

Instalment Plus

Instalment Plus is an additional feature available with the Leveraged Equities Margin Loan or Investment Funds Multiplier.

It's designed for customers who have or plan to acquire unlisted managed funds and wish to make regular investments into those funds using their own savings, as well as drawdowns on their loan.

It may be suitable if you:

- Have a medium to long-term financial goal and believe regular investments in unlisted managed funds may help you reach that goal.
- Would like to progressively build your managed funds investment portfolio.
- Plan to regularly invest some of your savings or income.

Leveraged Equities Margin Loan or Investment Funds Multiplier

The Leveraged Equities Margin Loan or Investment Funds Multiplier allows you to borrow, in addition to your own money, to invest in a wide variety of acceptable investments, including shares, exchange traded funds, listed investment companies and managed funds.

By borrowing to invest (also called gearing or leverage) you can build an investment portfolio larger than you would have by using only your own funds.

Investors use gearing when they expect the return on their investments to be larger than the cost of borrowing. Yet, it's worth remembering that all investment comes with an element of risk.

If investment markets fall, losses will be magnified, while the loan and interest still have to be repaid. If the return on your investment is less than your borrowing costs, you will incur a lower return or larger loss than if you had not borrowed or invested at all.

You can choose to extend the Leveraged Equities Margin Loan or Investment Funds Multiplier with a range of flexible features such as Instalment Plus. Instalment Plus can help you progressively build your managed funds investment portfolio through regular investments, using both your savings and drawdowns on your loan.

Why use Instalment Plus?

Instalment Plus combines two investment strategies: borrowing to invest, and regular investing. This combination may help you reach your medium to long-term financial goals, while progressively building an investment portfolio.

You may be entitled to claim an income tax deduction for some or all of your borrowing costs depending on your individual circumstances.* An independent taxation professional can assist you with this.

No one knows for certain which way investment markets will move next, but a disciplined approach to saving and investment gives you a better chance of buying through the ups and downs of the market.

Getting started

You need just \$1,000 as your own initial contribution with a minimum loan drawdown of \$2,000 to get started. This sets you up with a \$3,000 investment portfolio.

You can then contribute as little as \$250 per month and borrow \$250 per month. This means you add a minimum of \$500 per month to your investment portfolio.

With Instalment Plus you choose:

- the initial and regular amounts you contribute to your investment (minimum amounts apply)
- the initial and regular amounts you borrow (minimum amounts apply); and
- the managed fund(s) you acquire (from the list of Acceptable Investments).

You can construct your investment portfolio from a range of more than 60 fund managers from our Acceptable Investments List. There is no limit on the number of managed funds you can include in your investment portfolio, although individual fund managers may have their own requirements on the minimum investment amounts, or may not accept regular investments at all through a margin lender. Please contact the fund manager directly to check if regular investments can be made through your margin loan.

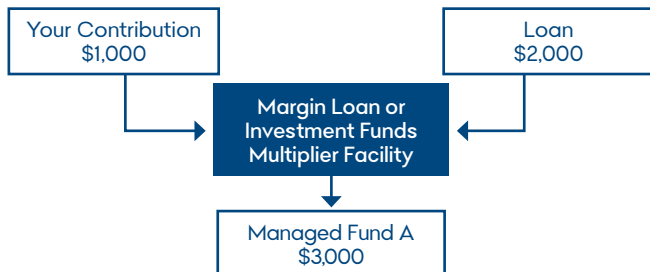
How does Instalment Plus work?

Initial Investment

In this example, you decide to start an investment portfolio with the minimum of \$3,000, which is made up of a \$1,000 contribution from you and a \$2,000 loan from your Leveraged Equities Margin Loan or Investment Funds Multiplier.

You decide to invest this into a single managed fund.

Initial Investment Portfolio



You plan to invest \$600 each month - made up of a \$300 monthly contribution from you and a monthly loan of \$300 from your Leveraged Equities Margin Loan or Investment Funds Multiplier.

Each month your total invested amount in the managed funds increases.

The Power of Regular Investing

The table below shows the unit price paid for each investment. At the end of month 3, you achieved an average unit price of \$1.733.

