

Nab Equity Lending

ADVISER PRESENTATION - AUGUST 2019



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The case study example is hypothetical and for illustrative purposes only and should not be considered advice. The names and features do not represent any particular person or real outcomes. There is no guarantee that the performance stated will reflect actual outcomes and will vary depending on assumptions used for calculation purposes. All NAB Equity Builder loan applications are subject to approval and applicants will need to meet credit requirements.

There are risks associated with gearing which may make this strategy unsuitable for some investors including that the value of your investments may rise and fall. The tax consequences of investing will depend on your particular circumstances. We recommend that you seek independent advice including professional tax advice before acting on any information in the case study. There are also risks associated with borrowing to invest. Some of these include, rising interest rates, and changes in taxation law which may have an effect on your financial position.

THANK YOU FOR ATTENDING REGIONAL ROAD SHOW



NAB EQUITY LENDING

SEAN KELLY

NAB Group for the past 29 years

State Manager from 2003 - 2007 within MLC looking after all of the Nab Groups Debt offering's available to the adviser market.

Director for the Nab's Equity Lending Products based in QLD (Since October 2007 – Margin Lending), works with both Financial Advisers, Stock Brokers & Direct Clients.

QLD Book \$700m

TOPICS – UNIQUE PRODUCTS

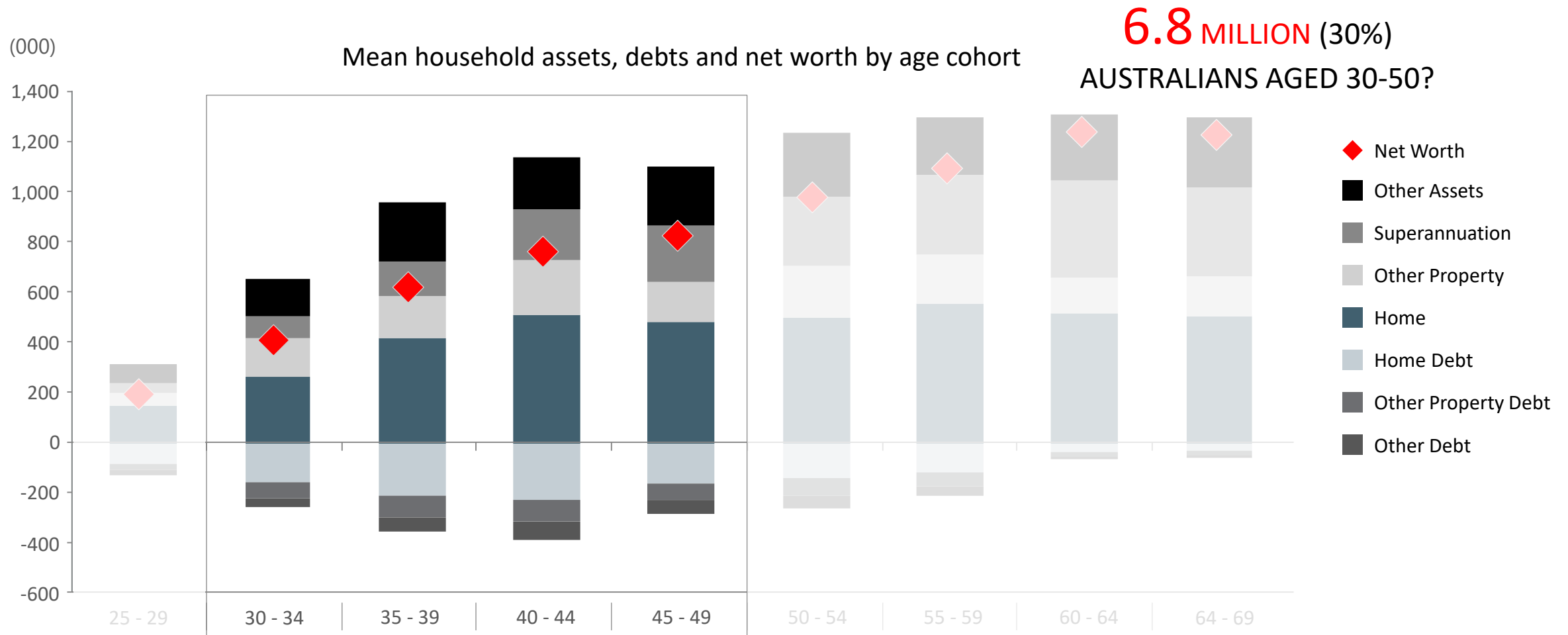
- NAB EQUITY BUILDER

Latest NO MARGIN CALL INVESTMENT LOAN BUILT FOR ADVISERS & CLIENTS.

