Building wealth, securing futures, connecting generations

Lifeplan Investment Bonds

australianunity.com.au/wealth/investment-bonds

A life and intergenerational solution

A Lifeplan Investment Bond is a long-term investment structure that can help you grow wealth, control how it's used and pass it on across generations.

At its core, it's a tax-advantaged investment vehicle that blends contemporary investment choice – including access to low-cost managed, index funds and ETF options – with estate planning features unique to life insurance structures.

Like superannuation, investment bonds are built for long-term investing but offer far greater flexibility over when funds can be accessed, who can receive proceeds and when and how benefits are paid, ensuring you retain control along the way.

These advantages explain why investment bonds have become an increasingly popular addition to long-term savings portfolios, especially as Australia prepares for an unprecedented transfer of intergenerational wealth[1].

1 McLeod, J (2024) The Bequest Report. Reshaping Australia by passing on more than assets. JBWere

Secure future financial needs

Lifeplan investment bond is designed to evolve with you as life priorities change. Placing you in control with choice of underlying investment options, contribution patterns, and how funds are accessed, transferred or preserved. All within a single, simple structure.

Younger adults

- For travel
- First home
- Life milestones
- Education costs
- Future family needs

Older adults

- For retirement
- Future income
- Health & aged care
- Charitable giving
- Intergenerational needs

Supporting Australians through all stages of life

Early career
Long-term wealth building

Typically suited for investors:

- with high income-earning potential
- seeking flexibility to access funds, contribute and switch investments

Common uses include:

- maximising after-tax returns outside superannuation
- making the most of long-term compound growth
- enhancing asset protection from creditors in the event of litigation or bankruptcy
- nominating beneficiaries so wealth transfers smoothly in the event of death

Mid-career
Family and competing priorities

Typically suited for investors:

- taxed at a high marginal rate
- seeking control over access, timing and future transfers

Common uses include:

- planning for education, property, travel or life milestones
- investing for children while retaining control over release of funds
- minimising income distributions in family trusts to manage tax liability
- complementing wills to minimise risk of estate challenge and administrative delays

Pre-retirement
Preserving wealth and choice

Typically suited for investors:

- taxed at a high marginal rate
- already maximising superannuation concessional caps

Common uses include:

- creating income flexibility before retirement
- complementing superannuation for early retirement or future needs
- adjusting assessable income for means-tested entitlements
- securing clear inheritance and beneficiary nominations alongside a will

Retirement
Lifestyle, legacy and clarity

Typically suited for investors:

- with large superannuation balances
- seeking to balance lifestyle and financial support for dependants

Common uses include:

- maximising after tax returns
- gifting or transferring wealth early, without losing control
- supporting beneficiaries discreetly, where sensitivity is needed
- making estate decisions simpler and clearer where there may be risk of challenge

How it works

Accelerate wealth building

Investment bonds can be one of the most tax-effective, long-term savings vehicles after superannuation, with advantages at their greatest when held for more than 10 years.

Tax-benfits

- Tax-paid internally, up to 30%, less franking credits.
- No personal capital gains tax when switching investments.
- No personal capital gains or death beneficiary tax on transfers.
- No requirement to report earnings in your personal tax return.

10-year advantage

- Tax-paid internally, up to 30%, less franking credits.[2]

125% rule

- No limits on your contribution in year one.
- After the first year, you can contribute up to 125% of the previous year's total.[3]

Flexible access

- You can withdraw funds at any time if access is needed earlier than planned.

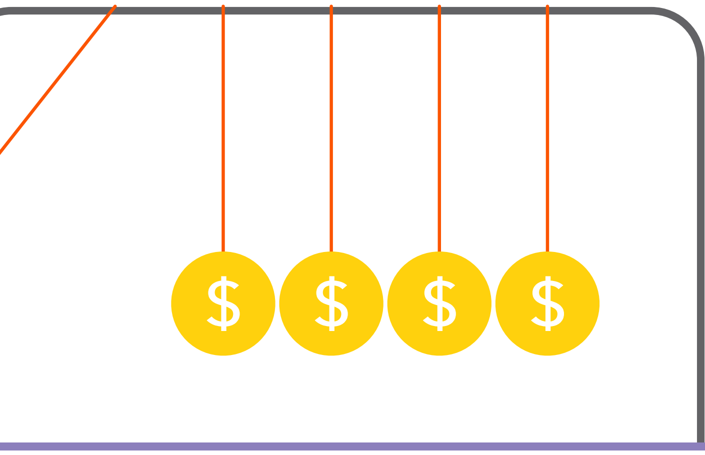
2 In accordance with 125% rule
3 Investors seeking to contribute in excess of 125% can also choose to set up an additional investment bond to maintain 10-year tax benefits and avoid resetting the bond's original 10-year start date.

Further discounts

- If you withdraw in years 9 or 10, the tax payable by you is reduced by 1/3rd and 2/3rd respectively, with a credit applied for tax already paid.
- Earnings are simply assessed at your marginal tax rate, with a 30% tax offset for tax already paid within the bond.