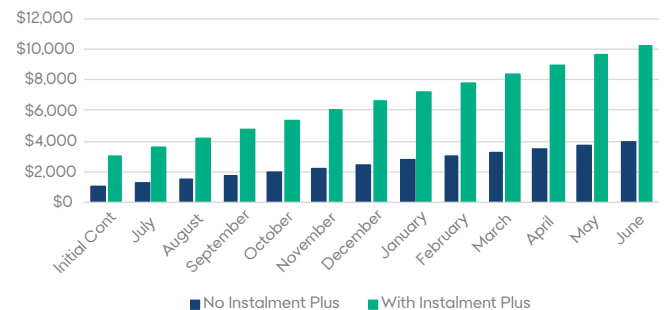
By investing regularly over several months including the initial purchase, a lower average unit price has been achieved than if the borrower was to wait until they had saved their own funds to invest. In this case, the unit price they would need to pay would be \$1.81 which is the unit price as at that time.

This example highlights that even though it is difficult to pick the lowest price to enter an investment, with regular investments you may be able to buy at a lower average price if the overall price is trending upward.

	Amount Invested	Unit Price	No. Units Purchased	Total Units
Initial	\$3,000	\$1.71	1754	1754
Month 1	\$600	\$1.73	347	2101
Month 2	\$600	\$1.78	337	2438
Month 3	\$600	\$1.81	331	2769

Comparison with and without Instalment Plus

The chart below illustrates how you can increase the amount invested using Instalment Plus through a Leveraged Equities Margin Loan or Investment Funds Multiplier, compared to an investment made without Instalment Plus (note interest costs and market movement changes are not included).



The chart is for illustrative purposes only and does not indicate any view of, or expectation about, any Leveraged margin loan product or any investment or transaction. It does not cover all the possible outcomes and is not intended as a recommendation. It is simplified and not intended to reflect actual outcomes, market prices or movements.

Managing your investments

You are the owner of the investment portfolio held on your Leveraged Equities Margin Loan or Investment Funds Multiplier, although it is mortgaged to Leveraged to secure the borrowings you have made.

You can request to switch, cancel or make changes to your Instalment Plus plan at any time. Or, if your circumstances change, you can redeem one or all of the managed funds in your investment portfolio and repay the loan.

Remember though, each managed fund will have its own rules and requirements set by the fund manager and this may restrict your ability to redeem your managed funds or deal with those investments.

You can use our Online Service (Leveraged Online) to regularly monitor your loan and investment portfolio.

About Leveraged

Established in 1991, we're proud to be a margin lending specialist in Australia, and a wholly-owned subsidiary of Bendigo and Adelaide Bank.

We offer a choice of multiple margin loan solutions and additional features, a diverse and frequently reviewed investment list and we connect with most major online platforms and selected brokers.

More information: Ask your financial adviser whether Instalment Plus is right for you, or contact us.

Call 1300 307 807

Email customerservice@leveraged.com.au

Visit [leveraged.com.au](https://www.leveraged.com.au)

*This information does not constitute financial or tax advice. We recommend that you obtain your own independent financial and tax advice on the risks and suitability of this type of investment and to determine whether your interest costs will in fact be fully deductible in the current financial year in your particular circumstance.

Gearing involves risk. It can magnify your returns; however, it may also magnify your losses.

The Leveraged Equities Margin Loan and Investment Funds Multiplier are issued by Leveraged Equities Limited (ABN 26 051 629 282 AFSL 360118) as Lender and as a subsidiary of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178 AFSL 237879). This information is correct as at 21 November 2024. This information contains general advice only and doesn't take into account your personal objectives, financial situation or needs. This information must not be relied upon as a substitute for financial planning, legal, tax or other professional advice. Please consider your personal circumstances, consult a professional investment adviser and read the Product Disclosure Statement and Incorporated Statements (together, the 'PDS') and Product Guide, together with the terms and conditions applying to the product or service, available to download from www.leveraged.com.au before making an investment decision. Terms, conditions, fees, charges and normal lending criteria apply. The examples are for illustration purposes only and do not indicate any view of, or expectation about, the Margin Loan or Investment Funds Multiplier or any investment or transaction. They do not cover all the possible outcomes and are not intended as a recommendation, are simplified and may not reflect actual outcomes, market prices or movements or taxation treatment. Not available for a self managed superannuation fund. (2097999-2097786) (12/24)