Guide to BankSA Margin Lending.

We're closer. BankSA

Things you should know.

This information is for informational purposes only. It should not be considered a comprehensive statement on any matter and does not constitute financial product advice. Before acting on this information you should seek independent financial and taxation advice.

This information has been prepared without taking account of your objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs.

Examples and projections given are for illustrative purposes only and cannot be relied upon as any indication of the outcomes of investment. Any projections given are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which any examples or projections are based are reasonable, the examples or projections may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these examples or projections.

Neither Westpac Banking Corporation nor any of its respective directors, officers, employees, associates or its subsidiaries guarantee or give any assurance in regard to the capital value, income return or performance of any securities or investments acquired through or in relation to a BankSA Margin Loan.

Contents.

A powerful way to maximise your wealth.

At BankSA, we offer you all the benefits of a margin loan along with our distinctively personal approach – a combination that makes a BankSA Margin Loan one of the most simple and flexible ways to build your wealth.

WHAT'S A MARGIN LOAN?

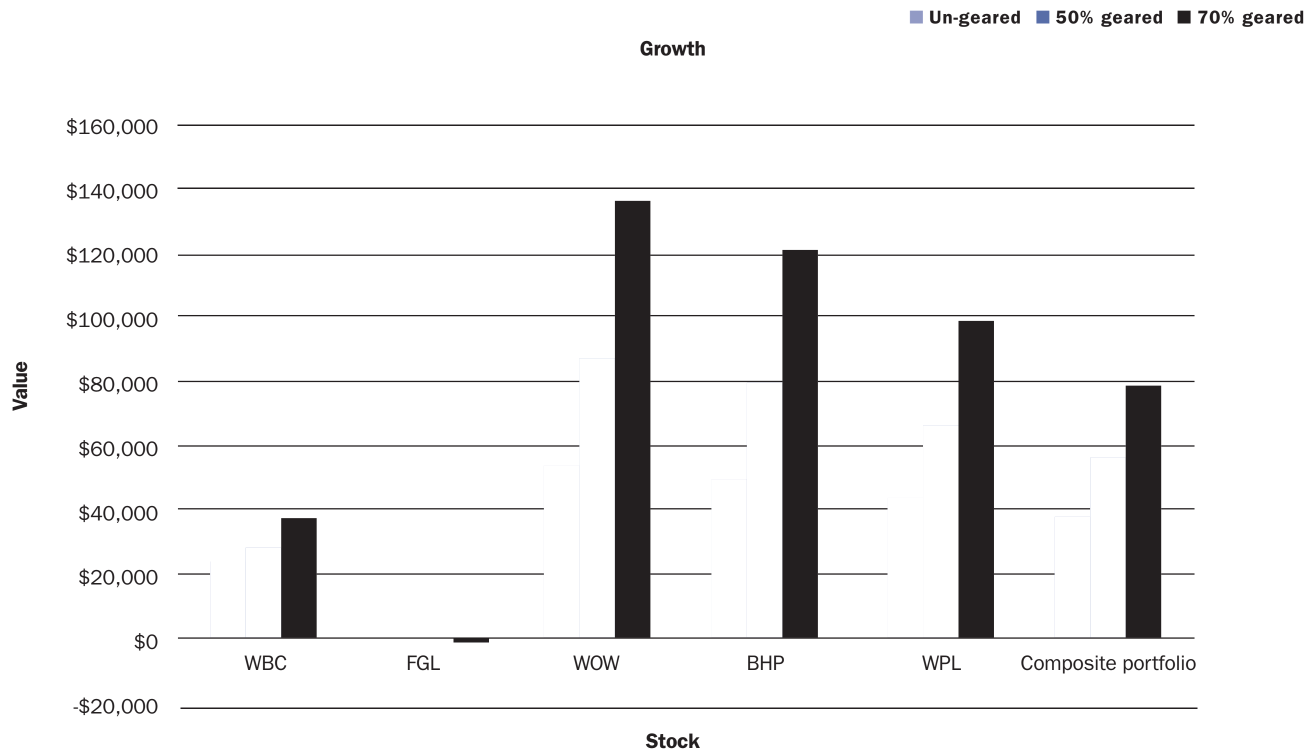
A margin loan lets you borrow money to invest in shares, managed funds, master trusts and wraps. This is also known as gearing. Just like investing in property, where the loan is secured against the property, your margin loan is secured against your shares, managed funds, master trusts and wraps.

INVESTING MORE TO EARN MORE.

A margin loan gives you more to invest, and you have the potential for bigger returns. This is shown in the graph below. Of course, this also magnifies the potential for losses if investments perform poorly.

