

ANZ Share Investment Loan

DIVERSIFIED PORTFOLIO FEATURE

The Diversified Portfolio Feature of the ANZ Share Investment Loan requires diversification into at least 4 stocks or managed funds. It rewards responsible investors who diversify their portfolio by allowing leverage against around twice as many stocks as a standard ANZ Share Investment Loan as well as offering higher Loan to Value Ratios (LVRs) on most stocks. This allows you to choose between higher leverage to grow your portfolio or a greater cushion against market falls before you receive a margin call. The extensive ANZ Approved Securities List is available at www.wealth.anz.com/investments/investment-loans. You can also determine how much you can borrow against your diversified portfolio using our online Diversification Calculator.

Benefits of the Diversified Portfolio Feature

Borrow against a market-leading Approved Securities List (ASL)

The Diversified Portfolio Feature lets you borrow against twice as many shares at higher LVRs than our standard ANZ Share Investment Loan. You can also borrow against managed funds.

Increase leverage

You can choose to use the added flexibility of higher LVRs to increase your leverage and make the most of market opportunities.

Increase your cushion against a margin call

Alternatively, you can choose to maintain your existing loan amount and have a bigger cushion before you need to meet a margin call. The higher LVRs permitted by the Diversified Portfolio Feature may increase how far your portfolio would need to fall before you would receive a margin call.

Consolidate your holdings to increase your borrowing power

If you have more than one margin loan or hold shares or managed funds outside your margin loan, you now have a very good reason to consolidate into a single ANZ Share Investment Loan. Higher LVRs offered by the Diversified Portfolio Feature will let you borrow more on a larger selection of Australian shares compared to most other margin lenders.

The Diversified Portfolio Feature is designed for people who:

- recognise the benefits of diversification and regularly maintain four or more stocks or managed funds in their portfolio
- seek access to a broader range of share investment opportunities
- want to lower the chances of a margin call through a higher Security Value, or
- want to maximise their gearing ratio, understanding the potential risks of higher leverage

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How the Diversified Portfolio Feature works

The diversified portion of your portfolio is determined by ANZ with reference to:

- your portfolio complying with the minimum number of 4 approved securities requirement
- the requirement that no approved security can exceed 25% of the diversified portion of your portfolio
- the requirement that restricted securities cannot account for more than 50% of the diversified portion of your portfolio; and
- if any of the above applies, the approved securities in excess of those limits will be excluded from the diversified portion of your portfolio and the standard LVR will apply.

The Portfolio Security Value with the Diversified Portfolio Feature applied will generally be higher, though never lower, than a standard ANZ Share Investment Loan. To see the extended list of stocks available under the Diversified Portfolio Feature and compare the LVRs with the standard ANZ Share Investment Loan, please visit www.wealth.anz.com/investments/investment-loans.

ANZ automatically calculates the amount you can borrow by applying these rules. For a demonstration of the potential of the Diversified Portfolio Feature and the additional choice it provides, we recommend using our "What If" Simulator available on My Portfolio (<https://myportfolio.anz.com/>).

Example: The power of ANZ Share Investment Loan - Diversified Portfolio Feature

Rebecca has a share portfolio consisting of six stocks with a market value of \$100,000, of which she has borrowed \$40,000.

| Shares | % Total | Market Value | Standard LVR | Standard Security Value | Diversified LVR | Diversified Security Value |
|--------------|---------|------------------|--------------|-------------------------|-----------------|----------------------------|
| Blue chip 1 | 20% | \$20,000 | 70% | \$14,000 | 75% | \$15,000 |
| Blue chip 2 | 20% | \$20,000 | 70% | \$14,000 | 75% | \$15,000 |
| Mid cap 1 | 20% | \$20,000 | 50% | \$10,000 | 70% | \$14,000 |
| Mid cap 2 | 20% | \$20,000 | 40% | \$8,000 | 65% | \$13,000 |
| Small cap 1 | 10% | \$10,000 | 0% | \$0 | 50% | \$5,000 |
| Small cap 2 | 10% | \$10,000 | 0% | \$0 | 40% | \$4,000 |
| Total | | \$100,000 | | \$46,000 | | \$66,000 |

With a standard ANZ Share Investment Loan, the remaining funds available to invest would be \$6,000. If her shares fell in value by an average of 20%, she would need to meet a margin call. With ANZ's Diversified Portfolio Feature, the remaining funds available to invest would be \$26,000. The Diversified Portfolio Feature allows Rebecca to:

- **increase her investment** by utilising all available funds and maintaining a diversified portfolio (eg. she could purchase up to \$104,000 of at least 3 different 75% LVR stocks)
- **maintain the same cushion** before she needs to meet a margin call – and still increase her investment (eg. she could purchase \$46,667 of at least 2 additional 75% LVR stocks and she would not need to meet a margin call unless her shares fell in value by an average of 20%)
- **increase the cushion** before she needs to meet a margin call and maintain her existing investment – she would not need to meet a margin call unless her shares fell in value by an average of 44%.