- NAB SUPER LEVER

SMSF BORROWING (NON PROPERTY) - Gearing inside SMSF for Equities & Managed Funds.

WHERE ARE THE OPPORTUNITIES? - GEARING MAKES SENSE FOR THE RIGHT CLIENT !



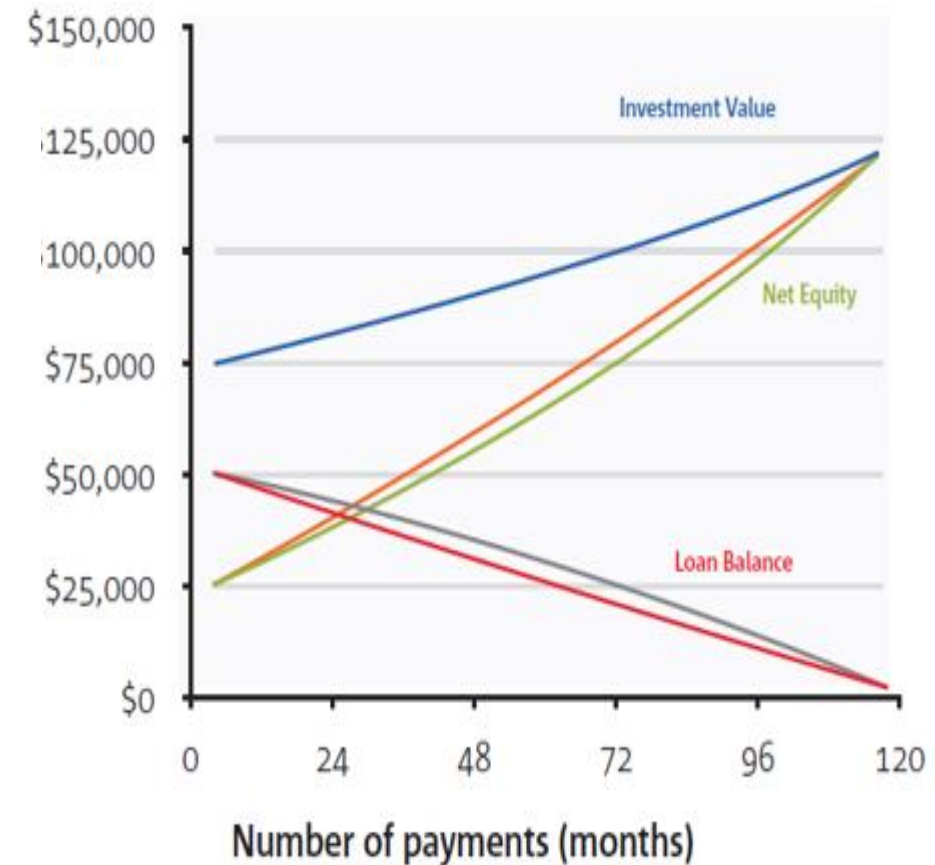
Source: Household, Income and Labour Dynamics in Australia (HILDA) Survey 2014, <https://www.melbourneinstitute.com/hilda/> 'How will Australians retire? Investigating retirement income outcomes in a low-return world' An independent report prepared for National Australia Bank by the Australian Centre for Financial Studies and Monash Business School, 2016

