

COMMSEC  
MARGIN  
LOAN  
BOOST YOUR  
INVESTMENT  
POWER



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References in this brochure to specific shares or managed funds are for illustrative purposes and are not provided as product advice. Please obtain and consider the product disclosure statement (PDS), available from the Commonwealth Bank of Australia (ABN 48 123 123 124 AFSL 234945) as the product issuer, at [commsec.com.au](http://commsec.com.au) or by calling 13 17 09 before making any decision about the product.

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# BOOST YOUR INVESTMENT POWER WITH COMMSEC MARGIN LENDING

Building wealth for your future takes time and a sound investment strategy. For years Australians have been borrowing to invest (or gearing) into property and enjoying the profit potential of assets that would otherwise have been beyond their reach.

A CommSec Margin Loan helps you put the same principle to work with shares or managed funds.

Moreover, with CommSec, you'll have peace of mind knowing that you are with a margin lender with a strong reputation. A fully integrated award-winning product built on SMART Risk Management™ and online transparency which are vitally important traits in the current regulatory environment.

Importantly, opening a CommSec Margin Loan means you're with an acknowledged industry leader. We were voted Best Margin Lender of the Year two years running (2010 and 2011) by Money Magazine and rated 5 stars in the Cannex Awards 2011 for outstanding value.

This booklet is your introduction to CommSec Margin Lending. It will lead you through some of the key features and benefits of a margin loan including a case study designed to further assist you in your investment decisions. A CommSec Margin Lending Product Disclosure Statement (PDS) and Terms and Conditions are also available by visiting our website below. You should consider the PDS before deciding to obtain a margin loan.

To discover more about how you can boost your investment power, visit **commsec.com.au** or call us on **13 17 09** from 8am to 6pm (Sydney time), Monday to Friday.



Margin Lending star ratings, awarded by CANSTAR CANNEX, October 2011



Chosen as Money magazine's Margin Lender of the Year, 2010 and 2011

# THE BENEFITS OF MARGIN LENDING

<b>Accelerate your wealth faster</b>	Borrowing money to increase the size of your investment portfolio can allow you to grow your wealth at a faster rate and, depending on your investment, may earn you more dividends.
<b>Diversification</b>	Invest across a wider range of industries and companies. Diversification helps to reduce risk and smooth out returns when a below-average performance in one sector is balanced by a strong performance in another.
<b>Increased Liquidity</b>	<p>Most shares and managed fund units can usually be bought or sold on almost any business day, with clearly defined transaction costs.</p> <p>This means you can usually sell all or part of your investment quickly. If you need your money for any reason, your assets are much more liquid than some other investments, like residential property.</p>
<b>Unlock equity</b>	<p>By borrowing against an existing share portfolio, you can invest further without selling your assets and potentially incurring a capital gains tax liability.</p> <p>If you start with cash and build a geared portfolio, you can apply to increase your credit limit as your portfolio grows, giving you access to the equity you have gained.</p>
<b>Tax-effectiveness</b>	<p>Depending on your situation, a margin loan may help maximise the after-tax return on your investments.</p> <p>You may be able to:</p> <ul style="list-style-type: none"><li>• Claim the interest on your loan as a tax deduction.</li><li>• Pay interest in advance, helping you with tax planning, and bringing deductions forward.</li><li>• Receive dividends with franking credits that may reduce your tax liability.</li></ul> <p>Your tax adviser can help you understand how a margin loan will affect your individual situation.</p>