The graph below illustrates the effects of gearing in certain Australian shares over a ten-year period. If you had invested $10,000 in a portfolio of shares (WBC, FGL, WOW, BHP, WPL) in 1999, after ten years your investment would be worth $36,360. However, if you had geared at a 50% loan-to-value ratio (LVR) (where you invested $10,000 of your own funds and borrowed $10,000 to invest a total of $20,000), your investment would have grown to $54,720 (after repaying the loan and interest costs).

How returns and losses are multiplied by gearing – geared investments vs un-geared investments of $10,000 in certain Australian Shares 1999 – 2009



Source: Advance Investment Solutions. Chart shows capital growth performance of a selection of shares from 31 December 1999 to 31 December 2009. Interest rate 8% pa paid on borrowed funds. Dividends, imputation credits, and facility costs are not included. Capital gains tax consequences are not considered. Past performance is not indicative of future performance. Any changes in assumptions could significantly change the results. You should also consider that investment returns are highly dependent on economic cycles and market volatility.

BankSA Margin Loan features at a glance.

APPLYING FOR A MARGIN LOAN.

Who can borrow? Australian resident:

- Individuals
- Proprietary companies
- Family, discretionary or testamentary trusts

Sensible credit assessment: When you request a credit limit, we'll assess your financial situation to determine whether the credit limit is suitable for you.

Flexible security structure: The security can be in the names of individuals, joint borrowers and third party security providers. This could help with your tax planning.

LOAN SET-UP.

Low or no fees.

- No monthly account-keeping fees
- No transaction costs
- No establishment fee for individuals – there is a fee for companies ($139) and trusts ($165) to cover ASIC fees and trust vetting – this is non-refundable if the application is rejected or not pursued

Draw down your loan when you're ready: You can set up your facility and add securities when you're ready to invest.

Account Management Team: If you need any help, simply call us on **1300 305 172**, 7.30am - 5.30pm, Monday to Friday.

INTEREST RATE OPTIONS.

Choose between variable rate or fixed rate:

- Variable rate – calculated daily on loan balance and charged monthly in arrears, or
- Fixed rate – paid in advance on nominated terms from three months to five years. (Prepaid interest is non-refundable and there are break costs.)

The variable interest rate falls as your loan balance increases: Once your total loan reaches certain levels, you'll automatically receive lower interest rates on the variable rate loan.

Payment options: Interest can be paid by direct debit or cheque. On variable rate loans you can also capitalise the interest to your loan subject to the facility terms and conditions.

FLEXIBLE LOAN OPTIONS.

Low minimum loan: Minimum loan of $20,000.

Maximum loan: The maximum loan size is determined by the LVR of your securities and your credit limit.

Multiple loans: You can choose to have a variable rate loan and/or any number of fixed rate loans under the one facility.

Loan advance: Loan advances can be made for any lawful investment or business purpose, excluding buying, renovating or improving residential property.

Repaying your loan: Part or full repayments can be made at any time on variable rate loans. Even if repaid in full, you can keep the facility open for future use at no cost.

INVESTING.

Acceptable securities list (ASL): You can choose from a comprehensive range of investments, including shares, managed funds, master trusts and wraps, with a range of LVRs.

Trading: You can trade while your account stays within the agreed limits.

Adviser of your choice: You can use the stockbroker[1] or financial planner of your choice.

1 Some online-only brokers are not available.

MANAGE YOUR ACCOUNT ONLINE.

Online access to your account: A secure password gives you and your adviser online access to a wide range of account details, 24 hours a day, 7 days a week[1].

Updated stock prices: See the true market value[2] of your ASX-listed securities.

Simulate trades: We have a tool that lets you see the impact on your account of buying or selling securities (before you trade).

MANAGING THE RISK.

Buffer: The buffer lets you absorb small market movements above your borrowing limit without triggering a margin call. You can choose to be alerted via SMS or email (or both) if your account is within the buffer.

Margin call alerts: A margin call is triggered when your loan balance exceeds your borrowing limit by more than the buffer. You can choose to be alerted via SMS or email (or both) if your account has reached a margin call.

INVESTMENT STRATEGY OPTIONS.

Savings gearing: Investing borrowed funds supplemented by your own funds is an effective way to build up your investments on a regular basis.

Call options: By writing call options you're able to earn additional income using the investments in your margin loan portfolio.

Earn interest on your credit balance: Transferring your credit balance to a linked Cash Management Account lets you earn interest between trades. You can also direct your dividends into this account.