NAB EQUITY LENDING – MARGIN LENDING V NAB EQUITY BUILDER & HISTORY

ASX 200 – Margin Lending STORY 2003 - 2011



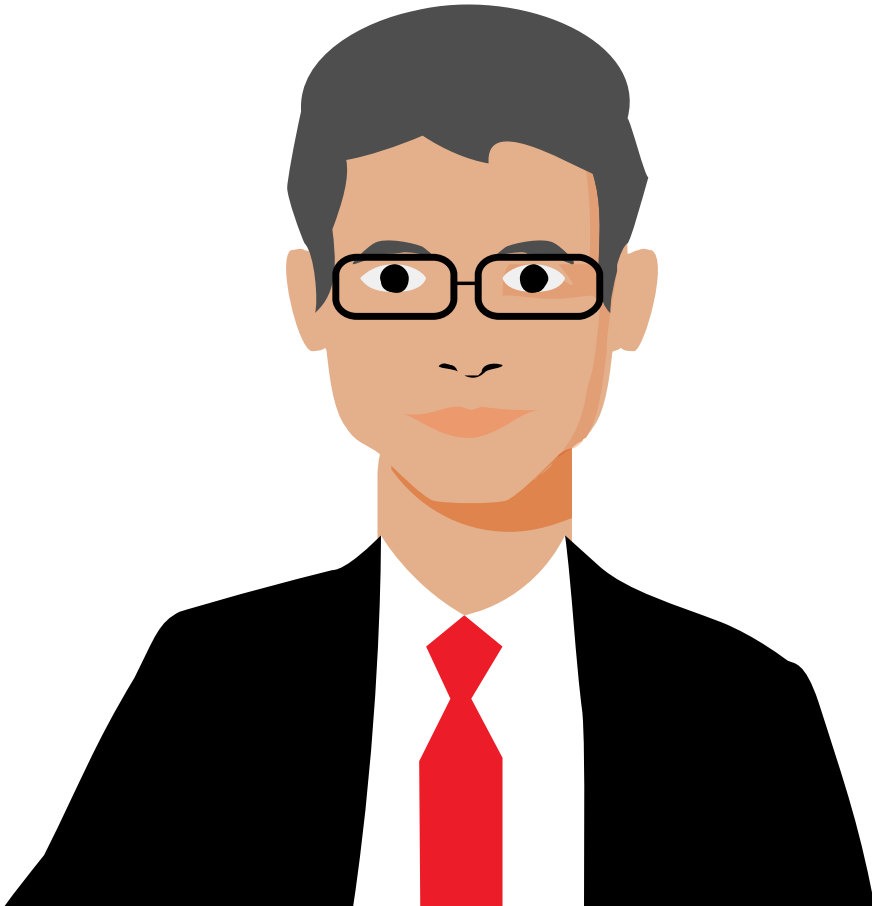
NAB Equity Builder Example (Assuming 3% - Growth)



- Approved Investments from: 845 managed funds, ETFs, (LVRs 70% to 80%) – eg PM Capital / Elston MA Via Platforms like Netwealth – **CLIENT FORCED INTO DIVERSIFIED PORTFOLIO.**
- Choose your gearing Level on day 1 – Put in 30% Equity Borrow 70% & Pay off in 10 Years.
- Time frame to repay the loan (Interest only to 15 Years eg 15 Year Term = 65% LVR Day 1 or less) – Controlled Repayment – Equity Growing.
- No corrective action required; based on price movements of the supporting loan security.

- Adviser Controls Debt & Investment (Don't Need Credit Licence to write loan as Financial Product).
- Loan has to be used for Business or Investment Purpose – Full access to Dividends paid out or Reinvested.
- Current Variable Rate 4.55%, Nil Application fee & No Ongoing fees .
- Financial plan can operate uninterrupted for selected term & Dealer group (PI) Friendly

DEAN'S STORY



MEET DEAN

Dean is 50, and by the time he's 60, would like to be working part time

He has \$75,000 to invest and because he owns his own home, he has strong cash flow