# COMMSEC MARGIN LENDING AT A GLANCE

<b>SMART Risk Management™</b>	Includes the tools to help you manage risk exposure and potentially avoid Margin Calls. Our key features include: <ul style="list-style-type: none"><li>• Portfolio LVR</li><li>• SMS Buffer Alerts.</li><li>• Margin Call Alerts.</li><li>• Self Service Facility lets you access and update your margin loan details and transfer funds online, whenever it suits you.</li><li>• Expert commentary</li><li>• Risk Calculator</li><li>• Case Studies</li></ul>
<b>Portfolio LVR</b>	Rewards investors who hold a diversified portfolio.
<b>Regular Gearing Plan</b>	Helps to build wealth over time by increasing the size of your monthly investment into managed funds by adding a borrowed amount to your personal contributions.
<b>Wide range of accepted securities</b>	Provides you with greater investment choice. Our accepted securities list consists of over 550 ASX listed shares and 2000 investment funds.
<b>Credit Limit</b>	The minimum credit limit is \$20,000 and you can draw down as little as \$500 at a time, allowing you to grow your knowledge and experience.
<b>5% Loan buffer</b>	To provide portfolio flexibility and to cater for market fluctuations.
<b>No fixed loan term</b>	You decide when and how much to repay.
<b>Flexibility</b>	Tailor your CommSec Margin Loan to suit your needs.
<b>Online transparency</b>	Manage your margin loan and trade in one convenient location plus 24 hour access to your portfolio online at <a href="http://commsec.com.au">commsec.com.au</a> .
<b>Fast approvals</b>	Applying for a CommSec Margin Loan is quick and simple. Loans for individuals can be approved within 24 hours.*

\*Subject to approval criteria.

# OUR FEATURES

## FLEXIBILITY

A CommSec Margin Loan allows you to tailor your borrowing and investment strategy to fit your needs, goals and tolerance for risk. The details are up to you.

You decide:

- How much to borrow;
- when to draw down funds from your loan;
- choose fixed or variable interest, or a combination of both;
- whether to pay interest as you go or capitalise it to your loan;
- which shares or managed funds to invest in.

Whether you have existing investments or are yet to establish yourself in the market, a CommSec Margin Loan can help you expand your portfolio and maximise your potential returns.

A selection of other key features include:

## PORTFOLIO LVR

Portfolio LVR rewards investors who hold a diversified portfolio by granting increased Loan to Value Ratios (LVRs) and access to LVRs on stocks that normally don't receive a LVR in a non-diversified portfolio. We call these bonus stocks.

Portfolio LVR may increase the LVR of a security in a diversified portfolio. This increased lending value, can generally provide investors a larger cover against margin calls or be utilised by investors to further grow their portfolio.

In addition to having access to Portfolio LVRs, investors holding a well diversified portfolio will be better protected if one or more of the investments don't perform as expected. We offer increased lending values in diversified portfolios as our experience in margin lending has shown us that a diversified portfolio is less likely to trigger a margin call than a non-diversified portfolio. Therefore we offer a reduced LVR on single stock and non-diversified.

Security Name	Single Stock LVR	Standard LVR	Portfolio LVR
Equity A	65%	70%	75%
Equity B*	0%	0%	40%

\* Equity B is an example of a bonus stock which receives a Portfolio LVR in a diversified portfolio.

### **WIDE RANGE OF ACCEPTED SECURITIES**

You can use a Regular Gearing Margin Loan to make regular investments in more than 1,600 investment funds. You can also borrow against, and invest in, more than 550 shares. The list of accepted securities and their lending ratios is available from [commsec.com.au](http://commsec.com.au) or by calling **13 17 09**. You can borrow between 30% and 80% of the value of an accepted security.

### **CREDIT LIMIT**

Our minimum credit limit is \$20,000, so you can enjoy the advantages of gearing without borrowing large amounts of money. You only draw down as much as you want to invest, and individual draw downs can be as low as \$500. That means you can start small, then expand your portfolio as new investment opportunities arise and your knowledge and experience grow.

### **5% LOAN BUFFER**

Because the sharemarket can be volatile, we provide a 5% buffer on the market value of your portfolio. That means your loan balance can exceed your portfolio lending value by up to 5% of the market value of your portfolio before you receive a margin call. You should take this as a warning that your margin loan is approaching a margin call and take action to avoid a margin call being triggered. Once your loan is in margin call, the full buffer amount must be cleared in full to satisfy your margin call. As part of our SMART Risk Management™, we will take reasonable steps to contact you by SMS when your loan is in buffer to help you potentially avoid a margin call.

