ORD MINNETT
PRIVATE WEALTH

Margin Loan

Product Disclosure Statement Dated 9 November 2023

Contents

Important Information

The Ord Minnett Margin Loan is issued by Leveraged Equities Limited (ABN 26 051 629 282, AFSL 360118) referred to as Leveraged Equities, Leveraged or the Lender. Leveraged Equities is a subsidiary of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178, AFSL 237879). This PDS has been prepared by Leveraged Equities and is dated as shown above. Ord Minnett Limited agrees to be named in this PDS but did not cause this PDS to be issued and takes no responsibility for the contents of this PDS. Certain capitalised terms in this PDS have the meaning given in Section 9 of the Ord Minnett Facility Terms and Conditions (**Facility Terms and Conditions**). References in this PDS to the Ord Minnett Margin Loan Incorporated Statements means the brochure that can be obtained, at no charge to you, either at www.leveraged.com.au/ords/incorporatedstatements or by contacting Leveraged. References in this PDS to various Product Guides means the relevant brochures dated 9 November 2023 or later that can be found at www.leveraged.com.au/ords/ or by contacting Leveraged.

This PDS, including the additional important information and other information referred to in this PDS contains general information only and does not take into account your financial objectives, personal financial situation or needs. Before you enter into a Ord Minnett Margin Loan, it is recommended that you seek financial, taxation and legal advice that is tailored to your personal circumstances to help you decide whether a Ord Minnett Margin Loan will meet your needs. Product Guides for individual products and some product features are available at www.leveraged.com.au/ords/ or by contacting Leveraged.

Information in this PDS that is not materially adverse information may be subject to change from time to time, and may be updated by being published on our website at www.leveraged.com.au/ords/. A paper copy of any updated information will be given, or an electronic copy made available, upon request without charge. Investors should read the entire PDS (including the Incorporated Statements) and any updates on our website, the Ord Minnett Margin Loan Product Guide, the Facility Terms and Conditions and Application Form, and consult with their advisers, before making an investment decision to obtain a Margin Loan.

Introduction

This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important disclosures. Use references that appear near an ! and that look ***like this*** to see the additional important information (each of which forms part of the PDS). It is recommended that you read and consider this PDS, including the additional important information, before making a decision to use an Ord Minnett Margin Loan or any of the additional features.

This PDS, including the additional important disclosures and other information referred to in this PDS contains general information only and do not take into account your objectives, financial situation or needs. It is recommended that you seek financial advice that is tailored to your personal circumstances before deciding to use an Ord Minnett Margin Loan.

Contact Leveraged

For more information or to obtain a paper copy of the PDS or the Incorporated Statements free of charge, speak to your Financial Adviser or contact the Customer Service Team.

Call (02) 8282 8251 (8:30am - 5:30pm Sydney time, Monday to Friday)

Email customerservice@leveraged.com.au

Visit leveraged.com.au/ords

Post GPO Box 5388, Sydney NSW 2001

1. About Leveraged Equities Limited and the Ord Minnett Margin Loan

The Ord Minnett Margin Loan (the Margin Loan facility) is issued and provided by Leveraged Equities as the Lender. Leveraged Equities, established in 1991, provides a range of gearing solutions for investors to build and manage wealth. We are one of the first and longest continually operating margin lending specialists in Australia.

A margin loan is a facility that allows you to borrow money which you use, in addition to your own money, to invest in financial products such as shares and managed funds. This allows you to increase the size of your portfolio.

Borrowing increases the amount you have to invest or makes funds available if you already own a portfolio. This increases the returns you can potentially earn. However, it also increases the potential for greater losses. This will happen if the return on your investment is less than your borrowing costs for example.

You must regularly monitor your investment portfolio securing the borrowings you have made to enable you to take timely steps to avoid or reduce any potential losses, and keep your contact details up-to-date to be aware of changes (if any) to the terms of your Margin Loan.

Circumstances, often triggered by market events, can arise which may result in you being required to repay some, or all, of your loan at short notice. You can repay your loan in a number of ways including transferring money into your loan account or by selling some, or all, of the investments mortgaged or charged under your Margin Loan.