Tax treatment of earnings on withdrawal from an investment bond

1–8 years	9th	10th	11th year onwards
All earnings	2/3 earnings	1/3 earnings	Nil



Tax paid:
capped at max of 30%

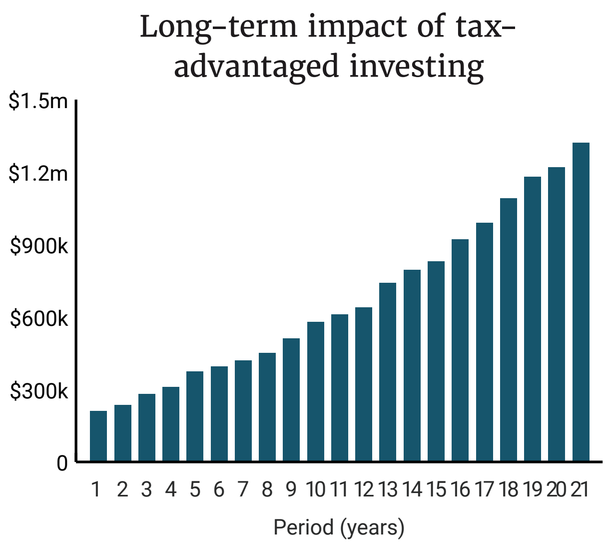
Tax paid withdrawals:
conditional on 125% rule

Tax offset:
applies to taxable withdrawal

How it works

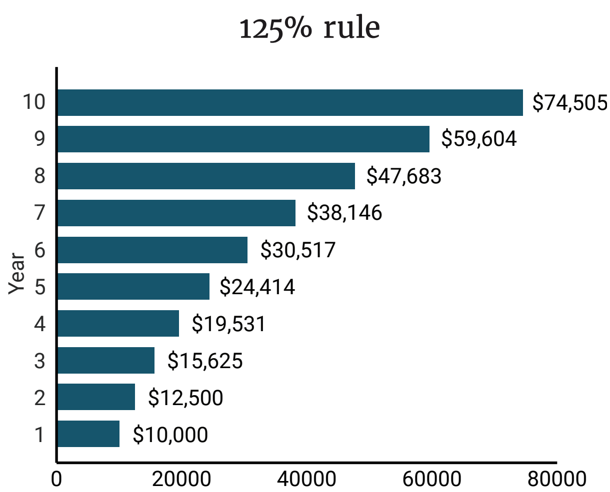
Long-term impact of tax-advantaged investing

The below graph illustrates the potential long-term accumulation advantages of a Lifeplan Investment Bond. It assumes an initial investment of $200,000 in a growth option, additional investments of $20,000 per annum, an investment return of 5.6% after tax and fees and no withdrawals.



125% advantage

The example below shows the operation of the 125% rule where an initial contribution of $10,000 is made in the first investment year and the maximum allowable contribution is made in each subsequent year. Each year's contribution limit is calculated as 125% of the contribution made in the previous year.



Note: The above example is for illustrative purposes only and is not indicative of current or future performance. Actual investment performance by investment vehicles may vary for year to year. Returns are not guaranteed. Read the 'important information' section below.

Secure how wealth transfers during and after one's lifetime

Supporting family and future recipients

Lifeplan Investment Bonds are designed for intentional giving. You can invest on behalf of almost anyone – individuals, children, grandchildren, companies, trusts, charities – with the ability to control how funds are accessed and when ownership transfers.

Commonly used by family and loved ones to help with:

- rising education costs
- reducing student debt
- travel, weddings or starting a family
- home or vehicle purchases and updates

Lifeplan Child can be used to invest on behalf of a minor under the age of 16, with ownership transferring at a nominated vesting age between 16 and 25[5].

Lifeplan's Future Wealth Transfer can be used to automate transfers of ownership to trusts, organisations or individuals aged 16 and over[6].

In both cases:

- The original investment start date and applicable tax concessions are preserved when transferred.
- You retain full control of your investment as its owner until the transfer occurs.

You can adjust or cancel the transfer arrangements before they take effect.

Clear and simple estate planning

Lifeplan Investment Bonds can direct proceeds to your estate or directly to nominated beneficiaries, providing a simple way to pass on wealth alongside your will.

Particularly relevant where:

- family structures are complex
- confidentiality or discretion is important
- beneficiaries might need to be treated differently
- risk of dispute or estate challenge is high

Lifeplan Wealth Preserver adds further control, enabling proceeds to be paid as a lump sum, deferred lump sum, future income stream or combination of both.

4 The Life Insured (child) cannot be amended once the bond is established. Tax consequences may apply should investors decide to withdraw or close investments prior to the nominated transfer age.
5 Future transfer dates must occur during the lifetime of the last surviving policy owner.

What Investment Bonds can make possible

Build long-term wealth

Diversify investment portfolios with a simple, tax-advantaged structure. Choose from 65+ investment options from leading fund managers.

