Noah and Charlotte

Initial investment	Two investment bonds of \$200,000 each
Future Activated Transfer instruction	Transfer the respective investment bonds to Noah and Charlotte on their 25th birthdays
Bond Guardian appointment	Harvey appointed as Bond Guardian for both investment bonds

Objective
Tax-effective support for each grandchild's home deposit, with the transfer timed to an age nominated by Helen and Steve (25th birthdays).
Harvey, appointed as Bond Guardian for the investment bonds planned for Noah and Charlotte. This helps to ensure their estate planning wishes will be managed by a person they trust.

How a Futurity Investment Bond can help

Tax-effective investing

Earnings are taxed internally within the investment bond at a maximum rate of 30%, providing a tax-paid structure that continues to compound for the next generation with no annual tax reporting for Helen and Steve while the funds remain invested.

Transfers outside of a will and legal estate

Each investment bond passes to the intended recipient under the Future Activated Transfer instruction rather than through Helen and Steve's will and legal estate. This avoids the delay and cost of probate and reduces the risk of the arrangements being contested, with no personal tax or CGT liabilities for Harvey, Noah or Charlotte on transfer.

Greater estate planning control

Helen and Steve decide who receives the wealth, how much each recipient receives and exactly when it is accessed. The Future Activated Transfer feature schedules Harvey's investment bond to transfer on the death of the last surviving Bond Owner, and the grandchildren's investment bonds to transfer on a set date, being their respective 25th birthdays.

Control and flexibility

As joint Bond Owners, Helen and Steve retain full control of all three investment bonds during their lifetimes. They can access the investment bonds at any time if circumstances change, switch investment options without incurring personal tax or CGT liabilities, and alter their estate planning instructions at any time before the respective transfers occur.

Preservation of investment bond benefits

The Future Activated Transfer feature transfers the investment bond with full preservation of the 10-Year Rule and 125% Rule, without personal tax or CGT liabilities to the recipients.

Bond Guardian oversight

Harvey is appointed as Bond Guardian for Noah and Charlotte's investment bonds. If Helen and Steve die before the grandchildren turn 25, a person they trust administers the investment bonds in the meantime, with the level of authority they choose at the time of appointment.



FUTURITY

Six fundamental features of the Investment Bond



1. Tax-effective wealth creation

Build long term wealth in a tax-effective environment, with no personal tax liability on withdrawals after meeting the 10-Year Rule and flexibility provided through the 125% Rule.



2. Simple and accessible investing

Enjoy a straightforward investment structure, with low minimum investment amounts, designed to make wealth creation accessible and easy to manage over the long term.



3. A complement to superannuation

Enhance your broader wealth strategy with an investment solution that complements superannuation, providing additional flexibility, accessibility and estate planning benefits outside the superannuation environment.



4. Estate planning and wealth transfer features

Support the efficient transfer of wealth to future generations through estate planning features, such as the Future Activated Transfer and Bond Estate Nomination features.



5. Investment flexibility and choice

Choose from a diverse investment menu of 40 professionally managed Investment Options and tailor your strategy with the product features available which include Investment Option switching, Regular Savings Plan, dollar cost averaging, auto-reweight and Regular Withdrawal Plan.



6. Competitive fees and digital convenience

Benefit from a competitive fee structure, streamlined administration, and secure online access to view, transact, and manage your Futurity Investment Bond through a dedicated online portal, with Financial Adviser access also available.

To learn more about Futurity and our products, contact our Adviser Care team on **1300 345 456** or visit **adviser.futurityinvest.com.au**.

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