### **NO FIXED LOAN TERM**

There is no fixed term on a CommSec Margin Loan, which is provided on a continuing basis, subject to the terms and conditions. Principal repayments of your variable loan balance can be made at any time during the life of the loan. If you terminate all or part of a loan for which interest has been prepaid or during a fixed rate period, fees may apply.



# SUPPORTING YOUR INVESTMENT

When you open a CommSec Margin Loan you have peace of mind knowing you are with a margin lending leader who is dedicated to helping you build your wealth over time. You have access to our industry leading research and knowledge at **commsec.com.au**, or we are only a phone call away on **13 17 09** from 8am to 6pm (Sydney time), Monday to Friday.

Furthermore, a Commsec Margin Loan offers other key benefits such as:

## ONLINE TRANSPARENCY

By borrowing and investing through CommSec, you can take advantage of CommSec's research and advanced trading tools. You can trade on your CommSec Margin Loan with a single mouse click or phone call. Best of all, when you trade online and settle your trades through a CommSec Margin Loan, you can benefit from CommSec's low Internet Preferred brokerage, saving you money every time you trade.

In addition to CommSec's research and trading facilities, we provide you with the tools to ensure you can build your portfolio and boost your investment power.

- A What-If calculator that helps you discover how many shares you can buy in a particular company using your margin loan.
- A history of your loan transactions.
- Online funds transfers to transfer funds into, and out of, your loan.

You can also monitor your investments online, with:

- A position summary of your loan including your loan status and funds available.
- Summaries of your loan balance and recent transactions.
- Details of your loan securities and their current value.

## FAST APPROVALS & HELP WHEN YOU NEED IT

Loans for individuals can be approved within 24 hours\*, plus our helpful Account Managers are available on **13 17 09** from 8am to 6pm (Sydney time), Monday to Friday. They can help you with up-to-date information on your loan and portfolio, new drawdown or trading requests, and other enquiries.

Your online loan Position Summary, online margin lending self service tools, plus CommSec's powerful online trading and research tools, are available 24 hours a day at **commsec.com.au**

\* Subject to approval criteria

# BUILDING YOUR WEALTH

As one of the only margin lenders offering a fully integrated service, CommSec's margin lending product's focus is simple: to assist you in boosting your wealth over time. Furthermore, we offer you a number of easy-to-follow steps to help you with your investment decision.

- 1. Decide on your initial contribution.** You can contribute shares, managed funds and/or your own money as security. If you have an existing portfolio, you can use your CommSec Margin Loan to free up capital without selling your investments, and use the money for any investment purpose.
- 2. Decide how much you want to borrow.** If approved, your credit limit is the maximum amount you can draw down from your loan (if allowed by your portfolio's current lending value). You can apply for a credit limit increase at any time during the life of your loan.
- 3. Choose an interest option.** You can choose a variable interest rate, charged monthly in arrears, or a fixed interest rate, charged yearly in advance. You can also choose to pay interest as you go, or to capitalise it to your loan. Ask your tax adviser if you can claim investment loan interest as a tax deduction.
- 4. Draw down and invest.** Once your loan is approved, you can draw down all or part of it online at [commsec.com.au](https://www.commsec.com.au) on our secure website or by calling **13 17 09**. That means you can research the market and take advantage of investment opportunities as they arise. CommSec research and charting tools can help you identify potential investments and decide when to invest. Ensure you regularly monitor your portfolio and take steps to avoid or respond to any potential margin calls.

**SAVE TO BUILD**

To further build your wealth over time, a regular savings plan is the key. When you combine the power of a margin loan with all the benefits of a disciplined savings plan, you have a truly powerful investment strategy. Now it's easy, with a CommSec Regular Gearing Margin Loan.

A Regular Gearing plan offers a simple and automatic approach to investing. It allows you to increase the size of your monthly investments into managed funds by adding a borrowed amount to your personal contributions. A Regular Gearing plan may be suitable if you do not have a large lump sum amount to invest, wish to use a more conservative entry strategy or want to adopt a 'dollar cost averaging' strategy.

