



# SuperGear | ACCELERATE YOUR WEALTH

A LENDING FACILITY FOR SELF MANAGED SUPERANNUATION FUNDS

Issue date 3 November 2008

Issued by Commonwealth Bank of Australia  
ABN 48 123 123 124

**CommonwealthBank**



## **Important Notes and Disclaimers**

Issued by Commonwealth Bank of Australia  
ABN 48 123 123 124

The latest version of the Product Information Booklet (PIB) can be found on the Commonwealth Bank website at [www.commbank.com.au/supergear](http://www.commbank.com.au/supergear). Any updated PIB versions will be published on the Commonwealth Bank website. Alternatively, you can call a Commonwealth Bank Relationship Manager on 13 1998 at any time to obtain the latest PIB and be informed about any recent changes.

The SuperGear lending facility is not a financial product as defined and described within Chapter 7 of the Corporations Act 2001 (Cwlth). Also, the information contained in this flyer does not take into account the investment objectives, financial situation and needs of any particular individual or self managed superannuation fund. Because of that, you should assess with the help of legal, financial and taxation advice, whether the information is appropriate in light of your own circumstances before acting on it. Information on taxation is based on current laws and their interpretation. Only investors who fully understand the risks associated with gearing into investments should apply. All applications for the SuperGear lending facility are subject to the Commonwealth Bank's credit approval process. Fees and charges apply.

The offer or invitation to commence a SuperGear lending facility is only available to persons receiving the PIB (whether in paper or electronic form) within Australia, who are Australian residents and who provide an Australian address for service when making their application to commence a SuperGear lending facility. SuperGear applications which do not specify an Australian address for service or which are accompanied by payment drawn from a foreign bank account may be rejected and returned.

You should read the PIB in full before deciding whether to use the arrangements offered by SuperGear to invest in real property having regard to amongst other things investment objectives and financial circumstances, and the merits and risks involved in the investment. You should seek your own professional advice in assessing the appropriateness of using the arrangements offered by SuperGear to invest in real property. Applications for finance are subject to the Commonwealth Bank's normal credit approval. Full terms and conditions are included in the Loan offer. Bank fees and government charges may apply. If you have a complaint, the Bank's dispute resolution process can be accessed on 13 2221.

Superannuation funds can now borrow money to purchase investment property. The Commonwealth Bank has developed a product that enables investors to make the most of this new opportunity. SuperGear is an integrated financing solution that allows Self Managed Superannuation Fund (SMSF) investors to select and purchase a beneficial interest in an investment property partly funded by a limited recourse loan facility.

SuperGear provides you with the capacity to borrow funds to purchase and own an investment property faster and more cost effectively. By using the relative taxation and interest savings available to your SMSF to pay down the loan and build equity in the property faster, you can accelerate your wealth and achieve your investment goals sooner.



Accelerate  
your wealth  
through quality  
investment

## Who does it suit?

SuperGear is currently only available to complying SMSF investors.

Features at a glance	
<b>Investment Property</b>	<ul style="list-style-type: none"> <li>• Real property purchased on commercial terms for investment purposes only, including Residential, Rural and Commercial investment property located in Australia</li> <li>• The fund must be permitted to acquire the property under superannuation legislation, subject to approval by the Bank on a case-by-case basis</li> </ul>
<b>Property Value Range</b>	<ul style="list-style-type: none"> <li>• Residential: \$250,000 to \$5,000,000</li> <li>• Rural: \$310,000 to \$7,000,000</li> <li>• Commercial: \$310,000 to \$7,000,000</li> <li>• Exceptions assessed on a case-by-case basis</li> </ul>
<b>Maximum Loan to Valuation Ratio (LVR) at Purchase</b>	<ul style="list-style-type: none"> <li>• Residential: 80%</li> <li>• Rural: 65%</li> <li>• Commercial: 65%</li> </ul>
<b>Loan Range</b>	<ul style="list-style-type: none"> <li>• Residential: \$200,000 to \$4,000,000</li> <li>• Rural: \$200,000 to \$4,550,000</li> <li>• Commercial: \$200,000 to \$4,550,000</li> <li>• Exceptions assessed on a case-by-case basis</li> </ul>
<b>Maximum Lending Term</b>	<ul style="list-style-type: none"> <li>• Residential: 30 years</li> <li>• Rural: 15 years</li> <li>• Commercial: 15 years</li> <li>• Exceptions assessed on a case-by-case basis</li> </ul>
<b>Minimum Fund Size</b>	<ul style="list-style-type: none"> <li>• The SMSF must have at least \$300,000 in net assets</li> </ul>
<b>Interest Rate Type</b>	<ul style="list-style-type: none"> <li>• Fixed or variable</li> </ul>
<b>Repayment</b>	<ul style="list-style-type: none"> <li>• Principal and interest paid monthly in arrears</li> </ul>
<b>Establishment Fee</b>	<ul style="list-style-type: none"> <li>• 0.8% of loan amount</li> </ul>

### Features at a glance (continued)

#### Funding Conditions

- Interest Cover: at minimum 125% of the SMSF's estimated annual interest payment requirement
- Investment property rental income directed toward loan servicing
- Individual indemnities are required above specific LVR thresholds (Residential: 50%; Commercial and Rural: 40%)
- If maximum LVR is exceeded, a partial or full loan repayment may apply

Full product details (including capitalised terms used here) associated with SuperGear can be found in the Product Information Booklet.

