

## Perpetual Investments

# PERPETUAL WEALTHFOCUS INVESTMENT ADVANTAGE

Any of your clients that may need to switch, or make a partial redemption, from their investment may be better off by investing in Perpetual WealthFocus Investment Advantage which offers:

**CGT FREE SWITCHES**

**CGT FREE PARTIAL WITHDRAWALS  
(UNTIL COST BASE EXCEEDED)**

**CGT DISCOUNTS ON ALL WITHDRAWALS  
(FROM 12 MTHS OF INITIAL INVESTMENT)**

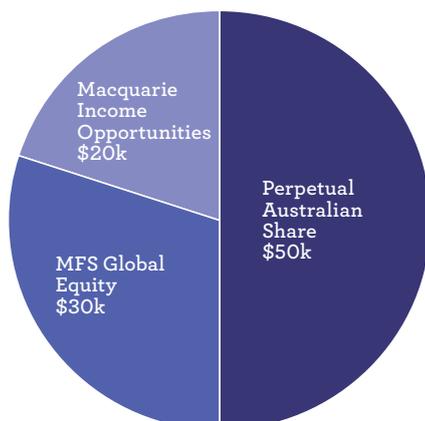
Structure and tax treatment of the fund complies with Product Ruling 2012/07 obtained from the Commissioner of Tax.

### HOW IT WORKS

You and your client select a diversified portfolio of investment options. No matter what amounts or how many investment options your client invests in, they hold one unit in the fund.

When your client switches investment options, there is no disposal of this unit, so there is no realisation of capital gains. When your client withdraws, it is a cost base reduction, so there is no realisation of capital gains until the total amount of capital invested has been withdrawn.

### AN EXAMPLE PORTFOLIO = 1 UNIT



### ONLINE REPORTING TO KEEP YOU IN CONTROL

At any time you are able to access your client's current realised and unrealised capital gain position to assist you in managing their overall tax liability.

### FURTHER BENEFITS FOR SMSF INVESTORS

WealthFocus Investment Advantage may be particularly suited to the needs of SMSF investors. This is because their investment may be actively managed during the accumulation phase (such as changing managers, asset classes or making partial

redemptions) without realising any capital gains until the pension phase, at which stage no tax is payable on the gains. Note the requirement for a segregated current pension asset to claim a tax deduction for exempt current pension income may require holding a separate unit for each member.

Further, for SMSF investors looking to borrow to invest, WealthFocus Investment Advantage is a single acquirable asset enabling a single limited recourse loan to be able to be used to acquire a diversified portfolio of investments.

### UNREALISED CAPITAL GAINS AND LOSSES

Date of initial investment	Revised cost base \$	Current value \$	Discount method \$	Less than 12 months \$
04/02/2010	80,000	100,000	20,000	0

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## HOW CAN WEALTHFOCUS INVESTMENT ADVANTAGE BENEFIT YOUR CLIENTS?

The following table provides an example of how WealthFocus Investment Advantage can reduce the tax payable by a client.

YOUR CLIENT'S PORTFOLIO	TAX OUTCOME FROM A CONVENTIONAL PLATFORM		TAX OUTCOME FROM WEALTHFOCUS INVESTMENT ADVANTAGE		
Invest \$100,000 in Perpetual Concentrated Equity Value goes up to \$120,000					
Switch all \$120,000 to Magellan Global within 12 months of initial investment	Realised gain	\$20,000	Realised gain	\$0	<b>CGT-FREE SWITCHING</b>
	<b>CGT payable</b>	<b>\$9,300</b>	<b>CGT payable</b>	<b>\$0</b>	
Value goes up to \$140,000 within 12 months of switch. Redeem \$70,000	Realised gain	\$10,000	Realised gain	\$0	<b>CGT FREE WITHDRAWALS (UNTIL COST BASE EXCEEDED)</b>
	<b>CGT payable</b>	<b>\$4,650</b>	<b>CGT payable</b>	<b>\$0</b>	
Make an additional investment of \$30,000 taking balance to \$100,000. This grows over time to \$120,000. Fully redeem the \$120,000 within 12 months of making the additional investment	Realised gain	\$30,000	Realised gain	\$60,000	<b>CGT DISCOUNT ON ALL WITHDRAWALS (FROM 12 MONTHS OF INITIAL INVESTMENT)</b>
	Long gains <sup>1</sup>	\$24,000	Long gains <sup>1</sup>	\$60,000	
	Short gains <sup>2</sup>	\$6,000	Short gains <sup>2</sup>	\$0	
	<b>CGT payable on</b>		<b>CGT payable on</b>		
	Long gains <sup>3</sup>	\$5,580	Long gains <sup>5</sup>	\$13,950	
	Short gains <sup>4</sup>	\$2,790	Short gains	\$0	
<b>Total CGT payable*</b>		<b>\$22,320</b>		<b>\$13,950</b>	<b>IN THIS SCENARIO INVESTOR REDUCES TAX PAID BY 38%</b>
			<b>Tax saving</b>	<b>\$8,370</b>	
<b>OUTCOME</b>					
WealthFocus Investment Advantage has saved your client \$8,370 in capital gains tax. Not only have they paid less tax, they did not pay any capital gains tax until the very end of their investment.					

Assumes a marginal tax rate of 46.5% (including the Medicare levy)

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.  $\$24,000 \times 50\% \times 46.5\% \text{ tax rate} = \$5,580$
4.  $\$6,000 \times 46.5\% \text{ tax rate} = \$2,790$
5.  $\$60,000 \times 50\% \times 46.5\% \text{ tax rate} = \$13,950$

Source: Perpetual. Example does not take into account buy/sell spreads.

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### MORE INFORMATION

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