

# Exchange Options Plus

## Combine Exchange Traded Options with your Margin Loan

Exchange Options Plus is a feature you can add to your Margin Loan. With Exchange Options Plus added to your Margin Loan you may be able to:

- Earn additional income on your share portfolio.
- Borrow up to 95% of the Exercise Price of a Put Option when applied to a security held.
- Limit potential losses if the price of your shares fall.

### What is Exchange Options Plus?

Exchange Options Plus is a feature that combines exchange traded Options (ETOs) with margin lending. You can use the borrowing capacity under your Margin Loan to settle an Option purchase or to meet margin requirements for certain Options positions. You can use Exchange Options Plus to write Call Options over shares held.

Depending on your circumstances, ETOs can be used to complement and expand your investment strategy.

### What are the potential benefits?

Exchange Options Plus allows you to combine a number of options strategies (detailed below) using ETOs.

With Exchange Options Plus you may be able to:

- Earn additional income (Premium) on shares held on your Margin Loan by writing Call Option(s).
- Diversify your share portfolio by borrowing up to 95% of the Exercise Price of a Put Option to provide additional borrowing capacity.
- Manage the risk of a short-term fall in price with the use of Put Options.
- Buy Call Options using the borrowing capacity under your Margin Loan.

### What are the potential risks?

- Options are complex derivatives. Using Options can magnify gains and losses when compared to transacting on securities directly.
- Irrespective of any Put Option, you (and any Guarantor) are obligated to pay the Total Amount Owed when due.
- The Premium you earn may be less than the borrowing costs associated with your Margin Loan.
- The Premium earned may be less than the return that might have been earned if the price of the security increases above the Exercise Price and you had not written a Call Option.

Please see section 1.4 of the Exchange Options Plus Product Guide for further information relating to the risks of using Exchange Options Plus.

### Getting started

In addition to completing the Exchange Options Plus application form and reading the Exchange Options Plus Agreement and Product Guide, you will need to open a designated options trading account with a stockbroker who has an agreement in place with Leveraged for dealing in ETOs.

To begin trading, instruct your stockbroker to link your options trading account to your Margin Loan to allow acceptable ETOs to settle. This includes the payment of Premiums when you buy Put and Call Options and the receipt of Premiums when you sell a Call Option through your Margin Loan.

Depending on the ETOs you trade, the Security Value over your shares may be capped.

## Options strategies available under Exchange Options Plus

ETO Trade	Utilisation	Potential Benefit
<b>Bought Put</b>	Use borrowing capacity to purchase Put Options.	Protect against a fall below the Exercise price. Borrow up to 95% of Exercise Price
<b>Covered Call</b>	Write a covered call	Set a price to sell your shares (Exercise Price) and earn additional income
<b>Bought Call</b>	Use borrowing capacity to purchase a bought Call Option	Hold the right but not obligation to buy shares at a pre determined price (Exercise Price)

You also may be able to combine these ETO strategies over the same portfolio of shares or use the borrowing capacity under your Margin Loan to settle transactions or margin requirements for other Options held on an Option account not linked to your Margin Loan.

## About Leveraged

Established in 1991, we're proud to be a margin lending specialist in Australia, and a wholly-owned subsidiary of Bendigo and Adelaide Bank.

We offer a choice of multiple margin loan solutions and additional features, a diverse and frequently reviewed investment list and we connect with most major online platforms and selected brokers.

**More information: Ask your financial adviser whether Exchange Options Plus is right for you, or contact us.**

**Call** 1300 307 807    **Email** [customerservice@leveraged.com.au](mailto:customerservice@leveraged.com.au)    **Visit** [leveraged.com.au](http://leveraged.com.au)

Gearing involves risk. It can magnify your returns; however, it may also magnify your losses.

Using Exchange Options Plus involves a number of risks beyond those of just using a Margin Loan. Please refer to the Product Guide for Exchange Options Plus or other information available at [www.leveraged.com.au](http://www.leveraged.com.au) about Exchange Options Plus. Exchange Options Plus is an add-on feature available with the Leveraged Equities Margin Loan. It is not available as an add-on feature with any other Leveraged Equities margin loans.

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