## Why choose SuperGear?

- Attractive lending terms
- An efficient legal and tax operating structure
- Opportunity to acquire better quality assets through gearing
- Opportunity to diversify your investment portfolio
- Opportunity to add to your superannuation benefits






## Points of difference

SuperGear also provides you with:

- A simple and full service operating structure – making it easier to manage your SMSF's investment.
- Extensive real property investment options – purchase one or more Residential, Rural or Commercial properties.
- High LVRs and extended loan terms – allowing you to hold the property until retirement without incurring Capital Gains Tax (under current law).

## Risks

Investments may be affected by general market and economic risks. There are also risks that are specifically associated with geared investments and with SuperGear, so it is important you read and understand the SuperGear Product Information Booklet before making a decision to invest through gearing transactions of this nature.

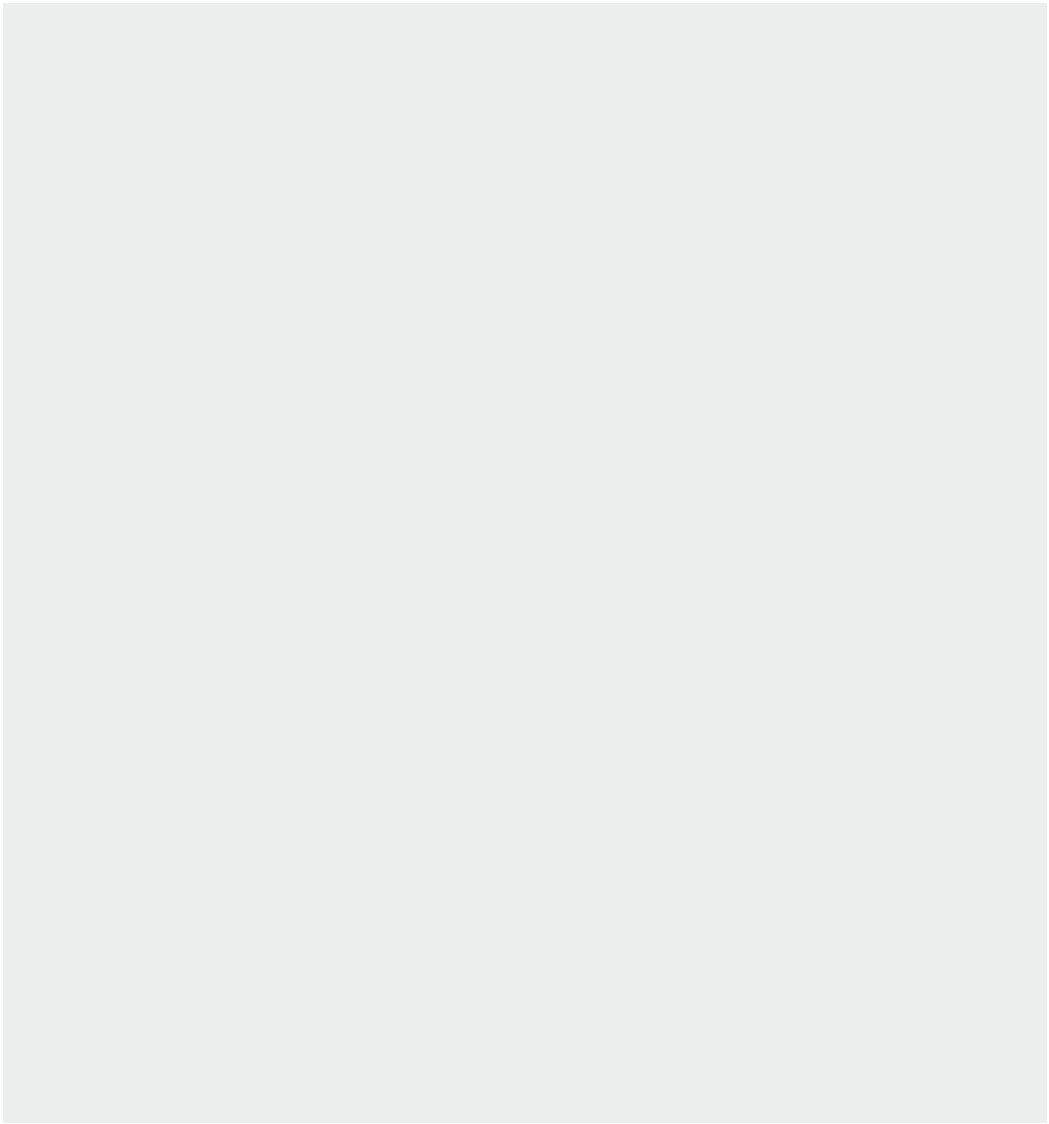
How to get started	
	Review SuperGear Product Information Booklet
	Engage a qualified Financial Planner
	Seek funding approval from the Commonwealth Bank
	Acquire approved investment property
	Initiate SuperGear Lending Facility

## Find out more

To find out more, call **13 1998** 24 hours a day, 365 days a year, or visit [commbank.com.au/supergear](https://commbank.com.au/supergear) to download a copy of the Product Information Booklet. If you currently use our banking services, please contact your Relationship Manager, Private Banker or Financial Planner. We can also assist you with packaged rates on all your insurance, financial planning, private banking, fund setup and ongoing administration requirements.



Achieve your  
SMSF investment  
goals sooner



ADE3504 050309