You may be required to pay an additional amount into your loan account or to sell some or all of the mortgaged investment portfolio at short notice. In some instances the Lender may sell all, or part of the investment portfolio and may not be required under the terms of the Margin Loan facility to provide notice to you of its intention to sell.

If the proceeds from selling the mortgaged investment portfolio do not fully repay your loan, then you will need to pay any shortfall by accessing other funds. If you provide other assets – such as your residential property – as part of the security for your Margin Loan facility, the Lender may sell them to repay the loan.

- Before offering you a Margin Loan facility, the Lender is required by law to assess whether or not the Margin Loan is unsuitable for you. This assessment will be based on information you provide and on other information that the Lender obtains or calculates.
- If a Margin Loan facility is offered to you by the Lender, you can ask for a copy of the assessment.

2. Benefits of a Ord Minnett Margin Loan

Increase the amount you have available to invest
If your investments earn a net return that is higher than your borrowing costs then, by investing a larger amount, you will earn a higher net after-tax return than if you had not borrowed.

Diversify an existing portfolio without selling
If you already own an investment portfolio, you may be able to borrow funds to invest in other financial products. This may reduce some of the financial risks associated with investing.

Manage your investment activities with the help of a flexible facility
A Ord Minnett Margin Loan has a number of flexible features including a number of ways to pay interest, operate your Margin Loan facility with your other investment accounts and services and a variety of investments that may be used to secure your obligations.

Potential income tax deductibility
You may be entitled to claim an income tax deduction for some or all of your borrowing costs depending on your individual circumstances. You should seek advice from a tax adviser.

! You should read the important information about the potential benefits of a Margin Loan facility before making a decision. Go to ***Ord Minnett Margin Loan Incorporated Statements section 1***. The material relating to potential benefits may change between the time when you read this statement and the day when you sign the Application Form.

- The Ord Minnett Margin Loan is a standard margin lending facility (as defined by the Corporations Act).
- A secure web-based service (the Online Service) is available for you to regularly monitor your Margin Loan facility.

3. How a Ord Minnett Margin Loan works

You acquire a portfolio of Acceptable Investments that comprise financial products such as shares, unlisted managed funds and exchange traded funds by borrowing through your Margin Loan in addition to using your own money. You may also use an existing portfolio of Acceptable Investments as security for borrowings under your margin loan to acquire other financial products.

To secure your obligations, a portfolio of Acceptable Investments and other assets (called the Secured Portfolio) is mortgaged or charged by you or a Guarantor to the Lender. If you don't meet your obligations or if certain events, usually market-related, occur e.g. if a Margin Call arises, the Lender can sell some or all of the Secured Portfolio to reduce or discharge your debt.

The amount you may be able to borrow (your borrowing capacity) depends on your Credit Limit, the Lending Ratio and the Market Value of each investment that is part of the Secured Portfolio. In the normal course, you can generally borrow up to the lesser of your Credit Limit or Security Value. How to calculate your Security Value is briefly explained below.

Credit Limit – The minimum Credit Limit you can apply for is $20,000. The maximum Credit Limit you may be able to apply for will depend on various factors including for example the characteristics of the investment portfolio you propose to mortgage to the Lender, and your financial circumstances including your income and expenses and other liquid assets you own.

Lending Ratio – Also called the loan-to-value ratio or LVR. It is a percentage assigned by the Lender to each investment that is part of the Secured Portfolio. For example, 75 per cent for Share A.

Market Value – Is the current dollar value of an investment that is part of the Secured Portfolio. For example, if Share A currently has a price of $2. A portfolio of 50,000 units of Share A has a Market Value of $100,000 (50,000 multiplied by $2).

Security Value – Is calculated as the Lending Ratio multiplied by the Market Value. For example, the Security Value for the Share A portfolio will be $75,000 ($100,000 multiplied by 75 per cent).