1 Subject to systems availability and maintenance.
2 Pricing is delayed 20 minutes behind the ASX.

How a margin loan can boost your investments.

UNLOCK THE EQUITY IN YOUR EXISTING INVESTMENTS.

Because you're borrowing cash against your existing investments, a margin loan lets you raise cash for investment purposes without having to sell your investments.

SUPPORT YOUR RETIREMENT GOALS.

Investors may use a margin loan as a means of building their wealth for retirement.

GREATER DIVERSIFICATION OF YOUR PORTFOLIO.

Because a margin loan gives you more funds to invest, you can spread your investing across a broader range of assets to build a more diversified portfolio.

With a BankSA Margin Loan, you can choose investments from the wide range on our ASL, which includes shares, managed funds, master trusts and wraps. This means greater flexibility to build your portfolio using the diversification and risk exposure that best suits your objectives.

For an updated ASL, call **1300 305 172**, 7.30am - 5.30pm, Monday to Friday or visit **banksamarginlending.com.au**

MARGIN LENDING CAN BE TAX-EFFECTIVE.

- Interest paid on your loan is generally tax-deductible.
- Interest can be paid up to 12 months in advance and you may be able to get an additional tax deduction for the prepaid interest in the current financial year (subject to your ability to satisfy the tax prepayment rules).
- By borrowing against your existing portfolio, you may increase the size of your investment without having to sell your existing portfolio and potentially create a capital gains tax event.
- Australian shares often generate franked dividends, which yield imputation credits that may be used to offset other tax liabilities.

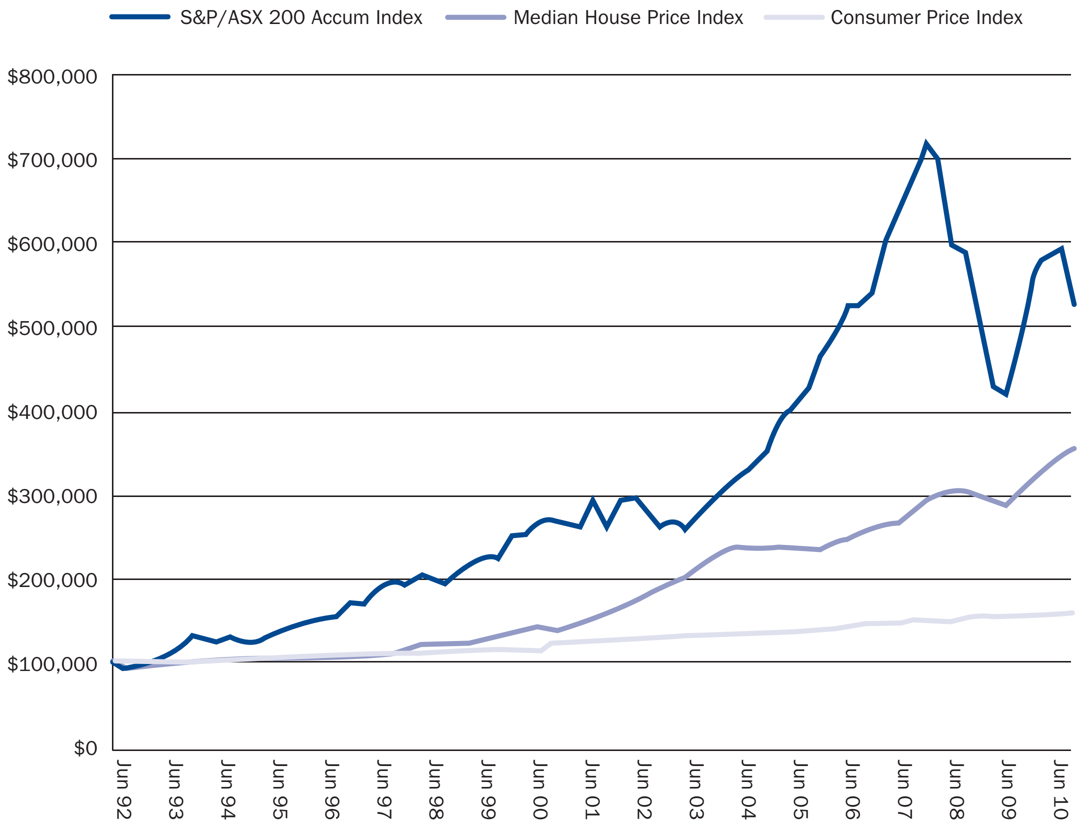
Tax laws are complex and may change over time, possibly with retrospective application. You should consult a tax specialist or your financial adviser regarding the tax consequences of investing in a margin loan.

