Make Investing Fun!

We think that it's a ***no-brainer*** – borrow to invest and enjoy some of your profits now!

See how much better off you could be in the following table;

Approximate PAYG Return (money to invest & spend)

Investment	Annual direct debit	Taxable Salary $100,000	$125,000	$150,000	$175,000	$200,000	$250,000	$300,000
$24,000	$6,000	$8,244	$8,316	$8,316	$8,316	$9,916	$10,044	$10,044
$48,000	$12,000	$15,588	$16,632	$16,632	$16,632	$18,232	$20,088	$20,088
$72,000	$18,000	$22,689	$24,057	$24,948	$24,948	$26,548	$30,132	$30,132
$96,000	$24,000	$26,174	$31,401	$32,526	$33,264	$34,864	$38,864	$40,176
$120,000	$30,000	$26,174	$35,799	$39,870	$40,995	$43,180	$47,180	$50,220
$144,000	$36,000	$26,174	$35,799	$44,973	$48,339	$51,064	$55,496	$59,496
$168,000	$42,000	$26,174	$35,799	$45,424	$53,901	$58,408	$63,812	$67,812
$192,000	$48,000	$26,174	$35,799	$45,424	$55,049	$64,429	$72,002	$76,128
$216,000	$54,000	$26,174	$35,799	$45,424	$55,049	$66,274	$79,346	$84,444
$240,000	$60,000	$26,174	$35,799	$45,424	$55,049	$66,274	$86,285	$92,760

So if you earn $100,000 pa, you could invest $6,000 ($500/month) to own a $24,000 investment and get $8,244 back. The $500 per month can come out of your tax refund so that you are not out of pocket. The $2,244 ($8,244 less $6,000) is after tax money to pay down your mortgage or to spend.

The Fine Print

There is a modest annual fee to be paid along with interest on any borrowings at the end of each year. If you do not pay the interest, the lender will take your investment from you. If you do not pay your annual fee, the investment will lapse. You lose your investment if you do not or cannot pay these charges.

In the first year, the ATO and the lender (or you if you do not borrow) invest for you. But like any negatively geared investment, the ATO will also share your profits when the investment matures or if you sell the investment for a capital gain. We cannot be sure that these investments will have any liquidity but we would expect capital gains after the first year. If the investment does not mature quickly, your fees and interest will eventually exceed the initial positive cashflow and you will be funding some of your investment. Examples of the cash flows iThe investment risks and the expected return are set out in detail in the Offer Document

Commission of up to 5% is payable to the syndicate sponsor in the first year.

The investment manager take fees of up to 1% of the face value of your investment each year.

We expected returns should cover these expenses by the end of the first year.

The investment is converted to US dollars so returns will vary with the exchange rate. The borrowings are made in US dollars to minimise the currency risks.

While the expected return on the underlying investment is high, the actual return could be lower or higher even though the investment manager takes maturity fees out of early maturities to support late maturities. Windfall gains are possible in the first year but the probability is usually quite small. (1 in 50 order of magnitude) The probability of an early maturity increases each year after that.

Enjoy extra money in your pocket with much more upside than risk!

The Collegiate Model

Collegiate has expertise in the US life settlement market. This is a complex market that offers high returns that are not correlated with the returns of most investment markets. It usually involves large transactions that are not suitable for all investors. The Collegiate investment contract effectively divides up life settlements and also spreads the risk by taking fees out of early maturities to support the returns on the investment contracts in its portfolio that do not mature before the end of the 8 year term.

What Collegiate does

Collegiate ensures that all investors are rewarded well by;

Structuring - Isolating assets in a bankruptcy remote vehicle and prioritising returns to investors – there is no profit sharing until investors have all made a profit;

Financial engineering – minimising financial exposure to investment risk by minimising the investment (and even putting money in your pocket while your asset works);

Excess margins - Investing in assets with a 15% expected return and paying around 10% on investment contracts to produce excess margins that support targeted payouts at year 8 maturity.

Components of a Collegiate Transaction

	Year									
Item	0	1	2	3	4	5	6	7	8	Total
	Collegiate									
Policy	-$22,500	-$5,000	-$5,600	-$6,272	-$7,025	-$7,868	-$8,812	-$9,869	$156,008	$83,063
IC	$100,000	$2,822	$2,822	$2,822	$2,822	$2,822	$2,822	$2,822	-$163,844	-$44,087
Fees	-$10,000	-$1,667	-$1,667	-$1,667	-$1,667	-$1,667	-$1,667	-$1,667	-$1,667	-$23,333
Tax	-$20,250	$1,153	$1,333	$1,535	$1,761	$2,014	$2,297	$2,614	$2,851	-$4,693
Total	**$47,250**	**-$2,691**	**-$3,111**	**-$3,581**	**-$4,108**	**-$4,698**	**-$5,359**	**-$6,099**	**-$6,652**	$10,950
	Investor									
IC	-$100,000	-$2,822	-$2,822	-$2,822	-$2,822	-$2,822	-$2,822	-$2,822	$163,844	$44,087
Tax	$42,933	$1,298	$1,298	$1,298	$1,298	$1,298	$1,298	$1,298	-$70,778	-$18,756
Total	**-$57,067**	**-$1,524**	**-$1,524**	**-$1,524**	**-$1,524**	**-$1,524**	**-$1,524**	**-$1,524**	**$93,067**	$25,331
	Tax totals									
Tax	-$22,683	-$2,452	-$2,632	-$2,833	-$3,059	-$3,312	-$3,595	-$3,912	$67,927	$23,449

A Collegiate Investment contract (IC) depends on the performance of a life settlement (a US life insurance policy). A higher return (earlier maturity) on the policy will lead to a higher return on the Collegiate IC. The table above shows an outcome of a sample policy and the related IC if it does not mature until year 8 and then receives a conservative maturity value. In this case, there is a return on the policy investment of around $83,000 and about $44,000 of this goes to the investor. Another $28,000 is spent on tax, commissions and management fees. The remaining $11,000 is available to support the sale prices of the policies and any other contingencies such as adverse currency fluctuations.

Alternatively, we can say that this investor on a 46% marginal tax rate might earn $25,331 after tax with fees and tax of approximately $23,000 each. These 3 components plus $10,950 add up to the $83,063 of income generated.

Note that a maturity before year 8 will reduce IC costs and Collegiate fees and produce maturity fees that would provide further security to remaining holders of ICs. The return on the investment (in $US) would increase along with the tax paid on that return in stable circumstances.