The Margin Call process is outlined in section 4 below. There are other limited events, potentially outside your control, that may result in you being required to repay some, or all, of the loan at very short notice.

! You should read the important information about Gearing Adjustment before making a decision. Go to ***Ord Minnett Margin Loan Incorporated Statements section 2***. The material relating to Gearing Adjustment may change between the time when you read this statement and the day when you sign the Application Form.

Section 3 is continued on the next page.

(continued).

Your general rights and obligations as a Borrower are set out in the Facility Terms and Conditions. You can obtain a copy by contacting Leveraged. It is recommended that you read the Facility Terms and Conditions before making an application for a Margin Loan or entering into the agreement.

As a Borrower, you will have access to a calculator through the Online Service that allows you to simulate hypothetical portfolio transactions and view the impact on your Gearing Ratio.

Gearing Ratio – Is calculated as the total amount you owe divided by the Market Value.
Example: Assume you have been approved for a Credit Limit of $200,000, you may be able to borrow up to $75,000 with a Secured Portfolio comprising 50,000 units of Share A. In this example, you decide to borrow only $60,000 and contribute $40,000 of your own money to acquire a portfolio of 50,000 units of Share A at $2 each. This means your Gearing Ratio is currently 60 per cent ($60,000 loan divided by $100,000 Market Value) and your portfolio of Share A is part of the Secured Portfolio and mortgaged to the Lender.

! You should read the important information about the role of the Sponsor and the Nominee before making a decision. Go to ***Ord Minnett Margin Loan Incorporated Statements section 3***. The material relating to the role of these entities may change between the time when you read this statement and the day when you sign the Application Form.

It may suit your circumstances to select one or more additional features that may be available with your Margin Loan facility. These additional features include Rewards Plus and Instalment Plus which expand how you may be able to use your Margin Loan facility.
The additional features called Exchange Options Plus and Short Plus expand the range of assets the Lender may accept as part of the Secured Portfolio. Not all additional features are available with all Margin Loan Facilities.

! You should read the important information about Rewards Plus, Instalment Plus, Exchange Options Plus, Short Plus, and any other additional feature before making a decision to apply for any of these features. Go to ***Ord Minnett Margin Loan Incorporated Statements sections 6 and 7*** for information about Instalment Plus and Rewards Plus respectively. Go to the ***Exchange Options Plus Product Guide or Short Plus Product Guide*** for information about those features. The material relating to these additional features may change between the time when you read this statement and the day when you sign the Application Form.

! You should read the important information about the list of Acceptable Investments before making a decision.
Go to ***www.leveraged.com.au/ords***. The list of Acceptable Investments may change between the time when you read this statement and the day when you sign the Application Form.

- Your Margin Loan is secured by a portfolio of investments and other assets (the Secured Portfolio) which are mortgaged to the Lender as security for your loan and the amount you owe.
- Acceptable Investments are investments the Lender may accept as security for a Margin Loan and include shares and other listed securities, marketable instruments, and interests in managed funds, trusts, master trusts and other financial products.
- The investments you acquire through your Margin Loan are typically owned by you as the Borrower. There are circumstances where the Nominee may hold the investments on your behalf. A Guarantor for your Margin Loan may also be an owner.
- At no time are the investments lent out to any other person.
- The Lender can change Lending Ratios (including to zero) at any time.
- Market Values change as the price of the investments change.

4. What is a Margin Call?

A Margin Call occurs or subsists at any time your Loan Balance exceeds the sum of the Security Value and the Buffer.

The Buffer is calculated as the Market Value multiplied by a percentage (usually 10% but may be zero) assigned by the Lender to each investment that is part of the Secured Portfolio. For example, if the buffer percentage for the Share A portfolio is 10 per cent, the Buffer will be $10,000 ($100,000 Market Value multiplied by 10 per cent). The purpose of the Buffer is to allow for small intraday fluctuations in Security Value without triggering a Margin Call.

