

Advantage

News from Heartland Seniors Finance – The Home Equity Release Specialist

What's inside?



Peace of mind with Aged Care 02



The Heartland story 03



New Monthly Regular Advance option can help make life easier 02



Beef and bean chilli supreme! 04

IMPORTANT: Every effort has been made to ensure the accuracy of this newsletter. It is provided on the basis that the items are necessarily generalised and are not a substitute for commercial judgement or professional advice. Readers are urged: 1. to seek specific advice on any particular matter from a qualified professional person; and 2. not rely solely on this text.

Here to help!

It is a great pleasure to welcome you to this edition of *Advantage*. While I have only been with Heartland Seniors Finance for six months, I have been with our parent company Heartland, in New Zealand, for more than 15 years.

Heartland is the largest provider of Reverse Mortgages in New Zealand and my most recent role was running that side of the business. You can read more about Heartland on page 3.

I am passionate about Reverse Mortgages. I have seen first hand what a difference they can make to people's quality of life. I genuinely believe there is no other financial product currently available that can transform lives and provide peace of mind in the same way.

But enough about what I think! In this edition we hope to bring you a range of interesting and informative articles. Inside you can

read about Australia's property market, and what a significant portion of the country's wealth it makes up. For the majority of Australian seniors, their house is their biggest asset. Having the ability to tap into this asset can truly help provide a better retirement.

There is also an article on Aged Care, a subject not everyone likes to address, but which we do need to plan for. We recently introduced a Monthly Regular Advance option, which can help with Aged Care costs, supplement your retirement income or just take away the stress from everyday bills.

If you have any feedback or questions, please feel free to contact the Heartland team or myself. We are here to help.

Best regards,
Andrew Ford
Chief Executive Officer



Five-star endorsement

Independent recognition highlights Heartland Seniors Finance's value to its customers

Heartland Seniors Finance Reverse Mortgage product has been awarded "5-stars" by Canstar for representing "outstanding value for borrowers".

Canstar rates products based on factors deemed desirable for customers including pricing, features, flexibility, access, restrictions and fees.

Of the ten Reverse Mortgages Canstar assessed – from seven different lenders – Heartland's Reverse Mortgage had the winning features score, reflecting no ongoing fees, flexibility and protection offered to customers.

The Canstar rating comes close on the heels of Heartland receiving the Money Magazine Best Reverse Mortgage award for the sixth year in a row.

Heartland Seniors Finance CEO Andrew Ford says that while it's nice to be recognised, the focus remains providing a market-



Heartland Seniors Finance CEO Andrew Ford accepts the award from Canstar Australia's Jenny Pringle

leading product that enables seniors to live a better retirement and supporting this with excellent service.

"It's great to receive independent endorsements from the likes of Canstar and Money Magazine," says Andrew.

"That said, helping thousands of Australians to live a better retirement is the most rewarding aspect of what we do.

We will look to continue improving and innovating our products and services to ensure we continue to meet our customers needs as best we possibly can."

Considering the cost of Aged Care

It is important to plan ahead for your Aged Care needs

Australians' longevity is one of the highest in the world, which is testament to the great quality of life in this country that the majority of us are lucky enough to enjoy. The trade-off, however, is that the cost of providing care services – both in the family home and at residential Aged Care facilities – continues to rise.

Although the Australian Government currently pays for the bulk of Aged Care services through subsidies, people receiving care are asked to contribute towards their costs if they are financially able to do so.

Most people would prefer to age in place – that is, to remain in their home of choice as long as possible. This enables them to stay connected with family, friends and the community, often with a better quality of life. For some, however, residential care is the best solution.

WEIGHING UP AGED CARE OPTIONS

If you, or a loved one, are in need of care in the home, you may be asked to pay a basic fee (currently \$9.93 a day) along with a means-tested care fee (which can range from \$14 to \$28 per day).

The costs of moving into residential Aged Care include a basic fee (currently \$48.25 a day), a means-tested care fee (up to



\$71.06 per day) along with a Refundable Accommodation Deposit (RAD) and / or a Daily Accommodation Payment (DAP). A typical RAD for a metropolitan-based facility is \$500,000 and the equivalent DAP is \$86.02 per day.

The very nature of Aged Care means that decisions about caring for older relatives are often made under pressure and without fully understanding the implications, especially financial ones.

Heartland has designed an award-winning equity release loan product that enables our customers to access the funds they require to meet their care costs – whether that care is in the home or in residential Aged Care.

If you would like to discuss how Heartland may be able to assist with Aged Care, please give Heartland's friendly team a call on **1300 889 338**. We are ready to help.

**You should contact Centrelink to discuss any impact borrowing for Aged Care may have on your pension or other government entitlements.*

Advance options tailored to your lifestyle



'Monthly Regular Advance' is ideal for those who want to supplement their income to maintain their lifestyle

Heartland Seniors Finance is constantly striving to improve our products to serve you better, and to that end is pleased to introduce a new Reverse Mortgage feature: the 'Monthly Regular Advance' option.

This is in addition to our existing quarterly and annual regular advance options and, just like these, borrowers can choose to receive payments over a five or ten-year period for their Reverse Mortgage (or five years for the Aged Care option).

Our 'Monthly Regular Advance' is ideal for borrowers who want to supplement their income streams to maintain their lifestyle. It may also work well for those who are moving to residential Aged Care and need to pay a Daily Accommodation Payment on a regular basis. You are also only charged interest on the funds as they are advanced, so the

option could reduce interest costs.

How can you use Heartland's 'Monthly Regular Advance'?

- **Supplemental income** – it can supplement your income and boost your purchasing power to enjoy a better retirement.
- **Aged Care funding** – it can help take care of ongoing costs and payments.
- **Support your lifestyle** – taking a vacation, paying your bills or repairing your house can be less of a struggle with a regular income stream from your Reverse Mortgage.

