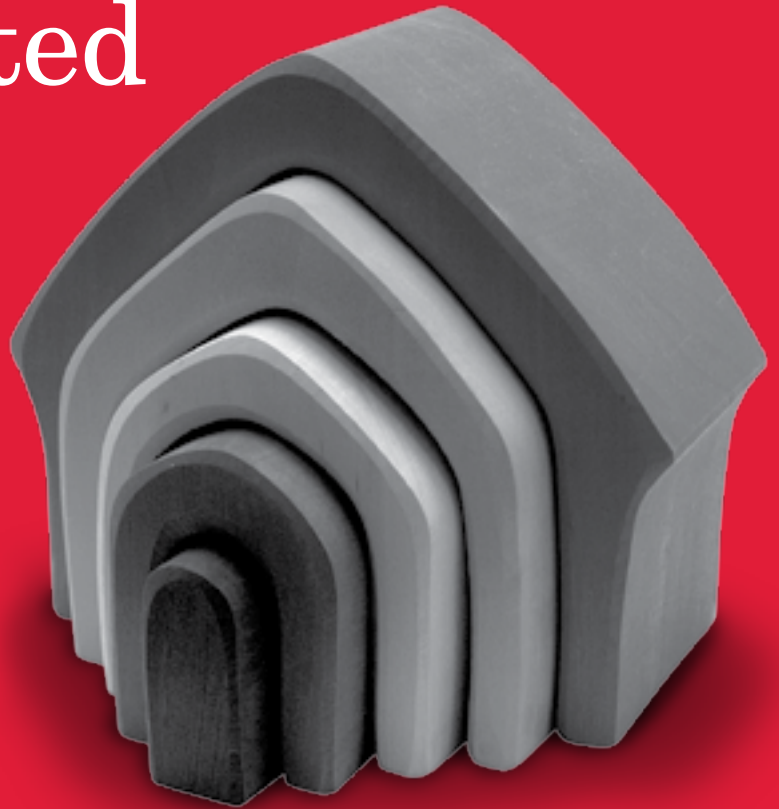


Asgard

“Your guide to term allocated pensions”



You've accumulated a healthy balance in your super account and you're looking forward to the carefree retirement years you've been dreaming about. But what happens now?





In the role of Executive Assistant to the CEO, Debs is one of our many support staff working to ensure you receive the very best service.

“One way to make sure you’re going to get the most out of your superannuation is a combination of allocated* and term allocated pensions, to give you a regular and tax-effective income for your retirement years.”

What is a term allocated pension (TAP)?

A TAP pays your super back to you periodically for a set period. The amount you receive depends on how much money you have available, the life expectancy used and the term you set for the payments.

TAPs are 50% assets test exempt for Centrelink purposes, which may help you qualify for the Centrelink age pension or Veterans Affairs pension. **This assets test exemption will no longer be available for TAPs commencing on or after 20 September 2007.**

Because of this Asgard will be closing TAPs to new members from 20 September 2007, but existing TAPs will retain their asset test status.

You can hold a range of assets in your TAP account, including shares, managed investments, fixed interest and cash, depending on your investment strategy. A TAP account can also help you with major tax savings.

* See our flyer ‘Your guide to allocated pensions’ for further information.

Tax benefits

- While your money is held in a TAP, the earnings in your account are tax free. These tax-free earnings stay in your account to increase the value of your investment, so you'll potentially receive more income with each payment from your term allocated pension.
- If you are under 60, pension payments from your TAP account are assessed at your marginal rate of tax. If you're aged between 55 and 60 or commenced the TAP as a result of permanently incapacitated, you may be entitled to a tax offset of up to 15%. When you reach age 60 income payments from your TAP will be tax free.
- If you're under 60 the tax free component of your account is returned to you tax-free over the term of your pension.
- Investments in your super account with large unrealised gains may be able to be rolled into your term allocated pension account. No tax is payable upon rolling over, and the investment can later be sold free of tax.

Estate planning

A TAP will run for a nominated term (so long as you have enough money in the account to fund all payments) or revert to a beneficiary (usually your spouse or partner) after your death.

TAPs are a good way to secure an income stream for your spouse or partner, giving you peace of mind.

Flexibility

- Choose your investments with your advisers, according to your personal risk profile. By investing in long-term growth assets, any returns made should, over time, result in an increase of the value of your investment.
- Vary the amount (by +/- 10% of the fixed annual amount) and frequency of each payment, depending on your changing needs. This is useful if you're balancing your TAP income against other income sources.

“TAPs are a good way to secure an income stream for your spouse or partner, giving you peace of mind.”

Why choose Asgard?

- **Great service.** Asgard is one of Australia's most awarded investment platform, currently administering more than \$38 billion for over 400,000 investors.
- **Peace of mind.** Your money is in good hands – Asgard has over 18 years' experience in investment and super administration.
- **Solid backing.** Asgard is owned by St.George*, one of Australia's largest and most respected service companies.
- **Make choices.** We have one of the largest investment menus in the industry, giving you access to over 330 of the best managed investments.
- **Have control.** Choose from a range of preset managed investment portfolios or build your own from managed investments and shares.
- **Save money.** You can save on transaction costs and paperwork by keeping your investments in one place.

* Please note an investment in Asgard Super/Pension is not a deposit or liability with St.George. St.George does not guarantee your capital or the performance of your investment.

Restrictions

There are a number of restrictions around term allocated pensions, which is why many investors choose to combine a term allocated and allocated pension. These restrictions are:

- Generally speaking, no lump sum withdrawals are permitted from a term allocated pension account unless it's within the first 6 months of commencement or you're rolling to another TAP.
- If you used your spouse's life expectancy to establish the duration of your TAP, the pension must revert to your spouse upon your death. In this case, the pension can't be commuted (other than to purchase another TAP and for certain other purposes) until the death of both you and your spouse.

Want to know more?

If you think a TAP might be suitable to you, speak to your financial adviser.

In this flyer, 'We', 'us' and 'our' is a reference to Asgard Capital Management Ltd ABN 92 009 279 592 AFSL 240695 RSE licence L0001946 (Asgard).

Important information

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