In this example, the Lending Ratio for Share A is 75% and the Buffer is 10%. Assuming you have borrowed $60,000, a Margin Call will occur if the Market Value becomes less than approximately $70,500 (or your Gearing Ratio becomes more than 85%) which would happen if the price of Share A falls from $2 to $1.41. In this example, the Security Value is $52,875 (75% multiplied by $70,500) and the 10% Buffer is $7,050. Your Security Value plus Buffer ($59,925) is less than the borrowed amount ($60,000), hence a Margin Call arises. Another way of expressing this is that a Margin Call arises when your Gearing Ratio (85.1%, being $60,000 loan divided by $70,500 Market Value) is more than the Lending Ratio (75%) plus the Buffer percentage (10%).

A Margin Call can occur at any time if any one or any combination of the following occurs:

- The Market Value falls.
- The amount you borrow increases. This could occur if you capitalise interest to your loan account for example.
- The Lender, at its discretion reduces a Lending Ratio or buffer percentage or removes an investment from its list of Acceptable Investments.

To resolve a Margin Call you must pay the shortfall amount required by the Lender in cleared funds into your loan account. The shortfall amount is calculated as the difference between the loan amount and the Security Value. In this example, the shortfall amount will be $7,125 in cash being $60,000 minus $52,875. Once you pay the shortfall amount, your Loan Balance will be reduced to an amount equal to the Security Value of $52,875, i.e. the Gearing Ratio will be adjusted back to 75% being equal to the Lending Ratio.

Typically, you will need to pay the shortfall amount within 24 hours of a Margin Call. The shortfall amount will usually be an amount that will result in your Gearing Ratio being equal to or less than the Lending Ratio but may be more. The Lender may accept other ways to resolve a Margin Call. It is possible for there to be more than one Margin Call outstanding at any time.

- If a Margin Call occurs, you will need to respond within a very short time.
- To resolve a Margin Call you must pay the shortfall amount required by the Lender. You may be able to reduce your Gearing Ratio by adding Acceptable Investments to the Secured Portfolio or selling part of the Secured Portfolio and repaying the amount owing. The Lender may accept these actions as a resolution of a Margin Call.
- If a Margin Call occurs, the Lender may take reasonable steps to notify you, or your Financial Adviser if they are your Margin Call Agent.
- You, or your Margin Call Agent, must be contactable at all times in case a Margin Call occurs.
- Keep your contact details up-to-date with the Lender.
- If you don't resolve a Margin Call when and as required, the Lender may sell some or all of the Secured Portfolio without notifying you or any other owner of the investments.

5. The risk of losing money

Changes in the value of your investments and interest rates
An increase in interest rates will increase your borrowing costs where a variable rate of interest applies. A fall in the value of your investments may trigger a Margin Call. If the net return on your investments is less than your borrowing costs then you may earn a lower return or incur a larger loss than if you had not borrowed to invest or not invested at all.

Events that result in your loan becoming due for payment in a short period
These events include Margin Calls which can be triggered by market events such as a fall in the Market Value as well as the Lender reducing a Lending Ratio or removing an investment from the list of Acceptable Investments. Defaults, exceeding your Credit Limit, and Market Disruptions can also occur resulting in your loan becoming due for repayment in a short period of time – sometimes less than 24 hours. These events may be outside of your control, can occur at any time and may occur unexpectedly.

Net sale proceeds may not cover the loan
To repay the loan you may have to sell or redeem some, or all, of the investments or assets (for example shares, managed funds, or if you provide other assets such as cash collateral or your residential property) offered by you or any Guarantor as security for your Margin Loan (the Secured Portfolio). You are required to repay the loan in full when declared due and your liability is not limited by any net sale proceeds from selling the Secured Portfolio.

Cash flow mismatch
It is possible for interest and other charges to become due for payment before or to be larger than any distribution that may be paid on your investments.

Tax laws may change
A change in the income tax treatment of borrowing costs may mean you earn a lower return or incur a larger loss than if you had not borrowed to invest.

Reliance on the Lender, Nominee, Sponsor and any Authorised Person or agent
You are reliant on the operations, policies and procedures of the entities that operate your Margin Loan and that you appoint as your agent. You will also grant the Lender a power of attorney to do certain acts in relation to your Margin Loan.

