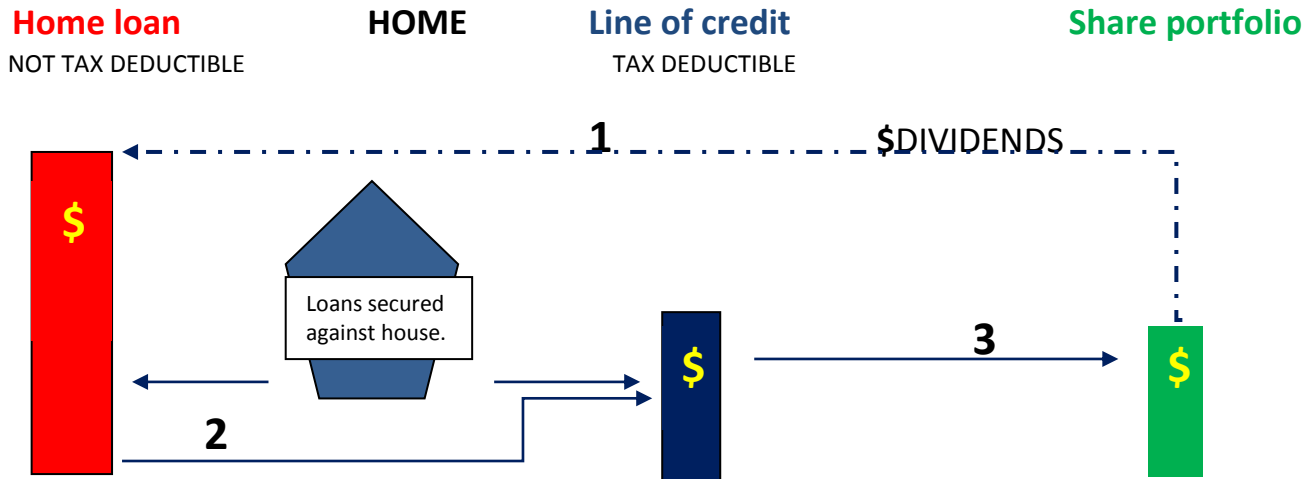


**Assumption is you have a house with a mortgage (RED) that is not tax deductible and you are making mortgage repayments.**

If you have equity in your property you arrange an interest only **line of credit (BLUE)** separately from the mortgage. Using this to buy **shares (GREEN)**, the interest and any costs associated with the line of credit will be fully tax deductible. Also ensure that the **line of credit** is flexible so that you can draw additional amounts as your mortgage reduces.



- A. Having put this in place you then mandate with the share registrar that all dividends are credited to **home loan** (see 1).
- B. As these 'additional' repayments reduce your **home loan** you immediately redraw an equivalent amount from your **line of credit** to buy more **shares** (see 2 and 3). These two steps mean that as your home loan reduces, your line of credit will increase and your portfolio also increases.

Just to recap; in year 1 your home loan (**red**) will have been reduced by the amount of dividends and you will have redrawn them from your line of credit (**blue**) to increase the size of your shareholding (**green**).

In year two you should have more dividends as you own more shares. This means that your home loan should reduce by a larger amount than the previous year. This will enable you to redraw (step B above) even more to increase your portfolio holding again. Year 3 will be a repeat of year two as will year four and year 5 and so on.

As shareholdings increase and dividends grow, the rate at which your mortgage declines will increase and the value of your line of credit and portfolio will increase. Over time, the net result to you will be:

1. No mortgage (which wasn't tax deductible anyway).
2. A line of credit (tax deductible) which has grown.
3. A portfolio that is now huge and producing a large stream of dividends.

**YOU MAY NOW CHOOSE TO REDIRECT YOUR ORIGINAL MORTGAGE REPAYMENTS THAT YOU'VE LIVED WITH FOR DECADES TO THE LINE OF CREDIT ALONG WITH THE DIVIDENDS TO EXPUNGE THAT DEBT AND ENABLE YOU TO CONTEMPLATE WHAT TO DO WITH THE REST OF YOUR LIFE!!**