If you would like to talk about whether a 'Monthly Regular Advance' could be of benefit, please talk to one of our team on **1300 889 338**. We are here to help you.

Australian wealth lies in property

Accessing the equity tied up in your home could make a huge difference to the degree of freedom you are able to enjoy throughout your years in retirement

The value of residential property in Australia continues to grow, and has now hit \$6.5 trillion, according to CoreLogic RP Data. This is almost three times the value of all of the money held in superannuation and over four times the value of the share market.

The growth has been underpinned by strong increases in property prices in capital cities – particularly Sydney and Melbourne, where median prices have increased 48% and 19.5% respectively over the last five years.

While higher property prices can make it tougher for first home-buyers, it does provide options for retirees looking for assistance in funding their retirement. Especially given that 83% of Australians aged 55+ own their home and, for most, it is their most valuable asset.

HOME EQUITY RELEASE

Using the home to release some equity – through downsizing, selling a portion of the property (reversion), or a Reverse Mortgage – can be a great option. The beauty of a Reverse Mortgage is that you continue to own 100% of the home and benefit from any appreciation in property prices while avoiding many of the costs associated with downsizing, such as real

estate fees, moving costs and stamp duty.

Many of our customers use the funds released to renovate and improve their property – adding further value to it and effectively investing in their biggest asset – while potentially improving their quality of life.

In addition, using funds to travel, refinance existing debt, upgrade a motor vehicle or just take the stress out of everyday bills can be great uses.

ENJOY YOUR RETIREMENT

We are proud to have helped thousands of Australians enjoy a better retirement. Whether you are an existing customer and have questions about your loan, would like to talk about applying for a Further Advance, or are looking at Reverse Mortgages for the first time, please feel free to contact our friendly team on **1300 889 338** or **enquiries@seniorsfinance.com.au**.

Residential real estate underpins Australia's wealth and has reached \$6.5 trillion



About Heartland...

We have a long and proud history with a clear and steady focus on the future

Heartland's roots stretch back to 1875, in a rural community in the South Island of New Zealand. Over the years, the business has grown and evolved considerably – most notably when it changed from a building society to a registered bank in New Zealand in December 2012.

Heartland is a different kind of bank in New Zealand. It focuses on offering specialist products in markets under-served by mainstream banks; Reverse Mortgages are a perfect example of this.

Heartland is listed on the New Zealand Stock Exchange and has over 10,000 shareholders.



In addition to offering Reverse Mortgages in Australia and New Zealand, Heartland is one of New Zealand's leading motor vehicle financiers, and provides support to the rural and business sector.

Heartland has a small network of branches, but the majority of its business is done directly with customers at their business or farm, or via intermediaries such as car dealers. Heartland also has an innovative digital distribution capability, which it uses to deliver radically better customer experiences based on ease and speed.

Reverse Mortgages make up approximately 25% of Heartland's lending, making it a core part of the business. Heartland is focused on growing its Reverse Mortgage business by developing market-leading products and supporting these with specialist staff. Our focus in this area is on helping seniors live a better retirement and we are proud of the difference we make.

For further information on Heartland visit www.heartland.co.nz

Heartland is a registered bank in New Zealand. Heartland does not carry on banking business in Australia and is not licensed with the Australian Prudential Regulatory Authority.

Heartland Key Numbers

| | |
|------------------------|----------------------------|
| Total Assets: | NZ\$3.4bn (31 March, 2016) |
| Customers: | 120,000 |
| Shareholders: | 10,750 |
| Market Capitalisation: | NZ\$596m (31 May, 2016) |

Ingredients

1.2kg trimmed stewing beef, cut into 2cm cubes

2 tablespoons malt vinegar

1 teaspoon each: flaky sea salt, sugar

2 tablespoons oil

2 onions, chopped

3 cloves garlic, finely chopped

1 teaspoon each: hot smoked paprika, chilli powder, ground cinnamon

2 teaspoons cumin seeds, toasted and crushed

1 bay leaf

2 red chillies, deseeded, finely chopped

3 tablespoons tomato paste

400g tin chopped tomatoes

375g tomato salsa (homemade or store-bought)

1 tablespoon brown sugar

1 cup beef stock

2 red capsicums, deseeded, diced

400g tin red kidney beans, rinsed and drained

400g tin black beans, rinsed and drained

3 tablespoons chopped coriander leaves, plus extra for garnish



Beef and bean chilli supreme!

This hot and hearty chilli is super easy to make and only requires one pan, so clean-up is a breeze! Marinating the beef overnight really adds depth to the flavour and is worth doing. As an added bonus it also stores well, so it's perfect for a quick lunch or dinner when reheated.

Serves: 8-10

Preparation time: 4-12 hours

Cooking time: 1hr 40mins

METHOD:

1. Toss beef cubes in a bowl with vinegar, salt and sugar. Cover and marinate for at least four hours, overnight if possible.
2. Heat oil in a large pan or casserole dish with a tight-fitting lid. Gently cook onion and garlic over a low heat until soft and transparent. Remove from pan with a slotted spoon. Increase heat and brown meat in batches.
3. Return all the meat to the pan, along with the cooked onion and garlic. Add all remaining ingredients except for the beans and coriander. Bring to the boil then reduce heat and simmer.
4. Cover and cook for one hour, stirring from time to time.
5. Remove lid and simmer uncovered for a further 30 minutes.
6. Stir in the beans and coriander, season to taste and simmer for 10 minutes.
7. Cover any leftovers and refrigerate for up to a week.

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Australian Credit Licence Numbers:

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Seniors Finance Pty Ltd - 469894 (ACN 603 141 779) / Seniors Finance Custodians Pty Ltd - 476140 (ACN 603 141 706)