! If you select any of the additional features called Exchange Options Plus or Short Plus you should read the important information about the risk of these additional features before making a decision. Go to the ***Exchange Options Plus Product Guide or Short Plus Product Guide*** for information about those features. The material relating to the risks of these additional features may change between the time when you read this statement and the day when you sign the Application Form.

! You should read the important information about risks of a Margin Loan facility before making a decision. Go to ***Ord Minnett Margin Loan Incorporated Statements section 4***. The material relating to the risks may change between the time when you read this statement and the day when you sign the Application Form.

- This section is a summary of the significant risks which cover events or circumstances that are unpredictable.
- Information about margin loans published by ASIC can be accessed at https://moneysmart.gov.au/how-to-invest/borrowing-to-invest.

6. The costs

Interest on money borrowed under your Margin Loan is calculated at a variable rate unless you arrange for a fixed rate loan. Interest on overdue amounts may be charged at a higher rate than the variable rate.

Interest accrues daily and is payable on the last calendar day of each month. You may be able to capitalise interest to your loan account. You cannot elect to capitalise interest where to do so may cause the Credit Limit to be exceeded. A minimum interest charge applies if your loan falls below the Minimum Interest Balance.

There are no application fees unless you apply as a company or a trust. There is no ongoing account keeping fee although fees may be charged for any additional account services requested. Fees may be charged for various fund transfers, security transactions, breaking a fixed rate loan, taxes and government charges and if you close your account. Your financial adviser, broker and bank may also charge fees for advice and transactions related to your Margin Loan.

The Lender can change the variable rate at any time. The Lender can also change the Fee Schedule at any time. Changes will usually be published via the Online Service and will be made in accordance with the Facility Terms and Conditions.

Subject to the law, the Lender may pay commissions to people who introduce you to the Lender including a financial adviser, broker and the company the adviser or broker represents. The Lender may pay commissions or administration fees to a platform operator, fund manager or master trust operator that administer the investments used to secure the Margin Loan. Commissions and administration fees are based on your Loan Balance and are paid by the Lender out of income it earns. The issuer of any investments you acquire through your Margin Loan may also pay commissions or administration fees. For further information on the commissions that your financial adviser may receive refer to your statement of advice provided by your financial adviser or contact them directly.

! You should read the important information about interest rates and costs of a Margin Loan before making a decision.
Go to ***www.leveraged.com.au/ords/rates*** for current interest rates or ***www.leveraged.com.au/ords/fees*** for the current Fee Schedule.
The material relating to the interest rates and fees may change between the time when you read this statement and the day when you sign the Application Form.

- Variable interest rates can change on a daily basis, fees depend on your Loan Balance and the service you use and commissions will depend on what you agree with your financial adviser.
- This section doesn't show any dollar amounts or percentages for interest or fees.

7. How to apply

1. Read the PDS including the additional important disclosures.
2. Check that your are eligible to apply. You must be over 18, a company or trustee of a trust. A Ord Minnett Margin Loan is not available to self-managed superannuation funds.
3. Read the Facility Terms and Conditions.
4. Visit www.leveraged.com.au and select Apply Online. Otherwise contact Leveraged for an Application Form to be sent to you.

If you are dissatisfied with any aspect of your Margin Loan facility contact the Customer Service Team. If you are dissatisfied with the Lender's final response to your complaint or how it was managed you can raise the matter directly with the Australian Financial Complaints Authority (AFCA).

! You should read the important information about the Lender and dispute resolution before making a decision. Go to ***Ord Minnett Margin Loan Incorporated Statements section 5***. The material relating to the Lender and dispute resolution may change between the time when you read this statement and the day when you sign the Application Form.

Customer Service Team	1300 138 028 customerservice@leveraged.com.au	**AFCA**	1800 931 678 www.afca.org.au GPO Box 3 Melbourne VIC 3001

- Before applying speak to your financial adviser to see how a Ord Minnett Margin Loan may help you meet your financial objectives.