



Surprise Yourself

ANZ Accelerated Answers

Leveraged wealth creation solutions

*ANZ Protected Equity
Investments*



ANZ



*Surprisingly rewarding.
Surprisingly soon.*

The only surprise in your future should be how easy it was to get there.

With ANZ Accelerated Answers you'll be surprised how quickly it all comes together.

However you see your future, more assets, more time, more living, ANZ offers a choice of wealth creation solutions designed to accelerate your arrival.

From our range of leveraged wealth creation solutions, you're about to discover protected equity investments.

Prepare to be surprised.

ANZ Protected Equity Investments

Now you can own a portfolio of selected shares in Australia's leading companies without the need to invest any of your own equity and without the risk of capital loss.

ANZ Accelerated Answers will lend you 100% of the purchase cost of your share portfolio. You are entitled to all the benefits of owning shares, but with none of the risks such as share market falls.

ANZ Accelerated Answers offers two protected equity investments:

- 1 ANZ Protected Equity Portfolio (APEP)
- 2 ANZ Protected Equity Portfolio Plus (APEP Plus)

The protected equity investment that is appropriate for you will depend on your individual circumstances and needs, such as your goals, attitude towards risk and lifestyle. Please consult your Financial Adviser and tax specialist or contact the ANZ Accelerated Answers Team on FREECALL™ 1800 639 330.

Key Benefits

100% finance

ANZ Accelerated Answers will lend you 100% of the purchase cost of your shares, without you having to provide any equity. You only have to cover your interest obligations.

No margin calls

You are protected from any downside in the sharemarket. That is, even if the share price falls below your original share purchase price, you will not receive a margin call. Therefore, you will not need to worry about having money in reserve to cover any downward movements in the market.

Stock specific protection

ANZ's Protected Equity Investments provide you with potential capital gains without the worry of losing on your investment if it decreases in value. That is, you don't have to offset any losses against gains.

The illustration below highlights this advantage. Five securities at \$20,000 each are purchased to give a \$100,000 portfolio. Investor 'A' who holds an ANZ Protected Equity Investment achieves a \$50,005 gain, however, Investor 'B' without an ANZ Protected Equity Investment only receives a \$33,675 gain. (See table below¹.)

Securities	Allocated Portion of Loan (\$)	Initial Purchase Price (\$)	Quantity of Shares in Portfolio	Price at Maturity (3 years)(\$)	Profit/(loss) under normal Portfolio (\$)	Profit/(Loss) under APEP/APEP Plus Portfolio (\$)
1	20,000	10.00	2,000	18.50	17,000	17,000
2	20,000	12.00	1,666	7.00	(8,330)	0
3	20,000	5.00	4,000	3.00	(8,000)	0
4	20,000	8.00	2,500	14.50	16,250	16,250
5	20,000	18.50	1,081	34.00	16,755	16,755
Investor A - Profit in a portfolio with APEP/APEP Plus						50,005
Investor B - Profit in a portfolio without APEP/APEP Plus						33,675

Tax advantages

You may be able to claim the majority of the interest payment as a tax deduction subject to your individual circumstances².

You should seek your own professional advice concerning the application of the taxation rules relevant to your particular circumstances prior to implementing a gearing solution, particularly as tax laws are subject to change.

ANZ Protected Equity Investments offer you the full exposure to capital gains from share price appreciation and 100% protection against losses on any securities that fall in value.

Key Features

The table below highlights the key features for both APEP and APEP Plus:

Features	APEP	APEP Plus
Term	3 Years	1, 3 & 5 Years
Minimum loan	\$50,000	\$50,000
Minimum loan increments	\$50,000	\$25,000
Minimum number of shares in the portfolio (securities to be selected from ANZ's list of securities)	4	1
Maximum weighting of each security in the initial portfolio value	25%	100%
Minimum exposure to each individual security	\$10,000	\$10,000
Payment of funding costs	Monthly or yearly in advance	Monthly or yearly in advance

Other Benefits

The following table highlights the benefits for both APEP and APEP Plus:

Other Benefits	APEP	APEP Plus
ANZ 'Interest only' loan	✓	✓
Choice of loan term		✓
Fixed rate of interest for the term of the loan	✓	✓
Stock specific protection - profits from securities that increase in value will not be used to offset losses, giving rise to the potential for higher returns	✓	✓
Full benefits of dividends and potentially the associated franking credits	✓	✓
Tax Certainty - ATO Product Ruling 2001/80 ²	✓	see endnote 3
Flexibility on the number of different securities you can hold in your portfolio	some	✓
Passive switch option	✓	✓
Active switch option		✓
Loan reset option	✓	✓
Ability to write covered calls		✓
Range of alternatives at maturity	✓	✓

Trading securities within your portfolio

ANZ Protected Equity Investments gives you the added flexibility to actively trade your shares via a passive switch option, an active switch option or a loan reset option. This gives you control of your investment.

Passive Switch Option

A passive switch option offers:

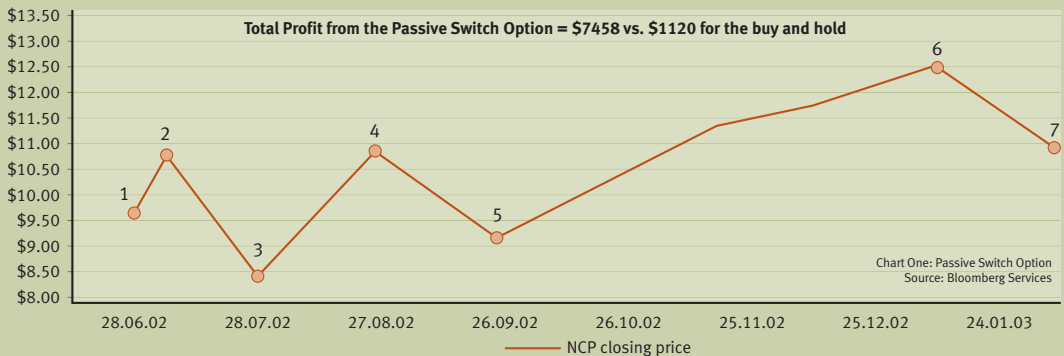
- a degree of tradeability in your portfolio, allowing you the choice to sell profitable securities and benefit from any price appreciation
- the ability to withdraw any proceeds that exceed the amount of the loan relating to the sold securities
- the ability to re-acquire the same parcel of securities at a later date.

The following is an example:

The numbers on the diagram below correspond to the following:

- 1 APEP Plus account creation.
Buy 1000 NCP on 28 June 2002 at \$9.68
- 2 Passive Switch Option.
Sell 1000 NCP at \$10.75. Profit \$1070
- 3 Passive Switch Option.
Repurchase 1144 NCP at \$8.46
- 4 Passive Switch Option.
Sell 1144 NCP at \$10.79. Profit \$2665
- 5 Passive Switch Option.
Repurchase 1055 NCP at \$9.17
- 6 Passive Switch Option.
Sell 1055 NCP at \$12.70. Profit \$3723
- 7 Maturity NCP at \$10.80.

Passive Switch



Active Switch Option (APEP Plus only)

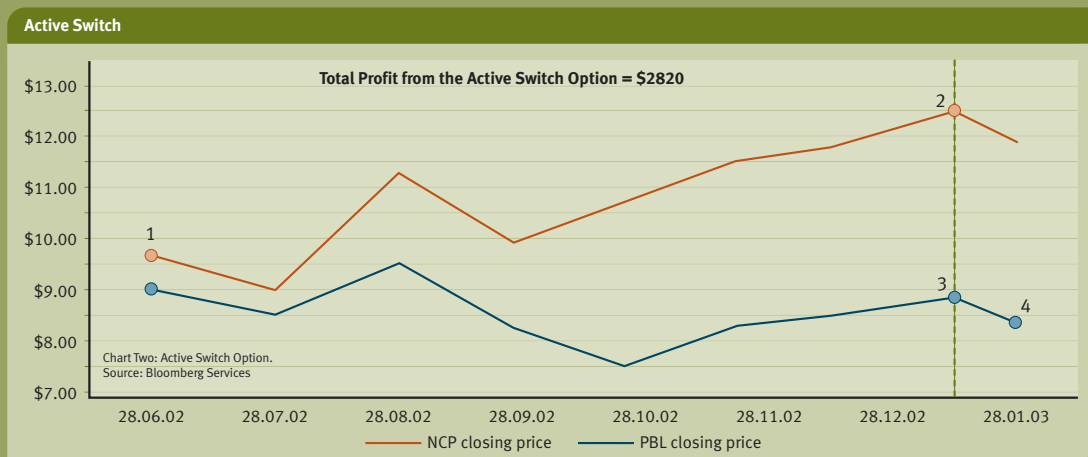
An active switch option offers:

- greater flexibility than the passive switch option, enabling you to take a more active role in trading your portfolio. Note that an Active Switch Fee applies
- the ability to sell securities in your APEP Plus and acquire a different type of security*. Your new security is protected at its entrance price. Note that this feature may also suit investors with 'conflict of interest' arising from holding a particular security.

The following is an example:

The numbers on the diagram below correspond to the following:

- 1 APEP Plus account creation.
Buy 1000 NCP on 28 June 2002 at \$9.68
- 2 Active Switch Option.
Sell 1000 NCP on 10 January 2003 at \$12.50. Profit \$2820
- 3 Active Switch Option.
Buy 1100 PBL on 10 January 2003 at \$8.80
- 4 PBL closing price on 6 February 2003 at \$8.36.



Loan Reset Option

A loan reset option provides an alternative to trading in and out of the securities in your portfolio. It allows you to:

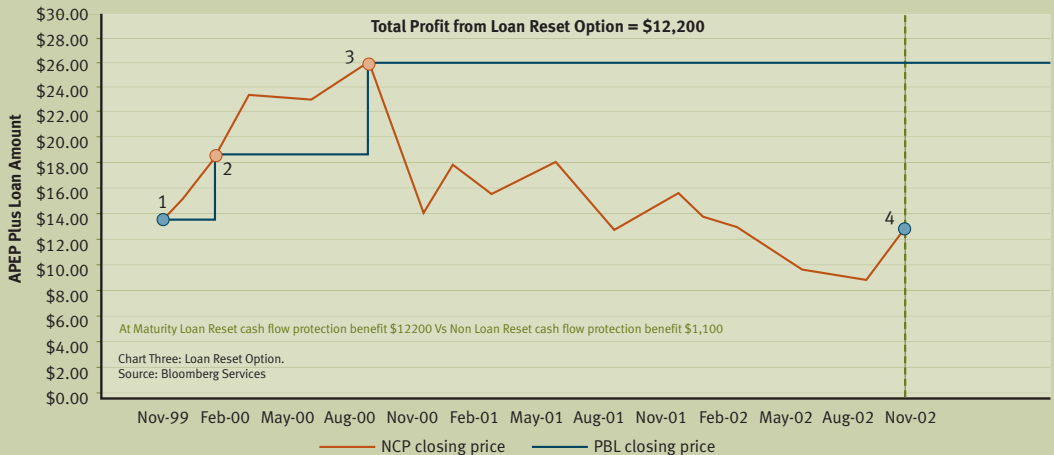
- protect unrealised gains achieved by your investment portfolio
- obtain additional funds for income producing purposes
- use an alternative to trading your securities
- have an option to increase the amount of your loan if the value of any securities in your portfolio has risen. Note that a Loan Reset Option Fee applies. This further loan amount is protected if the value of your portfolio subsequently decreases
- receive a possible tax deduction for a portion of the additional Funding Costs⁵.

