Perpetual WealthFocus Investment Advantage

A platform with a unique tax structure

Give your clients something they won't find anywhere else – platform benefits plus the ability to move between investment options without incurring capital gains tax (CGT).

We understand that from time to time your clients will need to switch investment options or redeem their investments.

WealthFocus Investment Advantage is no ordinary platform. It offers a range of over **80** investment options **within a single fund**, which you can combine to create a portfolio unique to your client. This allows them to move their money across asset classes or investment managers without realising CGT.

How it works

Your client acquires one unit in the fund with their initial investment. Your client's unit value is calculated based on the proportion of each investment option held in their portfolio and the value of the investment options in their portfolio.

Example portfolio structure for a $10,000 investment

Investment Option 1 – $5,000	
Investment Option 2 – $3,000	= 1 unit
Investment Option 3 – $2,000	

What are the tax benefits?

- **CGT-free switching.** You can move your clients across asset classes and managers without triggering CGT.
- **CGT-free partial withdrawals until the cost base is reduced to zero.** Partial withdrawals will not incur CGT unless the withdrawal amount exceeds the cost base of the unit.
- **If the initial investment is held for more than 12 months, the CGT discount applies to all investments.** Additional investments in WealthFocus Investment Advantage will not alter the acquisition date.

All of these unique tax benefits are backed by an **ATO product ruling (PR 2008/62)**.

What are the key features?

WealthFocus Investment Advantage combines these unique tax features with:

- **A high quality, broad investment menu.** Over 80 investment options across a range of asset classes and investment managers, enabling you to create highly diversified client portfolios. Your clients can access 19 Perpetual funds as well as more than 60 externally managed funds.
- **Features that save time and make investing easier**, such as dollar cost averaging, auto-rebalancing and regular withdrawal plan.
- **Flexible payment options, online access and transactional capability.** Your clients can make initial and additional investments via BPAY or direct debit.
- **A competitive and simple fee structure.** Fee-free switching between investment options and adviser remuneration flexibility with rebateable commissions and dial-up adviser service fees. Buy/sell spreads will apply on switches.
- **High quality technical and business development services.** Our highly skilled, specialist technical services manager and business development managers can assist you with client, product and technical queries.

How can WealthFocus Investment Advantage benefit your clients?

Example	Tax from a standard managed fund	Tax from WealthFocus Investment Advantage
▪ In November 2009, invest $100,000 in Perpetual's Industrial Share Fund ▪ The value goes up to $110,000		
▪ After 6 months, switch all $110,000 to cash	▪ Realised gain $10,000 ▪ **CGT payable** **$3,950**	▪ Realised gain $0 ▪ **CGT payable** **$0**
▪ Move $110,000 to the Platinum Asia Fund ▪ The value goes up to $120,000		
▪ Redeem $60,000 from the portfolio	▪ Realised gain $5,000 • **CGT payable** **$1,975**	▪ Realised gain $0 ▪ **CGT payable** **$0**
▪ In March 2011, make an additional application of $60,000 into the Platinum Asia Fund ▪ The value goes up to $180,000		
▪ In December 2011, fully redeem all investments (12 months after the initial application)	▪ Realised gain $65,000 – Long gains[1] $35,000 – Short gains[2] $30,000 ▪ **CGT payable from** – **Long gains[3]** **$6,912** – **Short gains[4]** **$11,850**	▪ Realised gain $80,000 – Long gains[1] $80,000 – Short gains[2] $0 ▪ **CGT payable from** – **Long gains** **$15,800[5]** – **Short gains** **$0**
▪ **Total CGT payable**	**$24,687**	**$15,800** **Tax saving $8,887**

CGT-free switching

Withdrawals CGT free until they exceed cost base

Once the initial investment has been held for 12 months, all long gains

In this scenario investor reduces tax by 36%

Outcome

WealthFocus Investment Advantage has saved your client $8,887 in capital gains tax. Not only have they paid less tax, they've deferred the payment of capital gains tax until the very end of their investment, instead of along the way as with other platforms.

1 Long gains occur where the investment has been held for at least 12 months. A 50% discount applies to long gains for individuals.
2 Short gains occur where the investment has been held for less than 12 months.
3 $35,000 x 50% x 39.5% tax rate = $6,912
4 $30,000 x 39.5% tax rate = $11,850
5 $80,000 x 50% x 39.5% tax rate = $15,800
Source: Perpetual. Example does not take into account buy/sell spreads.

Important information

Before you invest in Perpetual WealthFocus Investment Advantage it is important that you read and understand the terms set out in the product disclosure statement, in particular the risks of investing as set out in the 'What are the risks?' section.

Any questions?

For more information, please contact your Perpetual WealthFocus Business Development Manager, phone 1800 062 725 or visit www.perpetual.com.au/wealthfocus

Perpetual

Further information

Adviser Services 1800 062 725
Investor Services 1800 022 033
Email investments@perpetual.com.au
www.perpetual.com.au

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