For every dollar you contribute, we lend you up to two dollars, multiplying your saving power. Each month your contributions are added to your borrowings and invested automatically in the managed investment funds of your choice.

And you're not limited to investment funds. As your growing portfolio acts as security for your loan, provided you have enough security, you can use your Regular Gearing Margin Loan to buy and sell Australian shares from our accepted securities list. Your shares also acts as security for your loan.

By combining gearing with a regular savings plan, you can potentially:

- Build a bigger investment, faster.
- Invest in a wider range of funds.
- Increase your fund distributions.
- Increase your capital gains.

# HOW MUCH CAN I BORROW?

## LENDING RATIOS

We will lend you between 30% and 80% of the market value of an accepted security and up to 95% of cash lodged. This percentage is called the security's lending ratio, and it may vary over time, based on the value and liquidity of the security. An up-to-date list of accepted securities and their lending ratios is available from [commsec.com.au](http://commsec.com.au) or our Account Managers on **13 17 09**.

## LENDING VALUES

Multiply the lending ratio of a security in your portfolio by its market value to get its lending value. The total of all of the lending values in your portfolio is the portfolio's lending value – the maximum amount you can borrow at a particular time, using your portfolio as security.

When you buy shares or managed fund units with your margin loan, the lending value of your portfolio grows, increasing your borrowing power. This means you need to take your planned purchases into account when calculating how much you can borrow.

For example, if you own \$3,000 worth of shares with a lending ratio of 70%, you could use your margin loan to buy another \$7,000 worth of the same shares, creating a \$10,000 shareholding. Your shareholding would have a total lending value of \$7,000 ( $\$10,000 \times 70\%$ ), supporting your margin loan.

Our Account Managers can help you work out the number of shares or managed fund units you can buy with your loan. After your loan is approved, you can also log on to [commsec.com.au](http://commsec.com.au) and use the online 'What If' calculator. Remember that you can reduce risk by borrowing less than the maximum.

## CREDIT LIMIT

Your credit limit is the maximum amount you can borrow on your margin loan. You decide on a credit limit when you apply for your loan; you can also apply for a credit limit increase at any time during the life of your loan.\*

The minimum credit limit you can apply for is \$20,000. Once your credit limit is approved, you can draw down as much or as little as you want (within the limit set by your portfolio's current lending value).

You will only pay interest on your loan balance not the credit limit on your loan.

\* Subject to approval criteria

# THE POTENTIAL RISKS

There's no doubt that every investment involves some risk. For example, while some shares or investment funds may have been excellent investments over the longer term, some have not. Past performance is not an indication of future performance. Prices fluctuate from day to day, and some funds are better investments than others.

A margin loan is a powerful financial tool that multiplies your potential profits, but can also multiply your losses. If the value of your investment falls, your losses will be larger than if you had an ungeared investment and this may result in the value of your security being insufficient to repay your loan.

## MARGIN CALLS

The lending value of your portfolio depends on its market value. As the market value of your portfolio rises and falls, so does its lending value.

If the market falls far enough, your portfolio's lending value may fall below your current loan balance. We allow for a buffer on the market value of your portfolio, but if your loan balance exceeds the lending value of your portfolio by more than the buffer, a margin call will be triggered.

In addition your portfolio is subject to a Maximum Gearing Ratio\*. If at any time your portfolio exceeds the Maximum Gearing Ratio, a margin call will be triggered.

## IN THE EVENT OF A MARGIN CALL

Our online transparency allows you to regularly monitor your portfolio and take steps to avoid a Margin Call occurring. In the event of a Margin Call, it is your responsibility to immediately adjust your gearing level so that it is equal to or below the lower of:

- your portfolio's current lending value
- the Maximum Gearing Ratio

## TIP

Use the online calculator. After your loan has been approved, you can use CommSec's online What-If Calculator to discover how many shares in a particular company you can buy with your loan. You'll find it in the Margin Lending section of the CommSec web site.

