

# Instalment Plus

## Savings and investment plan.

Instalment Plus is an additional feature available with the Margin Loan or Investment Funds Multiplier. It may be suitable if you:

- Have a medium to long-term goal and believe regular savings and investment may help you reach it
- Think your current savings may be too small to start an investment portfolio
- Plan to save some of your regular income.

### Include Instalment Plus with your 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 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 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. With Instalment Plus you progressively build your investment portfolio through regular monthly 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 goals.

Depending on your circumstances, your costs may be reduced if you are able to claim an income tax deduction for some or all of your borrowing costs. 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.

Instalment Plus is a way for you to implement a regular savings and investment plan in order to progressively build an investment portfolio.

### Added Flexibility

You need just \$1,000 with a minimum loan 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 \$500 per month to your investment portfolio.

### With Instalment Plus you choose:

- The initial and regular amounts you contribute to your investment;
- The initial and regular amounts you borrow; and
- The managed funds you acquire (from the list of Acceptable Investments).

You can construct your investment portfolio from a range of more than 60 managed funds. 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 minimum investment amounts.

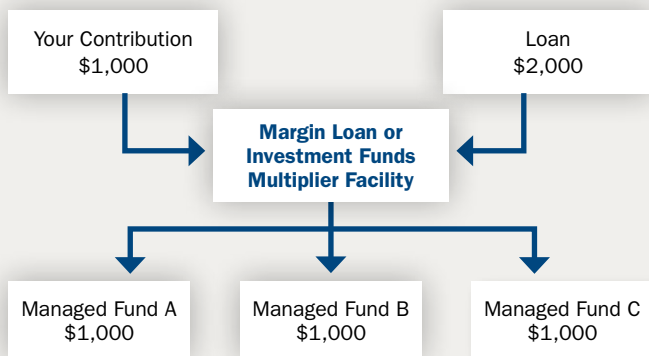
### How does Instalment Plus work?

#### Initial Investment

In this example, you decide to start with an investment portfolio of \$3,000. This 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 amount equally across three managed funds.

## Initial Investment Portfolio



## Regular Savings

In this example, you plan to invest \$600 each month - made up of a \$250 monthly contribution from you and a loan of \$350 from your Leveraged Equities Margin Loan or Investment Funds Multiplier.

Each month your investment increases.

Month	Loan	Total Invested
Start	\$2,000	\$3,000
1	\$2,350	\$3,600
2	\$2,700	\$4,200
3	\$3,050	\$4,800

## Managing your Investment

You are the owner of the investment portfolio although it's mortgaged in the same way as a home is mortgaged for a home loan.

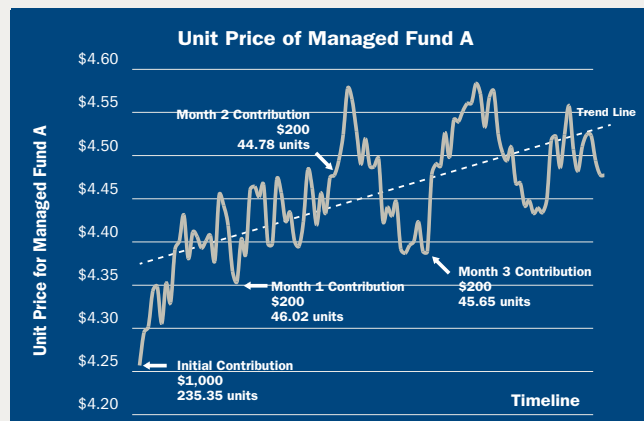
You can switch, redeem or make changes to your Instalment Plus plan at any time. Or, if your circumstances change, you can sell your investments and repay the loan.

Remember though, each managed fund in your investment portfolio will have its own terms and conditions and this may restrict your ability to deal with an investment.

You can use our online service to regularly monitor your loan and investment portfolio.

## Buying through the ups and downs

As you are investing on a monthly basis you purchase units in the selected managed fund at different times. The graph below illustrates the different unit prices and number of units purchased over three months for Managed Fund A.



Month	Initial	1	2	3
No. units issued in Managed Fund A @ Price	235.35 @ \$4.249	46.02 @ \$4.346	44.78 @ \$4.466	45.65 @ \$4.381

In this example, you invested \$1,600 in Managed Fund A at an average purchase price of \$4.30. This investment is now worth \$1,658. If you had held off investing until you had saved the \$1,600, the same portfolio would have cost you \$4.46 per unit.

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

## The professional's choice

For those interested in putting in place an investment strategy to help build wealth, we can help. Our service is designed to help investors navigate through dynamic market conditions and realise their financial goals.

Our extensive market experience means you can enjoy the confidence that comes from the superior education and insights we provide. You can expect premium service supported by our proven risk management expertise, advanced portfolio monitoring tools and client nominated target gearing alerts.

At Leveraged we're proud of our heritage. We are one of the first and longest continually operating margin lending specialists in Australia. As a wholly owned subsidiary of Bendigo and Adelaide Bank, we are backed by the strength of more than 150 years of banking, investment and lending expertise.

## More information

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

**Call** 1300 307 807  
**Email** [info@leveraged.com.au](mailto:info@leveraged.com.au)  
**Visit** [www.leveraged.com.au](http://www.leveraged.com.au)

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