The following is an example:

The numbers on the diagram below correspond to the following:

- 1 APEP account creation.
Buy 1000 NCP in November 1999 at \$13.80.
Initial Put protection \$13.80
- 2 APEP First Loan Reset Option.
Loan Reset on 1000 NCP in January 2000 at \$18.45.
Cashflow released \$4650.
Reset Put protection at \$18.45
- 3 APEP Second Loan Reset Option.
Loan Reset on 1000 NCP in September 2000 at \$26.00.
Cashflow released \$7550.
Reset Put protection at \$26.00
- 4 APEP Maturity. NCP in November 2002 \$12.70.
NCP Put Protection exercised at \$26.00.

Loan Reset Option



Your alternatives at maturity

At maturity⁶, you can choose whether you:

- repay the loan by selling all your securities and receive any remaining net profit
- sell a sufficient number of securities to repay the loan and keep the remaining securities
- sell any securities that have fallen in value to ANZ at the original purchase price as full repayment of that part of the loan relating to those securities
- repay the loan with your own funds and keep all the securities in your portfolio, with no further obligations to ANZ
- extend the loan for another term (if offered by ANZ).

Note: It is possible to repay the loan in its entirety prior to the scheduled maturity date, however a termination fee will apply.

How to apply

Copies of relevant Offering documents for APEP or APEP Plus can be obtained through the ANZ Accelerated Answers Team on FREECALL™ 1800 639 330, your Stock Broker or approved Financial Adviser. ANZ Protected Equity Investment Offering documents can also be downloaded by visiting www.anz.com/go/apep.

ANZ recommends that you obtain independent professional taxation, legal and financial advice before applying for ANZ Protected Equity Portfolio or ANZ Protected Equity Portfolio Plus.

Other ANZ Accelerated Answers

ANZ Accelerated Answers provides a range of gearing solutions to meet a range of investment needs:

- ANZ Margin Lending
- ANZ Regular Geared Savings Plan
- ANZ Instalments
- ANZ Equity Manager (a home equity facility).

To find out more about these other gearing solutions, contact the ANZ Accelerated Answers Team on FREECALL™ 1800 639 330.



Endnotes

- 1 The example compares the capital performance of two portfolios and does not include different funding costs between the portfolios or the related brokerage and other associated fees required in acquiring or realising the portfolio. In addition, if the price at maturity of all securities is greater than the purchase price of such securities, the stock specific protection feature of ANZ Protected Equity Investments will not result in a benefit to the investor.
- 2 The Australian Taxation Office (ATO) Product Ruling 2001/80 is only a ruling on the application of taxation laws to the ANZ Protected Equity Portfolio (APEP) and does not in any way represent an endorsement or guarantee by the ATO of the commercial viability of the product, of its soundness as an investment, or of the reasonableness or commerciality of any fees charged. The ATO Product Ruling is only binding on the Commissioner if the ANZ Protected Equity Portfolio is used specifically in the manner provided in the Product Ruling. Either 80% of the Funding Costs, or an interest amount calculated with reference to the published Reserve Bank Bulletin Indicator Fixed Rate for Personal Unsecured Loans, whichever is the lesser, should be tax deductible. The remaining Funding Costs are attributable to capital protection.
- 3 No (ATO) Product Ruling has been obtained in relation to APEP Plus. The ATO Product issued in relation to ANZ Protected Equity Portfolio has no application to investors in APEP Plus.
- 4 The value of the new type of securities to be acquired must be equal to the value of threshold securities at the time of loan draw down.
- 5 You should seek independent professional taxation advice for your particular taxation position.
- 6 ANZ recommends that you obtain independent professional advice in relation to your alternatives at maturity.

Disclaimer

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Note that ANZ has the discretion to accept or reject applications.

This information provides general information current as at the time of production. The information in this booklet is intended as a guide only; it is not intended to be a substitute for professional advice and should not be relied upon as such. Taxation laws are complex and their application may vary according to investors' specific circumstances. Consultation with an accountant or taxation adviser is recommended to determine the implications of taxation laws to investors' specific circumstances. This booklet was produced March 2003.

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NOTES TO TABLES AND EXAMPLES: These tables and examples are for illustration purposes only. Past performance is no guarantee or indication of future performance. Protected equity investments have the potential for loss up to the amount invested including any interest and borrowing fees paid.