HOW SHARES CAN ENHANCE YOUR RETURNS.

Investing in shares, either directly or through managed funds, can be a rewarding strategy for long-term capital growth and returns.

The following chart compares $100,000 invested in the S&P/ASX 200 Accumulation Index against the Australian House Price Index with the Australian Consumer Price Index (CPI) from June 1992. As you can see, while stockmarket investments are often more volatile in the short term, over the longer term they have tended to outperform other investment classes such as property.

Based on $100,000 invested in S&P/ASX 200 Accumulation Index compared to the growth of the Australian House Price Index and Australian CPI.



Source: Advance Investment Solutions and Bloomberg. Chart shows $100,000 invested in the S&P/ASX 200 Accumulation Index from 1992 – 2010, Australian median house price growth and the Consumer Price Index growth during the same period. Capital gains tax consequences are not considered. Past performance is not indicative of future performance.

HOW MUCH CAN YOU BORROW?

The amount you can borrow with a BankSA Margin Loan is determined by your credit limit and the value of the shares, managed funds or cash you provide as security.

You'll be assessed for your requested credit limit based on your financial position. The credit limit is the maximum your loan can reach, regardless of your borrowing limit.

To work out your borrowing limit (or maximum LVR), we apply a percentage or LVR to the value of each security. As long as your loan is within your credit limit, you can borrow up to the maximum LVR in your loan account.

THE MULTIPLIER EFFECT.

If you use your available funds to buy approved investments for your loan portfolio, then your borrowing limit also increases – potentially giving more available funds to invest.

The table below shows the amount you may be able to borrow increases due to the multiplier effect:

How much you can borrow to invest using existing shares or managed funds as security

	Value of your security = $30,000		
How much you can borrow[1]	If your existing security has an LVR of 50%	If your existing security has an LVR of 60%	If your existing security has an LVR of 70%
	$30,000	$45,000	$70,000

[1] Table assumes that borrowed funds are used to buy investments with the same LVR as the existing security, and that the new investments are also added to the loan account as security.

If you have shares with a value of $30,000 and an LVR of 60%, the amount you can borrow is 60% x $30,000 = $18,000.

If you're going to invest that $18,000 of available funds into further security for the loan (and that security has an LVR of 60%), you can borrow up to $45,000.

The formula to work out how much you can borrow to invest against an existing portfolio is below:

$$\frac{\text{Security value x LVR}}{\text{(1 – LVR of security you will invest in)}} = \text{total amount you can borrow}$$

$$\frac{\$30{,}000 \text{ x } 0.60}{(1 - 0.60)} = \$45{,}000$$

Example 1: Susie and Matt have a portfolio of managed funds worth $30,000, with an LVR of 70%. If they lodged their managed funds as security for a margin loan, they could borrow 70% x $30,000 = $21,000.

If they used the $21,000 of available funds to invest into the same managed funds, they could borrow up to $70,000 (using the formula above). Their total investments would be $100,000 of managed funds, with a loan of $70,000.

USING CASH AS YOUR INITIAL CONTRIBUTION.

If you don't have an existing portfolio and would like to use cash, the amount you can borrow to invest is determined by the LVR of the security you intend to buy.

How much you can borrow to invest using cash as your initial contribution.

	Your cash contribution = $30,000		
How much you can borrow	If the security you intend to buy has an LVR of 50%	If the security you intend to buy has an LVR of 60%	If the security you intend to buy has an LVR of 70%
	$30,000	$45,000	$70,000

Example 2: John has $30,000 in cash and wants to use a margin loan to invest in shares. He lodges the cash in his margin loan account and chooses to buy shares with an LVR of 60%. He is able to borrow up to $45,000 to buy up to a total of $75,000 worth of shares.

The formula to work out how much you can borrow is below:

$$\frac{\text{Initial cash contribution}}{\text{(1 – LVR of security you will invest in)}} = \text{how much you can invest in total}$$

How much you can borrow = how much you can invest in total - your initial contribution

Understanding the concepts and managing the risks.

It's important to understand both the risks involved and how you can manage those risks. For this reason, we recommend that you discuss your decision with your adviser and ensure that you're familiar with the terms and conditions of the margin loan.

As with any investment, a margin loan is not a suitable strategy for every investor.

Common risks:

- stockmarket falls
- interest rate rises
- changes to tax laws
- changes to the LVRs we assign securities

While a margin loan enhances your potential for bigger gains, it can also expose you to greater risk in a falling market. As a falling market may affect the value of the investments in your portfolio, it's essential to understand the concepts of LVRs, the buffer and margin calls.

