



Do more. Be more. Achieve more.



Get a boost to reach your investment goals

Investment Loans at DUCA

Borrowing to purchase investments means you can invest more than if you simply invest your own savings.

This strategy, known as “leveraging”, can boost returns, provide a possible tax advantage, force you to save and allow you to increase your investment holdings. When used properly, leverage can be a powerful tool to help grow wealth.

Following is an illustration of how leverage can increase investment returns. The table compares a “No Leverage” investment scenario to a “With Leverage” scenario, profiling the potential difference in returns. As you can see, when the market is positive, leverage can enhance returns.

	No Leverage	With Leverage
Personal funds invested	\$25,000	\$25,000
Borrowed funds invested	–	\$75,000
Total invested	\$25,000	\$100,000
Return on investment	\$1,750	\$7,000
Less: Interest costs	–	(\$5,850)
Add: Tax savings from interest deduction	–	\$2,539
Net return on total investment	\$1,750	\$3,689
Annual return on personal funds invested	7.00%	14.76%

Assumptions:

Return on investment	7.00%	7.00%
Rate of interest on debt*	N/A	7.80%
Marginal tax rate	43.41%	43.41%

For illustrative purposes only. Actual rates and amounts may differ. The illustration is a hypothetical example and is not intended to project or predict actual results.

*Rate of Interest on debt is based on the average prime rate + 0.75% from January 1960 to February 2023.

While leverage can enhance returns in positive markets, it can also magnify losses in a down market. Help reduce the risk of leveraging with these simple steps:

- Never borrow more than you can afford. If interest rates rise or your circumstances change, you are still required to pay your loan.
- Invest for the long term to reduce the effects of market volatility.
- Diversify your investments to help you achieve more consistent returns.
- Always work with a trusted, knowledgeable advisor who can help you understand and manage risks.



Key Benefits of an Investment Loan with DUCA

Loan Amounts Up to \$2 Million

Our 3:1 Loan product is available for loan amounts between \$50,000 to \$2 million. DUCA will increase your investment injection by adding 3x your injection into your investments.

Competitive Pricing

DUCA Investment Loans are priced competitively, and with the potential for interest deductibility your true interest costs could be even less.

Variable Payment Options

You can choose to amortize your loan up to 20 years or decide to simply pay interest.

Quick Turnaround Times

DUCA's experienced team of loan underwriters will process your business in an efficient manner.

Structured to Withstand Market Fluctuations

DUCA will not demand full payment on your loan due to market fluctuations. If investment values fall below margin restrictions, we will ask you to start making principal and interest payments. Once you have made three monthly principal and interest payments and the values of investments rises above the margin restriction, you can apply to return to interest-only payments.

Access to Growth

DUCA allows for two free withdrawals per year (minimum \$2,500) provided the loan to value is above its original amount.

Access to Distributions

DUCA will allow you to take mutual fund distributions each month, so long as this does not drive investment values below margin restrictions.



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DUCA Financial Services Credit Union
Specialized Lending
4195 King Street East, Unit 110
Kitchener, ON N2P 0C1
www.duca.com