\*Please refer to the Accepted Securities list online.

We will take reasonable steps to notify you and your adviser (if applicable) by SMS, email or phone. You must ensure you are contactable at all times in the event of a Margin Call. Please ensure you keep us informed of your current contact details.

#### HOW TO RESOLVE A MARGIN CALL:

- Depositing money into your loan account to reduce your loan balance; and/or
- providing additional shares or investment fund units to increase your portfolio value; and/or
- selling part of your portfolio and using the proceeds to repay part of your loan.

If you do not take action within the required time (by 2pm Sydney time on the business day after the margin call occurs), we may sell some or all of your securities to reduce your loan balance.

#### FALL IN MARKET VALUE BEFORE A MARGIN CALL IS TRIGGERED

The table below shows how you can give yourself more breathing space by borrowing less than the maximum. For example, if your portfolio has a lending ratio of 70%, but your actual gearing ratio is only 50%, then your portfolio has to fall by 33% before it triggers a margin call (as shown by the highlighted box).

Maximum lending ratio for your portfolio	Actual gearing ratio of your portfolio (loan balance/market value)				
	70%	60%	50%	40%	30%
70%	7%	20%	33%	47%	60%
60%		8%	23%	38%	54%
50%			9%	27%	45%
40%				11%	33%

## TIP

Stay in touch. CommSec's online Margin Loan Position Summary makes it easy to keep your loan in balance, by comparing your current gearing ratio and your portfolio's maximum lending ratio.

# MANAGING YOUR COMMSEC MARGIN LOAN AND PORTFOLIO

CommSec makes it easy to track and manage your portfolio and margin loan, all at the same convenient location.

## Manage your Margin Loan and portfolio online at [commsec.com.au](http://commsec.com.au)

Margin Lending Self Service equips you with the convenience to manage your Margin Loan online by allowing you to:

- Transfer funds to and from your loan account.
- Request an increase to your credit limit.
- Amend your bank accounts for direct debits and credits.
- Update your loan account details.
- View your Position Summary and recent transaction history.
- Check the current value of your portfolio.
- Monitor your loan balance, lending ratios and portfolio lending value, with loan information updated daily.
- Calculate the number of shares or managed fund units you can buy, using the What-If calculator.
- Use Custom Portfolios and Watchlists to track potential investments.
- Research the market with Company Profiles and Charting.
- Use CommSec's free online research tools to compare managed funds, monitor fund performance and find a fund that most closely matches your personal investment objectives.

## Stay in touch

Keep in touch with the market with:

- Phone Trader, CommSec's automated telephone broking system. Use Phone Trader to check current share prices, monitor your selected watchlist, or place or monitor a trade.
- Share Alerts. Use Share Alerts to keep track of your favourite stocks by SMS or email.
- Talk to an Account Manager on **13 17 09** between 8am to 6pm, Monday to Friday, Sydney time.

## TIP

Secure your position. Use CommSec's Conditional Trading tools to keep your share-trading strategy locked in, even when your eye is off the market. With the funds in your CommSec Margin Loan account, you can use a conditional Buy order to invest in a stock when it reaches your target price. See [commsec.com.au](http://commsec.com.au) for details.

# CASE STUDY – THE POWER OF A MARGIN LOAN

## 1. THE STRATEGY

Amy wants to achieve the best possible return on her money without restricting her financial freedom. She has considered investing in shares, but feels that her capital is too small to finance a properly diversified portfolio. As an accountant, she appreciates the importance of diversification in reducing portfolio risk and maximising opportunities for profit. But Amy wants to invest now, not in five years' time — and she certainly doesn't want to scrimp and save just to accumulate more capital.

## 2. HOW SHE DID IT

Amy uses a CommSec Margin Loan to borrow an additional \$50,000, giving her a total of \$100,000 in investment capital. That's more than enough to establish a sizeable and well-diversified share portfolio.