GOAL

Generate an income of \$25,000 p.a. in ten years time

DEAN BORROWS TO INVEST


\$75,000
Cash




\$75,000
XYZ Investment



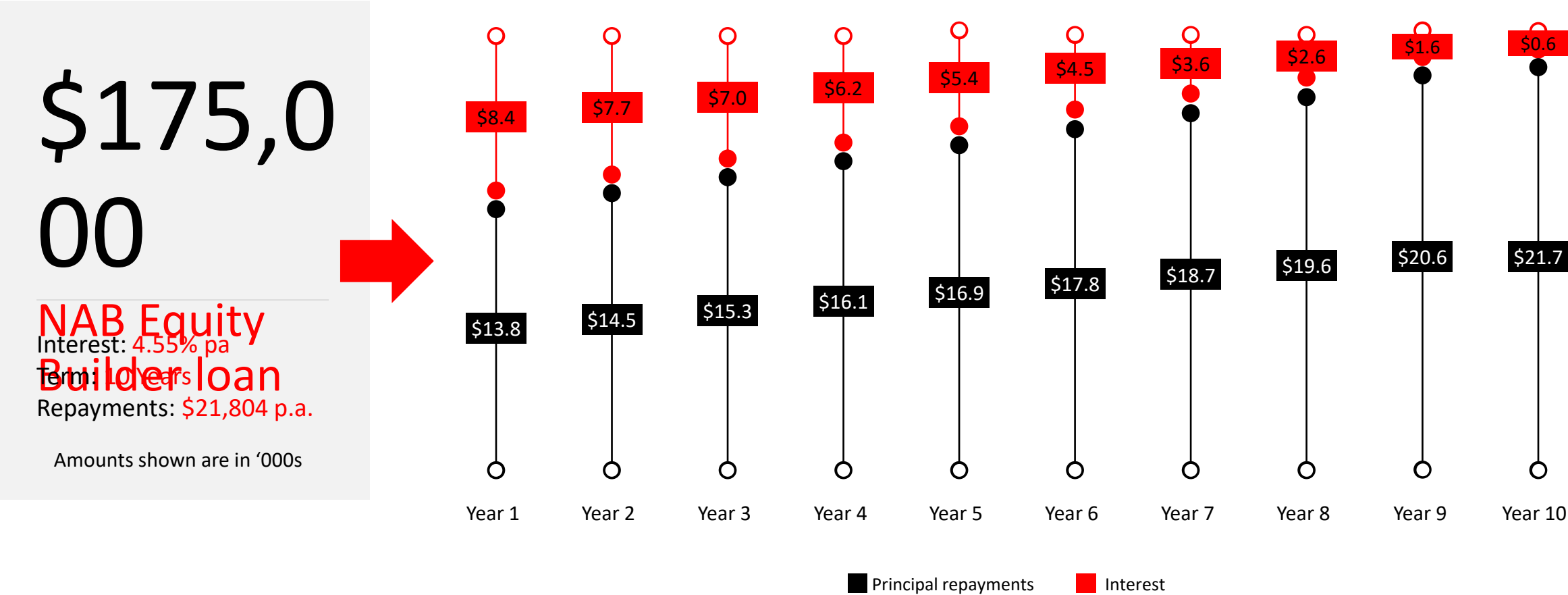

\$175,000
NAB Equity Builder
NO MARGIN CALLS


\$250,000
XYZ Investment

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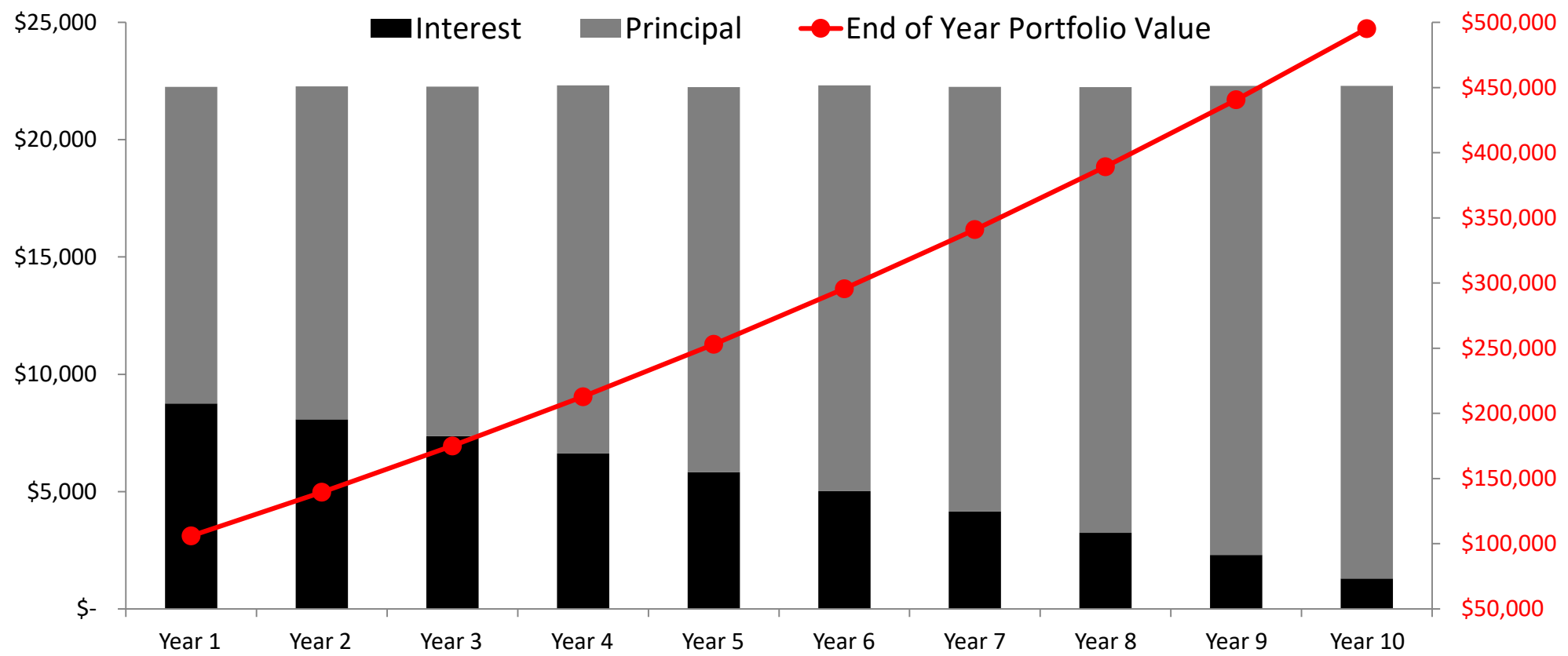