WHAT'S A LOAN-TO-VALUE RATIO (LVR)?

An LVR is assigned to each investment in your portfolio. The LVR is the percentage of the investment's market value that we'll lend you.

Your maximum LVR is the weighted average of each LVR in your portfolio. This is the maximum amount you can borrow (as long as you're within your credit limit).

WHAT'S THE BUFFER?

As stockmarkets are by nature volatile, we provide a buffer to allow for small fluctuations in the market value of your portfolio to avoid triggering a margin call. This buffer is based on the market value of all the acceptable securities in your portfolio, multiplied by the percentage that we assign to each security. Currently, our percentage is 10% for managed funds and most shares.

You're unable to borrow more money if this would put you into your buffer. If your loan reaches more than 50% of the buffer, we'll alert you via email or SMS.

WHAT'S A MARGIN CALL?

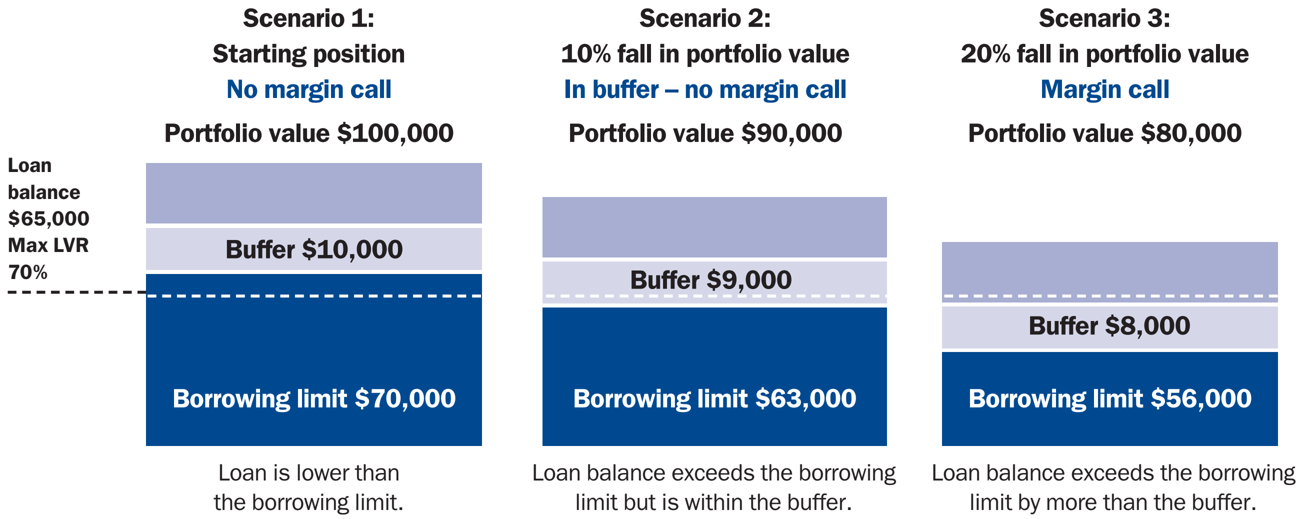
Sometimes your loan may exceed your maximum LVR due to a fall in the market value of your portfolio or changes to LVRs. When your maximum LVR is exceeded by more than the buffer, you're in a margin call. When this occurs, we'll try to contact you either by phone, email, SMS or post. You'll be required to restore your loan to the maximum LVR by doing one or more of the following by 2pm (Sydney time) on the following business day:

- Provide additional security (from our ASL)
- Repay part of your loan – using cash or by selling some of your portfolio

If you don't meet your margin call within the required time-frame, we'll sell your securities to reduce your loan to within your borrowing limit.

That's why it's important you regularly monitor your loan account.

HOW MARKET FALLS CAN INCREASE THE RISK OF A MARGIN CALL.



Scenario 1 shows the portfolio's value is $100,000 with a loan balance of $65,000.

Scenario 2 shows the portfolio's value at $90,000 after a 10% fall, with the loan balance still at $65,000 and within the buffer.

Scenario 3 shows the portfolio's value at $80,000 after a 20% fall, with the loan balance still at $65,000 and now in margin call. The loan needs to be restored to within the borrowing limit. This would mean paying $9,000 cash, contributing sufficient additional security, or selling sufficient security and using the proceeds to pay down the loan.

It's also important to note that a margin loan is a 'full recourse' loan. This means that if the value of your investments falls to zero, you'll still be liable to repay the total loan balance.