By investing in shares, Amy can combine potentially high returns with flexibility. For example, if she wants to access some of her capital for a holiday, she can simply sell a portion of her portfolio, something that's just not possible with a property investment. She can also invest immediately while maintaining a relatively low level of borrowings — much lower than would be required to buy even the smallest city apartment. And, by investing with a margin loan, Amy multiplies her potential returns if her investment prospers.

## 3. THE RESULT

Over the 5 years of the loan, Amy's investments grows from \$6.00 (initial purchase price) to \$15.00 (end value of the shares). During this time, she receives total dividends of \$2.30 per share.



The table below shows how Amy's CommSec Margin Loan helped her turn her \$50,000 into a share portfolio worth over \$288,000 in five years, with net proceeds of \$224,000 after her loan borrowing costs have been accounted for.

Amy's strategy is also easy to maintain. Because she is borrowing for investment purposes, her interest expenses are likely to be tax deductible. Since she is in the highest tax bracket, that makes a big difference to the bottom line.

	Without a Margin Loan	With a Margin Loan
<b>Amy's own capital</b>	\$50,000	\$50,000
<b>CommSec Margin Loan</b>	Nil	\$50,000
<b>Total Investment</b>	\$50,000	\$100,000
<b>Dividends received</b>	\$19,166	\$38,332
<b>Market value of shares at the end of year 5</b>	\$124,995	\$249,990
<b>Total value at the end of year 5</b>	\$144,161	\$288,322
<b>Less borrowing costs @ 9.15% p.a.</b>	Nil	\$22,875
<b>Potential tax deduction on borrowing cost</b>	Nil	\$10,637
<b>Less Margin Loan repayment</b>	Nil	\$50,000
<b>Net portfolio value at end of year 5</b>	\$144,161	\$226,084

**Assumptions:** This table compares the potential return on Amy's investment with and without a margin loan. The calculations show the net proceeds of each strategy after loan and interest costs have been paid. It assumes shares with an initial value of \$6 have increase to \$15 over the 5 year period and total dividends received equal \$2.30, a marginal tax rate of 46.5%, an average annual margin loan interest rate of 10.50% and excludes brokerage and any other fees. This example is hypothetical and for illustrative purposes only, it does not reflect any particular person. No warranty is provided in regard to the results shown and different assumptions will lead to different outcomes which could vary significantly from the example.

# STRATEGY TIP: AVOIDING A MARGIN CALL

## PRACTICAL RISK MANAGEMENT

There are a number of simple but effective strategies that can help you avoid a margin call.

<b>Borrow less than the maximum</b>	An investor who borrows less than their portfolio's maximum lending value is far less likely to experience a margin call.
<b>Use investment income</b>	Fund distributions can be used to reduce your loan balance or increase your portfolio value, lowering your gearing ratio.
<b>Pay your interest regularly</b>	Capitalising interest is more risky, since it increases your loan balance. That's why it can make sense to pay interest as you go.
<b>Ensure you have sufficient cash flow</b>	Work out your interest payments and other costs in advance. Remember that interest rates may rise.
<b>Diversify</b>	Diversification helps to smooth out volatility, making a margin call less likely. When you spread your portfolio across different companies and sectors, a fall in the value of one investment may be offset by a rise in the value of another. Furthermore, you can take advantage of Commsec Portfolio LVR when you hold 5 or more accepted securities.
<b>Monitor your investments</b>	Keep an eye on the market and your loan balance, and be prepared to adjust your strategy when the market outlook is less positive.