DEAN'S REPAYMENTS OVER TEN YEARS



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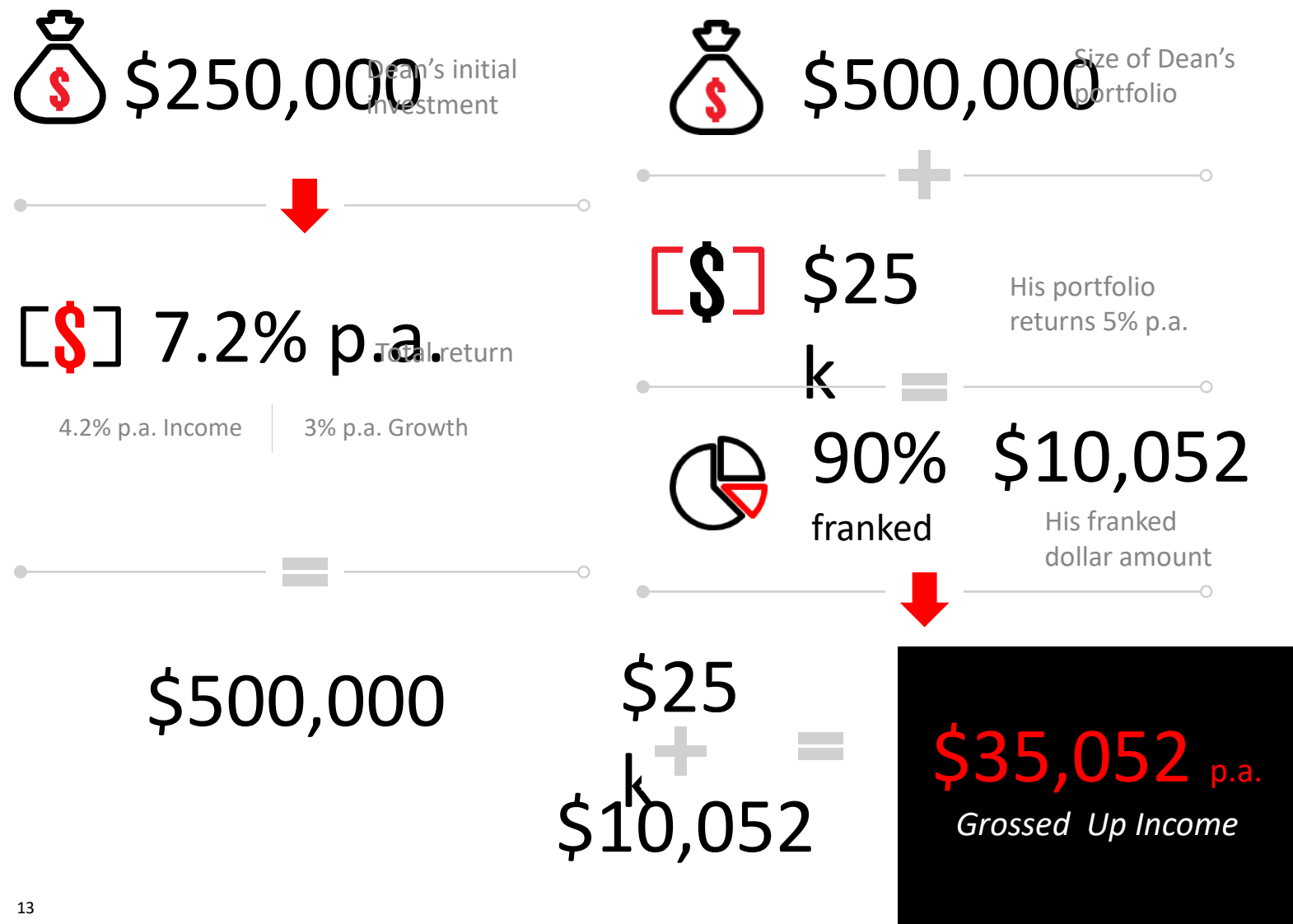
AFTER TEN YEARS, DEAN'S INVESTMENT HAS GROWN TO \$500,000