Strategies for minimising risk.

One way to manage the risk of a margin call is to borrow less than the available funds in your loan account.

The following example shows how, rather than gearing to the maximum LVR of 70%, you may choose to gear to, say 50% or 30%. This means that the market value of your portfolio has to fall a lot further to trigger a margin call.

	70% geared	50% geared	30% geared
Own funds invested	$30,000	$30,000	$30,000
Borrowed funds	$70,000	$30,000	$12,857
Portfolio value	$100,000	$60,000	$42,857
Maximum LVR	70%	70%	70%
Borrowing limit	$70,000	$42,000	$30,000
Portfolio value fall needed to trigger a margin call	12.5% to $87,500	37.5% to $37,500	62.5% to $16,071

In addition to the 'borrow less' strategy outlined, other ways to reduce your risk include:

- Develop a plan – think about how you would deal with a margin call, such as which additional securities you could lodge, which securities you would be prepared to sell and what money you could access at short notice.
- Make regular interest payments – while adding interest costs to your loan balance (capitalising the interest) may be convenient, paying your interest reduces the likelihood of your current LVR exceeding your maximum LVR.
- Keep an eye on your investments – to ensure your level of borrowing is appropriate for your situation, you and your adviser should evaluate your portfolio on an ongoing basis.
- Reinvest your income – you can offset interest charges and increase your borrowing limit by reinvesting your share dividends and managed fund distributions.
- Diversify your investments – this means spreading your investments across market sectors, which can reduce the risk that poor performance in one investment will reduce your total return.

You should also make sure we have your latest contact details in case your loan enters the buffer or triggers a margin call. Sign up for free email and/or SMS alerts so we can contact you wherever you are.

Additional margin lending strategies.

SAVINGS GEARING – HELPING YOU BUILD YOUR WEALTH STEP BY STEP.

Savings gearing lets you take advantage of the benefits of margin lending by investing in managed funds on a regular basis. With flexible monthly contributions, consisting of borrowed funds and your own money, you can boost your investments for the future. You pay no additional fees and you get competitive, tiered interest rates.

Most of the funds in our ASL let you invest through savings gearing. While the maximum amount you can borrow is determined by the LVR of your portfolio, you can choose the level of borrowing that suits you (subject to your credit limit).

One of the major benefits of savings gearing is that it lets you take advantage of dollar cost averaging. This means taking advantage of longer-term market movements without trying to time the market. One month your money may buy more units in a managed fund and the next a little less. Over time, the highs and lows usually even out.

HOW SAVINGS GEARING CAN HELP MULTIPLY YOUR WEALTH.

Example 1: Gary and Jill have $10,000 to invest today. They would like to use this as an initial investment and then make regular monthly contributions to build their wealth. The table opposite shows the positive impact of a geared savings plan compared to a un-geared savings plan over a ten-year period:

Geared savings plan vs un-geared savings plan		
Portfolio	**Un-geared savings plan**	**Geared savings plan**
Initial investment	$10,000	$20,000
Monthly investment	$500	$1,000
After ten years		
Total amount invested	$70,000	$140,000
Portfolio value	$125,869	$251,739
Less: loan balance	Nil	$70,000
Portfolio value (net of loan only)	$125,869	$181,739
Interest paid (8% pa)	Nil	$31,800
Portfolio value (net of loan and interest)	$125,869	$149,939
Return on investment	80%	114%

Assumptions: Initial own investment $10,000, initial borrowed funds $10,000, monthly own contribution $500, monthly loan drawn $500, investment value includes capital growth and dividend (compounding) 10% pa, interest rate 8% pa. Franking credits, tax and other fees and charges have been excluded. Any change in assumptions could significantly change the results.

You should also consider that investment returns are highly dependent on economic cycles and market volatility.

CALL OPTIONS – THE OPTION TO MAXIMISE YOUR INVESTMENTS.

Writing call options gives you the potential to earn additional income from the investments in your portfolio. When you write a call option on shares in your portfolio, you're selling the right – but not the obligation – to buy those shares at a specified price within an agreed time-frame. In return, you're paid a guaranteed premium.

The agreed selling price of the shares (known as the exercise or strike price) is available to the buyer, should they proceed, up until the agreed expiry date.

If the share price remains around the same as or slightly lower than the selling price on or before the expiry date, the buyer is unlikely to exercise their right to buy your shares. This means you keep your shares while still earning income from the call options premium – income that can be used to help pay loan interest, reduce your loan balance or be re-invested.