# COMMSEC MARGIN LOAN QUICK GUIDE

## QUESTION

<b>Who is eligible?</b>	CommSec Margin Lending is available to customers who are 18 years of age or older, are an individual, company or trust, and excludes superannuation funds.
<b>How can I apply?</b>	<p>Before applying, read the CommSec Margin Loan Product Disclosure Statement (PDS), CommSec Margin Loan Terms and Conditions, CommSec Trading Terms and Conditions and the CommSec Financial Services Guide (FSG).</p> <ol style="list-style-type: none"> <li>1. You may apply online at <b>commsec.com.au</b></li> <li>2. Download an application form, complete and mail to us at: CommSec Margin Loans Locked Bag 34 Australia Square NSW 1214</li> <li>3. Request an application form to be sent to you by calling <b>13 17 09</b>, 8am to 6pm (Sydney time), Monday to Friday</li> </ol>
<b>How do I lodge my initial contribution?</b>	<p>You can transfer shares, cash and/or managed funds into your margin loan. To lodge:</p> <ul style="list-style-type: none"> <li>• <b>Shares</b> – transfer shares you already own on your CommSec trading account call us on 13 17 09, or you can lodge issuer or broker sponsored shares.</li> <li>• <b>Cash</b> – please refer to ‘How do I transfer funds to and from my margin loan?’ below.</li> <li>• <b>Managed funds</b> – complete the Funds Lodgement form available online</li> </ul>
<b>What is the minimum credit limit?</b>	The minimum credit limit is \$20,000. The ability to utilise the credit limit is dependent on your portfolio’s lending value.
<b>How much do I have to invest each time?</b>	The minimum drawdown amount is \$500.
<b>What security can I invest in or borrow against?</b>	You can invest in any shares listed on the ASX or unlisted managed funds. We lend on over 550 shares and 2000 investment funds. The accepted securities list available at commsec.com.au shows the borrowing limit for each security we lend against.

## QUESTION

<b>How do I trade with a CommSec Margin Loan?</b>	<p>We will automatically set up a new trading account for your Margin Loan if it is approved. Using this new trading account, you'll gain access to the CommSec website to start trading.</p> <p>Once you have lodged your initial contribution. All trades placed on this new trading account will automatically settle on your CommSec Margin Loan. You will need to provide your initial contribution prior to placing a trade.</p>
<b>Do I need to trade through CommSec?</b>	<p>You can trade with CommSec or another stockbroker of your choice. If dealing with an external broker, they will need to provide us the contract notes prior to the settlement date to ensure that it will settle through your margin loan.</p>
<b>Who owns the shares I buy with my loan?</b>	<p>You retain beneficial ownership of all securities, and receive dividends and associated franking credits.</p>
<b>How is interest calculated?</b>	<p>You can choose between variable interest charged monthly in arrears, or fixed interest paid yearly in advance.</p>
<b>How do I transfer funds to and from my margin loan?</b>	<ol style="list-style-type: none"> <li>1. The easiest and most efficient method is to transfer funds online through <b>commsec.com.au</b>; or</li> <li>2. Call us and we can credit/debit your nominated bank account linked to your margin loan</li> <li>3. For loan repayments you can also pay by BPAY or EFT. Please call us for your unique reference number.</li> </ol> <p><b>Important</b></p> <ul style="list-style-type: none"> <li>• A drawdown is subject to the funds available on your loan and credit limit.</li> <li>• To transfer funds through our website or over the phone, you will need to have previously supplied a direct credit authorisation.</li> <li>• Requests received on a business day prior to 3pm (Sydney time) will be processed effective that day.</li> </ul>
<b>How do I keep track of my loan?</b>	<p>Account information is available 24 hours a day online at <b>commsec.com.au</b> or by calling us on <b>13 17 09</b>, 8am to 6pm (Sydney time) Monday to Friday.</p>
<b>Can I use my CommSec Cash Management Accounts as collateral for my Margin Loan?</b>	<p>Yes, you can at the same time as it is earning you interest. A hold is placed on the funds securing your loan which means you cannot withdraw these funds from the bank until the hold is removed.</p>

# FEES AND CHARGES

There are no application fees, establishment fees or account keeping fees unless you are applying as a trustee. Government charges may apply.

For the full list of fees and charges go to [www.commsec.info/marginloan/tools-support](http://www.commsec.info/marginloan/tools-support) or call 13 17 09.

Fees and charges are subject to change at any time.

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# WE'RE HERE TO HELP

To find out more, call us on **13 17 09**, 8am to 6pm (Sydney time),  
Monday to Friday, or visit our web site at **[commsec.com.au](http://commsec.com.au)**

**13 17 09**  
commsec.com.au