



Sale Process – unit sale proceeds in excess of loan balance

The steps involved in the sale of units by a Geared Investor are as follows:

- 1 The broker through whom the Geared Investor wish to sell their units coordinates their client's completion of an Ellerston GEMS Fund "Sale Intention Form" which will be available via the Ellerston Capital website at www.ellerstongemsfund.com
- 2 The Sale Intention Form must then be faxed by the investor's broker to ANZ Securities Limited
Attention: Market Officer Operations,
Stathi Bosmis
Fax number: 03 9273 2925
Email: stathi.bosmis@anz.com
- 3 ANZ Securities then undertake the following:
 - 3.1 Confirm the Geared Investor's HIN, no. of units subject to the mortgage and the signature of the clients
- 4 ANZ Securities then forward the Sale Intention Form to ANZ Margin Lending, who
 - 4.1 Check the Geared Investor's loan balance
 - 4.2 Calculate any repayment amount of pre-paid interest that would become payable by ANZ to the Geared Investor (after any break fees)
 - 4.3 Calculate an exact payout figure required to extinguish the loan, and
 - 4.4 Assuming that the market value will clearly exceed the loan balance, ANZ provide ANZ Securities with consent to release the mortgaged units
- 5 ANZ Securities then emails the required payout figure to the selling broker
- 6 Geared Investor's broker sells the units and delivers a sell-side Contract Note to ANZ Securities as follows:
Attention: Market Officer Operations,
Stathi Bosmis
Fax number: 03 9273 2925
Email: stathi.bosmis@anz.com
- 7 The Geared Investor's broker sells the units and faxes a sell-side Contract Note to ANZ Securities to the fax number above.
- 8 Provided that net sale proceeds on contract note exceed the loan balance (after adjusting for any refund of pre-paid interest owed to the Geared Investor), ANZ Securities settles DvP with the Geared Investor's broker (who in turn has a matching DvP message with the purchaser's broker)
- 9 ANZ promptly (within 3 business days) retire the loan and issue a cheque for any excess proceeds to the Geared Investor



Sale Process – loan balance in excess of unit sale proceeds

Initial steps are as per above:

- 1 The broker through whom the Geared Investor wish to sell their units coordinates their client's completion of an Ellerston GEMS Fund "Sale Intention Form" which will be available via the Ellerston Capital website at www.ellerstongemsfund.com
- 2 The Sale Intention Form is then faxed by the investor's broker to ANZ Securities Limited
Attention: Market Officer Operations,
Stathi Bosmis
Fax number: 03 9273 2925
Email: stathi.bosmis@anz.com
- 3 ANZ Securities then confirm the Geared Investor's HIN, no. of units subject to the mortgage and the signature of the client(s)
- 4 ANZ Securities then forward the Sale Intention Form to ANZ Margin Lending, who
 - 4.1 Check the Geared Investor's loan balance
 - 4.2 Calculate any repayment amount of pre-paid interest that would become payable by ANZ to the Geared Investor (after any break fees), and
 - 4.3 Calculate an exact payout figure required to extinguish the loan.
- 5 Where it is apparent that **the net sale proceeds may not or will not exceed the loan balance** (after adjusting for any break-fee adjusted refund of pre-paid interest owed to the Geared Investor), ANZ as Mortgagor declines the request to release the units under mortgage
- 6 ANZ Securities then emails the required payout figure to the selling broker

The Geared Investor's broker emails ANZ Securities (Market Officer Operations, Stathi Bosmis on the email address below) to arrange the method by which the broker/client will top up the shortfall amount. Note that the top-up payment will be determined once the sale has occurred and will be required to be received in cleared funds by ANZ by no later than noon on the day prior to settlement of the trade.
- 7 Geared Investor's broker sells the units and delivers a sell-side Contract Note to ANZ Securities as follows:
Attention: Market Officer Operations,
Stathi Bosmis
Fax number: 03 9273 2925
Email: stathi.bosmis@anz.com
- 8 Provided that the top-up amount (being the difference between the net sale proceeds indicated on the contract note and the total loan balance) is received as instructed, ANZ Securities seeks ANZ's approval to release the stock and once received settles DvP with the Geared Investor's broker (who in turn has a matching DvP message with the purchaser's broker).
- 9 ANZ (within 3 business days) retire the loan and issue a cheque for any excess proceeds to the Geared Investor