However, if the share price is higher than the selling price on or before the expiry date, the buyer is likely to exercise their right to buy your shares. This means you sell your shares at a lower price than the market price.

Your adviser can advise you on the benefits and risks of using a call options strategy in your margin loan account.

Managing your BankSA Margin Loan.

We offer a range of services to make managing your loan as easy as possible.

ACCOUNT MANAGEMENT TEAM.

Our dedicated Account Management Team can help you with lodging your security, getting started and any questions you have along the way.

Call us on **1300 305 172**, 7.30am - 5.30pm, Monday to Friday.

THE ADVISER OF YOUR CHOICE.

You can trade your shares through the stockbroker of your choice and invest in managed funds through your preferred financial planner.

PORTFOLIO SERVICE.

Our portfolio service lets you monitor all the securities in your portfolio. With share prices updated every twenty minutes, it's a great way to keep up with share movements and see the value of your entire portfolio. You can access your portfolio online.

CONSOLIDATED STATEMENTS AND REPORTING.

Your monthly statement provides complete details of your BankSA Margin Loan, together with your overall portfolio position.

Statements can also be seen online and are available on request from our Account Management Team. You can also nominate your adviser to receive copies of your statements.

Statements clearly itemise:

- Opening and closing balances, and available funds
- Current market value of each security
- Total market value of your portfolio
- Maximum LVR of your portfolio – with and without the buffer
- Your credit limit
- Transactions for the month
- Interest charged
- Any payments made by you

CASH MANAGEMENT ACCOUNT.

Opening a Cash Management Account (CMA[1]) and linking it to your margin loan lets you earn interest on any cash you have ready for future investment opportunities. You can also have your dividends directly credited to your CMA, which can be convenient if you regularly trade. The CMA is also a quick way to deposit money to your loan using internet banking or BPAY® [2]

As your CMA forms part of the security for your loan, withdrawals from this account must be arranged through us. We'll open a CMA for you if you choose to take up savings gearing, as this is the account from which your regular contributions are deducted.

ONLINE ACCOUNT ACCESS.

Secure online access to your BankSA Margin Loan makes account management easy by providing:

- 24-hour, 7-day access to your BankSA Margin Loan account[3]
- Comprehensive loan information, including:
  - Account summary
  - Portfolio summary
  - Security transactions
  - Current LVR
  - Credit limit
  - Account details
  - Security holder details
- The ability to simulate trades on your account
- Access for you and your adviser

1 Accounts are held by Value Nominees Pty Ltd on trust for you.
2 Registered to BPAY Limited ABN 69 079 137 518.
3 Subject to systems availability and maintenance.

Case Studies.

MULTIPLYING YOUR WEALTH TO MEET YOUR GOALS.

Name: Susan

Age: 42

Occupation: Advertising Agency Manager

Current financial position

With $50,000 in savings, Susan had a property investment in mind. With the possibility of an interstate transfer, however, she decided to review her investment strategy. Seeking advice from a qualified adviser, Susan asked about an investment strategy that could put her savings to work and provide good capital growth in the medium to long term. Through a detailed financial needs analysis, Susan's adviser identified that her income – currently $90,000 pa – was secure and that she was prepared to take some risks. Susan's adviser suggested that capital growth should be an important aspect of her overall investment strategy.

Investment recommendation.

Susan's adviser recommended that she invest her $50,000 in a combination of Australian and international share funds. Using these investments as security, the adviser suggested that Susan borrow additional funds through a BankSA Margin Loan to invest in Australian shares. Susan was able to borrow up to $110,000 to create a portfolio with a total value of $160,000.

Projected outcome.

Based on capital growth projections of 10% pa[1], Susan's adviser anticipates that in five years' time, her portfolio will be valued at $153,249 after repaying her loan. Additionally, Susan can enjoy being able to claim the interest paid on her loan against her income.

"I've always believed in being financially independent and taking control of my future. I've now discovered that a BankSA Margin Loan is a way to make my savings work harder to build my wealth."

USING SAVINGS GEARING TO BUILD YOUR WEALTH STEP BY STEP.

Names: Sarah and Jake

Ages: 28 and 31

Occupations: Teacher and Police Officer

Current financial position

Sarah and Jake want to be able to provide the best education for their children, Tom, four and Jessie, two.

So far, they've set aside $8,000 but they're concerned this won't be enough to cover their children's school and university fees. After meeting with their financial adviser, a strategy was devised that would allow them to achieve their goal of having more funds to meet their children's needs.

Investment recommendation.

