

## CASE STUDY 4

# The Experienced Investor – innovative finance techniques to continue growing safely

*Phat & Van Nguyen*



**Phat** is a doctor & runs multiple GP practices in Sydney's west. He and his wife are a high income household with two children living in Sydney's inner west.



### Details & Goals:

- Phat and Van are short on time. Nonetheless, they prefer to keep control of their investments & do their own purchasing and homework for investments.
- The structure of their finances is complex – with income being derived from multiple business entities all connected via a distribution trust. They also make their purchases in several different entities, ranging from separate SMSF's, bucket companies & their personal names.
- Their main goal is to invest their surplus savings each year into long term capital growing investments. Phat and his family are ambitious and have no plans to retire, but would like to send his children to elite universities when they are older.
- They would like to grow & protect their wealth & were looking for finance strategists who understand their business & how finance works.



### Finance Strategy:

At Confidence, we have worked with Phat for the past 3 years as his business has grown. In that time Phat has purchased:

- His owner occupier residence in his personal name.
- Multiple investments in 'one line' in South West Sydney inside his SMSF and inside a bucket company.
- An inner city Terrace near Sydney CBD in his wife's name.
- They are also currently completing a 4 townhouse development in Brisbane that is being managed by a project manager.

Phat & Van's borrowing power has never been an issue, with a very high household income.



### Finance Results:

Phat and Van could obtain multiple SMSF loans prior to the 2017 changes in superannuation contribution limits. They were advised to purchase long term buy and hold assets in these entities as there are restrictions on what can be purchased inside an SMSF.

Phat and Van also obtained a very large 1.50% discount of the SVR with a major lending institution for their owner occupier residence. This was the case given their large loan size & multiple large lenders competing for their business.

In addition, they were able to finance a multi-unit development inside a company from a major lender under standard residential financing who had no issues financing 4 units on one title constructions. This saved Phat & Van thousands in commercial loan fees & time and energy jumping through additional commercial loopholes.





## Current Results:

Phat and Van have a \$12 million portfolio, including \$1.2million in SMSF assets.

<b>LVR:</b>	50%
<b>Loan types:</b>	Given the strong cash flow, variable loans, ideally interest only with offsets attached have been the preference. This allows flexibility to move their cash reserves around seamlessly.
<b>Future plans:</b>	Phat and Van still have the borrowing capacity to obtain another \$5million in property. They are now looking to replicate their Sydney portfolio in Melbourne.

## Hear from Phat & Van:



Redom is a star of the industry. We were attracted to his knowledge and expertise after reading some of his commentary on Australian Property Magazine. It's good dealing with an expert, while knowing he has the resources and team behind him to meet our complex requirements. I've referred Redom to several of my friends and community – they've all had the same experience as me - his been integral to helping my family and friends get their loans. Thank you Redom and team.