Source: NABAM (Assumption of 7.20% combined growth & Dividend Reinvested)



DEAN HAS ACHIEVED HIS GOAL



- ✓ Fit for purpose loan
- ✓ Diversification
- ✓ Tax-effective
- ✓ Professional management



HELPING YOU WITH YOUR CLIENT CONVERSATIONS FOR EQUITY BUILDER

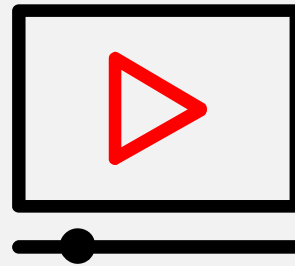
Client
brochure

Conversation
starters

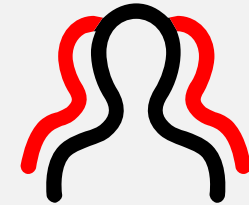
Client case
studies



3 Minute
Client video



Adviser Controls –
Investment & Debt



Ideal client :

- Kids Education
- House deposit
- Super supplement
- Wealth accumulation

Short animated video

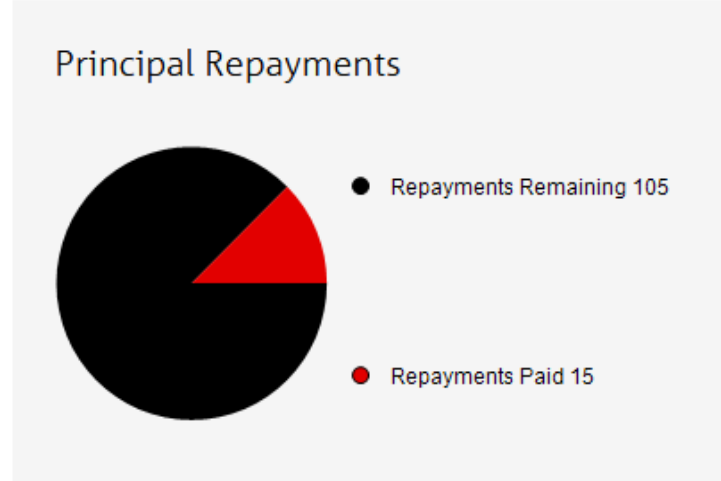
- Client need
- Client solution
- Dedicated Client & adviser Website
- Adviser recommendation

Adviser Support

- Dedicated Support Team
- Easy Application process

NAB EQUITY BUILDER - CLIENT EXAMPLE

Market Value	\$1,081,003.54
Security Value	\$790,649.84
Loan Value	\$308,499.90
Available Funds	\$304,000.00
Starting Limit	\$700,000.00
Reducing Limit	\$612,499.90
Net Equity	\$772,503.64
# of Repayments Remaining	105
Base LVR	73.14%
Current LVR	28.54%
Principal Repayments Suspended	No
Facility Position	In Order



