

# SPICERS PremiumPlus

On the 1st of April 2008, Spicers will be introducing a new product to the market "Spicers Premium Plus", "Spicers Premium Plus" is a cash PIE product and has been designed to take advantage of the recent tax changes enabling us to compete with Banks in the lucrative funds on call market.

## HOW IT WORKS

Within a PIE, the tax on income is capped at 30% – this means investors in both the 33% and 39% tax brackets can benefit by either an extra 3 or 9 cents in the dollar.

## EXAMPLE

The example below shows how a client who is on either a 33% or 39% tax rate will benefit through using "Spicers Premium Plus" when compared to a standard bank deposit. The example uses a client investing \$100,000 at 8.25% pa.

39% tax bracket			33% tax bracket		
	Std Bank Deposit	Premium Plus		Std Bank Deposit	Premium Plus
Taxable Income	\$8,250	\$8,250	Taxable Income	\$8,250	\$8,250
Tax	\$3,127(39%)	\$2,475(30%)	Tax	\$2,723(33%)	\$2,475(30%)
Net Income	\$5,033	\$5,775	Net Income	\$5,527	\$5,775

The investor in the 39% tax bracket will benefit in this example by \$742 annually, at a 39% tax rate they would need to find a standard bank deposit paying 9.47% to gain an equivalent return.

The 33% tax bracket investor will benefit by \$248 annually, this equates to an equivalent return from a standard term deposit of 8.62%.

## FEATURES OF SPICERS PREMIUM PLUS

1. NO MANAGEMENT FEES
2. LOW RISK
3. MINIMUM BALANCE OF \$5,000
4. NO ENTRY OR EXIT FEES
5. REGULAR SAVINGS AND WITHDRAWALS

## MARKETING

Initially we will be launching the Spicers Premium Plus to our existing client base in April. A secondary general market launch will follow with further details being communicated in the next three weeks.