Sarah and Jake's adviser recommended a margin loan strategy with savings gearing. They invested their $8,000 in managed funds and supplemented this with $10,000 borrowed from a BankSA Margin Loan. Sarah and Jake's adviser recommended a monthly contribution consisting of $500 of their own funds plus $1,000 of borrowed funds.

Projected outcome.

After five years, it's projected that Sarah and Jake will have built a portfolio of $144,271, based on a return of 10% pa[1]. After repaying the cost of the loan – approximately $69,000 – the total of Sarah and Jake's savings and profits will have grown to around $75,271 – a return on investment of 100%[2] over five years and a substantial sum to help them provide for their children's future.

"Achieving our goals for our family may take some time but with a savings and investment plan in place, we plan to get there sooner."

AN IMPORTANT NOTE ABOUT RISK MANAGEMENT.

Margin loans may not be suitable for every investor. It's important to understand the risk involved and strategies to help manage that risk (see page 11). When considering the benefits of a margin loan, we also recommend you see your adviser to ensure your decision is incorporated within a personalised investment strategy that takes into account your individual risk profile and financial situation.

While a margin loan increases your potential for greater returns, it can also increase the potential for losses.

1 **Important:** These examples assume an average growth in funds of 10% pa. This return is not necessarily indicative of future performance. Remember, investing in managed funds has the potential for losses as well as gains. Distributions, interest payments and fees are not included in this calculation.

2 Earnings as a percentage of total contribution.

Applying for a BankSA Margin Loan.

If you're ready to see how a BankSA Margin Loan can help you multiply your returns, simply follow these steps:

1. Read this brochure together with the BankSA Margin Lending Product Disclosure Statement, facility terms and conditions and other disclosure documents, and ensure you fully understand the implications of a margin loan facility. For a copy of these documents, please call us on 1300 305 172 or download them from banksamarginlending.com.au
2. It's strongly recommended that you get advice from a qualified adviser.
3. Complete the BankSA Margin Lending Application Form and return it to your adviser or directly to BankSA Margin Lending. To apply online, visit banksamarginlending.com.au. If applying for savings gearing, you'll also need to complete the Savings Gearing form.
4. If you're planning to write call options, you'll need to contact us so that we can send you the Share Options Plan Terms and Conditions, as well as the Option Plan Application form and Options Clearing House Form of Acknowledgement to complete.
5. Once your application is approved, you'll be sent a welcome letter explaining how to get started.

LIKE TO KNOW MORE?

For more on how BankSA Margin Lending can help you reach your financial goals sooner, please ask your adviser or contact us:

1300 305 172,
Monday to Friday, 7.30am - 5.30pm

banksamarginlending.com.au

marginlending@banksa.com.au

Reply Paid 1467, Royal Exchange NSW 1224

GLOSSARY.

Approved security - is an approved investment (share, managed fund, cash) that you can lodge as security, or collateral, against your margin loan.

Acceptable securities list (ASL) - is our current list of all securities, and their loan-to-value ratios (LVRs), that you can borrow against with your margin loan. See it here: banksamarginlending.com.au/bsaasl

Available funds - is the amount available to draw down from your loan for further investment. This is determined by the lower of your borrowing limit and credit limit, less the loan balance.

Borrowing limit - is the maximum your loan balance can reach based on the securities in your portfolio (different from your credit limit - see below). It's calculated by multiplying each investment's market value by its LVR. The borrowing limit will fluctuate based on changes in the market value and LVR.

Buffer - is an amount above your borrowing limit, which allows you to absorb small market fluctuations without triggering a margin call. The buffer for BankSA Margin Loans is generally 10% of total market value.

Credit limit - is the maximum loan balance. The credit limit you request in your application is subject to approval based on an assessment of your financial position.

Facility - is another way of referring to your margin loan account.

Loan balance - is the amount you've borrowed.

Loan-to-value ratio (LVR) - is the percentage of an investment's market value that we'll lend you. An LVR is allocated to each of the approved shares and managed funds held on your margin loan. These can be changed at any time without notice.

Margin call - is triggered when your loan balance exceeds your borrowing limit by more than the buffer. If you receive a margin call, you need to bring your loan balance back under your borrowing limit – usually within a two-day period – or we'll sell your securities to do this. You can sign up for our email/SMS buffer and margin call alerts to help you manage your account.

Maximum LVR - this is the maximum amount you can borrow (as long as you're within your credit limit). It's simply the borrowing limit expressed as a percentage.

Security - is any assets that are offered to secure the loan and which will be sold if the loan balance is not paid back in the event of a default or margin call.

Third party security - is simply using another person's (or company's or trust's) investments as security for your loan.

Talk to BankSA.

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