Code	Security Name	Units	Price	Market Value	Security Ratio	Security Value	Guarantor
CASH	CASH Account/MLCW	5,071	\$1.00	\$5,070.75	100%	\$5,070.75	
ANT0005AU	Altrinsic Global Equities Trust/MLCW	80,474.53	\$1.54	\$124,019.30	70%	\$86,813.51	
ETL0016AU	EQT PIMCO Wholesale Diversified Fixed Interest Fund/MLCW	54,178.53	\$1.01	\$54,460.26	70%	\$38,122.18	
ETL0041AU	BNP Paribas - MFS Fully Hedged Global Equity Trust/MLCW	90,757.14	\$0.98	\$88,878.47	70%	\$62,214.93	
MLC0265AU	MLC Wholesale Horizon 5 Growth Portfolio/MLCW	511,207.41	\$1.27	\$648,522.84	75%	\$486,392.13	
PER0049AU	Perpetual Wholesale Australian Share Fund/MLCW	49,617.77	\$1.31	\$65,156.56	70%	\$45,609.59	
PPL0115AU	Antares Elite Opportunities Fund (Prof Selection)/MLCW	76,098.93	\$1.25	\$94,895.36	70%	\$66,426.75	
				\$1,081,003.54		\$790,649.84	

Nab Super Lever

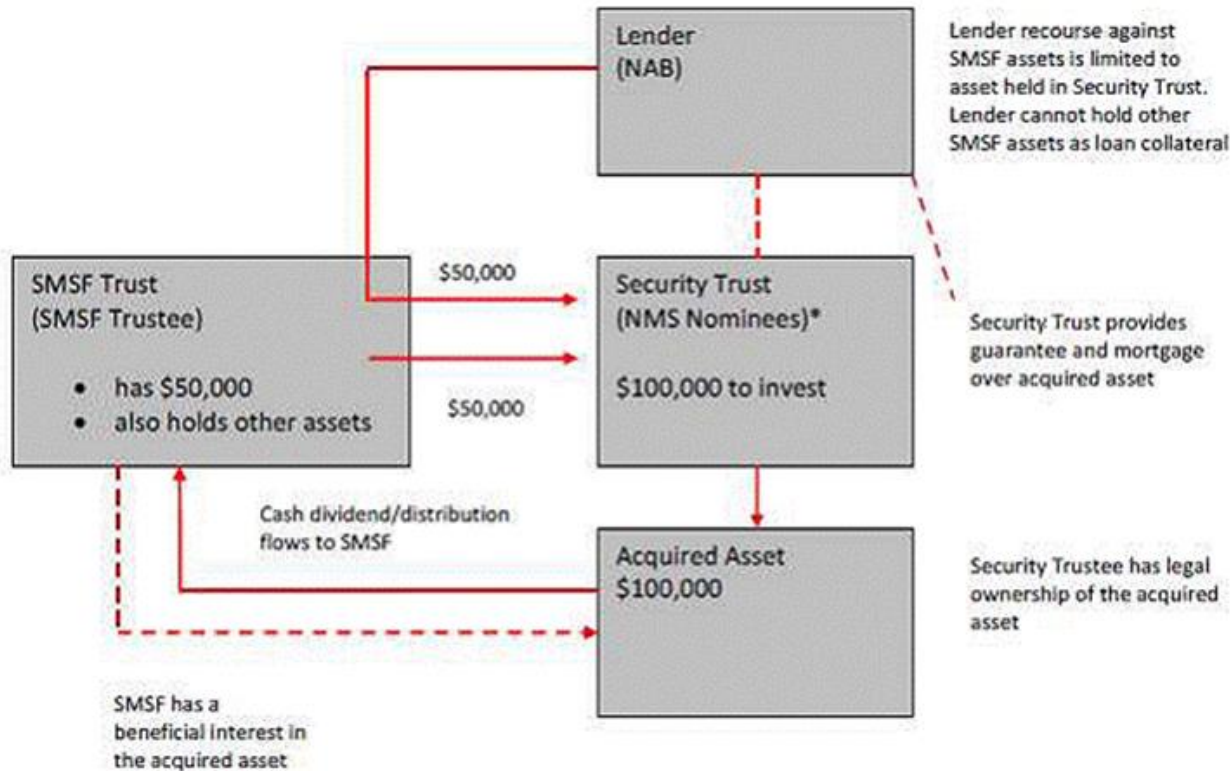
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BORROWING FOR SMSF (MANAGED FUNDS)



NAB SUPER LEVER – SMSF BORROWING ARRANGEMENT FOR EQUITIES & FUNDS (LRBA)

NAB Super Lever - Funds flow and ownership diagram



*When the loan is fully repaid, at the request of the SMSF Trustee, legal ownership of the acquired asset is transferred from NMS Nominees to the SMSF.