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Important information about the Diversified Portfolio Feature

The Diversified Portfolio Feature has additional complexities over a standard ANZ Share Investment Loan. While you can choose to use it to borrow more to increase your potential returns, this increases the risk if the value of your portfolio falls.

The following do not contribute to your portfolio becoming eligible for the Diversified LVRs:

- shares where you hold options over the shares
- shares not on the ANZ Approved Securities List
- cash held in a linked ANZ V2 PLUS account.

However, these are treated in the same way as under a standard ANZ Share Investment Loan and do contribute to your portfolio's total Security Value.

Different shares issued by the same company are viewed as a single security in calculating whether your portfolio is diversified. The total market value of all ordinary shares, preference shares and hybrid securities issued by a single company, must not total more than 25% of your diversified portfolio. Any excess will only attract the Standard LVR.

Managing the ANZ Share Investment Loan Diversified Portfolio Feature

If you sell shares or managed funds so that there are less than 4 stocks or managed funds in your portfolio, the Standard LVRs apply to your entire portfolio. Your Security Value may drop significantly which may cause a margin call, particularly if some of the remaining stocks in your portfolio have a 0% Standard LVR.

ANZ recommends that you monitor your loan and that prior to undertaking any buy or sell, you utilise the "What If" Simulator available on My Portfolio (<https://myportfolio.anz.com/>) to determine the impact upon your portfolio.

Nevertheless, if you have the Diversified Portfolio Feature enabled, the Security Value of your portfolio will always be at least as high as with a standard ANZ Share Investment Loan.

Important Information

Leveraging a share portfolio is fast becoming a popular wealth creation strategy. However, you should be aware that whilst leveraging into investments increases the potential return, it is important to recognise that it can also multiply the effects of falls in sharemarket values. We therefore strongly advise you talk to your financial planner, tax adviser and/or stockbroker and ensure you understand the risks, the specific tax implications, as well as the legal and financial ramifications of a share investment lending facility.

The information provided is general in nature only and has not been prepared taking into consideration your particular needs, circumstances or objectives. ANZ recommends you read the ANZ Share Investment Loan Product Disclosure Statement and the ANZ Investment Lending Terms and Conditions which are available by calling the Client Services Team or from www.wealth.anz.com/investments/investment-loans before acquiring the product. Fees and charges apply. All ANZ Investment Lending applications are subject to ANZ's credit approval criteria.

ANZ Investment Lending

Transfer to the Diversified Portfolio Feature



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Customer Services

Phone 1800 639 330

Email investmentlending@anz.com

Website wealth.anz.com/investments/investment-loans

[For more information, speak to your financial adviser or contact ANZ Investment Lending directly.](#)

PLEASE COMPLETE THIS FORM AND FORWARD TO:

- ANZ Investment Lending
Reply Paid 4338
Melbourne VIC 8060

1. CLIENT DETAILS

Client Account Number

Client 1

Title

 Mr Mrs Ms Miss Dr Other

First Name

Surname

Company/Trust Name

Client 2

Title

 Mr Mrs Ms Miss Dr Other

First Name

Surname

2. IMPORTANT INFORMATION

The ANZ Share Investment Loan Diversified Portfolio Feature provides higher leverage against a wider range of shares provided your portfolio meets the requirements of the ANZ Share Investment Loan Diversified Portfolio Feature. This product has additional complexities over a standard share investment loan.

Please ensure you have considered and understood the additional risks and conditions associated with this product as outlined in the attached booklet before changing to the diversified feature.

3. AUTHORISATION (ALL SIGNATORIES MUST SIGN)

- you have read and understood the additional risks and conditions associated with the Diversified Portfolio Feature of the ANZ Share Investment Loan;
- you agree to the ANZ Investment Lending Terms and Conditions that relate to the Diversified Portfolio Feature and
- (if you are a borrower) you have provided the explanatory information for the ANZ Share Investment Loan with the Diversified Portfolio Feature to each of the guarantors and have given each guarantor the opportunity to read the documents and obtain independent professional advice.

Client/Director/Trustee 1

Client/Director/Trustee 1 Name

Client/Director/Trustee 1 Signature

Date (dd/mm/yyyy)

Client/Director/Trustee 2

Client/Director/Trustee 2 Name

Client/Director/Trustee 2 Signature

Date (dd/mm/yyyy)

ANZ Investment Lending

Transfer to the Diversified Portfolio Feature



Guarantor 1

Title Mr Mrs Ms Miss Dr Other

First Name

Surname

Signature

Date (dd/mm/yyyy)

Guarantor 2

Title Mr Mrs Ms Miss Dr Other

First Name

Surname

Signature

Date (dd/mm/yyyy)

Any questions? Call 1800 639 330 between 8.00am – 6.00pm (AEST) on ASX Trading days.