Invest for future financial needs

Create flexible income for future lifestyle and family needs with control over withdrawal timings to improve tax and/or means-tested entitlement outcomes.

Transfer gifts and support to future generations

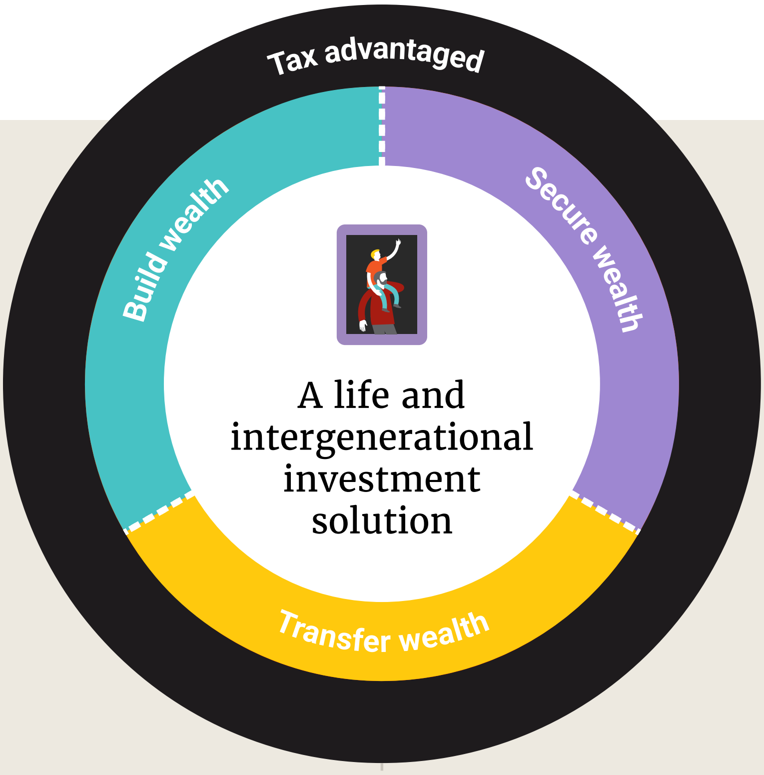
Provide meaningful financial support, retaining control over capital and decisions on how and when beneficiaries access funds.

Secure asset and inheritance plans

Ensure wealth is passed on as intended. Structure bonds as non-estate assets, transferring it discreetly where sensitivity is required.

Lifeplan Investment Bonds

A single, simple structure to invest, secure and pass wealth on.



1. Tax advantaged

Invest through a tax-stable, efficient wrapper, managed by Australian Unity

- Tax paid max of 30%, less franking credits.
- No personal capital gains tax on investment switching or transfers.
- No income or capital gains distributions.
- Minimal tax policy changes in 25+ years.

2. Build wealth

A wide range of investment options

- Choice of 70+ managed fund options from leading Australian and global fund managers– including low-cost index funds, actively managed funds and ETF choices.
- Access and switch investments at any time, without restriction.

3. Secure wealth

Secure asset and inheritance plans

- Protect asset from creditors in event of bankruptcy.
- Nominate beneficiaries without restriction.
- Complement or bypass wills.
- Transfer inheritance confidentially.

4. Transfer wealth

Maintain flexibility and control

- Transfer wealth to any recipient.
- Invest on behalf of a child - transfer ownership between ages 16-25.
- Control how funds are accessed.
- Amend and change plans, at any time.

About Australian Unity

We've been here from the start

Investment bonds have been an integral part of our story for more than 25 years, helping more than 180,000 Australians plan with confidence, peace of mind and continuity.

Opening the door to a wide range of contemporary investment options, blending tax advantages with estate planning features designed to stand the test of time.

Securing wealth across generation

Supporting members with funds for financial security has been in our DNA since we were established over 185 years ago and we are now one of the largest providers of investment bonds, offering:

Access

With one of the largest investment bond menus, including low-cost options such as index funds and ETFs.

Confidence

Simple investing, flexibility and control to strengthen financial resilience.

Peace of mind

A strong investment philosophy based on investor trust, capital security, regulatory compliance and governance.

Driven by a mission that's stood the test of time

As a social enterprise, we reinvest profits for the benefit of our members and community.

In recent years, Australian Unity has helped create over $6B of indirect community and social value supporting financial resilience, employment, healthcare access, social infrastructure and supported living.

Operating under a member-owned structure allows us to focus on meeting the long-term goals and needs of our members, customers and community.

Today, we are proud to serve more than 700,000 customers and 375,000 members as a leading Australian health, care and financial services organisation.

For Real Wellbeing Since 1840

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Important information

Lifeplan Investment Bond, Lifeplan Education Bond, 10Invest and FuneralPlan Bond are issued by Lifeplan Australia Friendly Society Limited ABN 78 087 649 492 AFS Licence number 237989 ('Lifeplan'), a wholly owned subsidiary of Australian Unity Limited ABN 23 087 648 888.

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