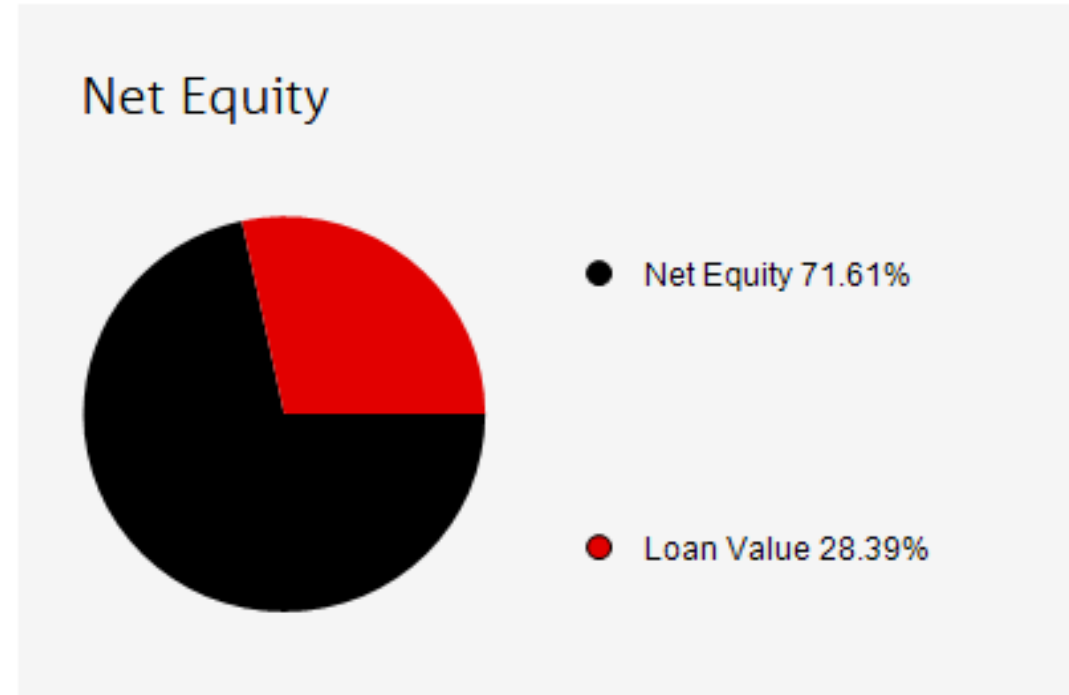
NAB SUPER LEVER – SMSF BORROWING ARRANGEMENT FOR EQUITIES & FUNDS

A limited recourse loan designed for SMSFs

- Conservative Gearing – **Maximum** Limit 50% of Net assets of Fund eg \$500k, Limit of \$250k – Fund Geared at 33% (Maximum).
- Approved Investment List comprising 100+ ASX shares and 100+ unlisted managed funds with Maximum gearing driven by the selected investment (40 – 60%).
- NAB has “built in” the required Security Trust structure – NO SET UP COSTS – (Investment costs), SIS Act Compliant.
- SMSF trustee can choose when to repay the loan – no term.
- Current Variable Rate 5.55% (Approximately) .

NAB SUPER LEVER EXAMPLE

Market Value	\$264,165.92
Security Value	\$158,499.55
Facility Limit	\$97,750.00
Total Loans	\$74,992.44
Margin Call LVR	75.00%
Base LVR	60.00%
Current LVR	28.39%
% Fall to Margin Call	62.15%
Margin Call Amount	\$0.00
Facility Position	● In Order



Code	Security Name	Units	Price	Market Value	Security Ratio	Security Value	Guarantor
VAN0002AU	Vanguard Wholesale - Australian Shares Index Fund	111,288.67	\$2.37	\$264,165.92	60%	\$158,499.55	
				\$264,165.92		\$158,499.55	

THANK YOU
