



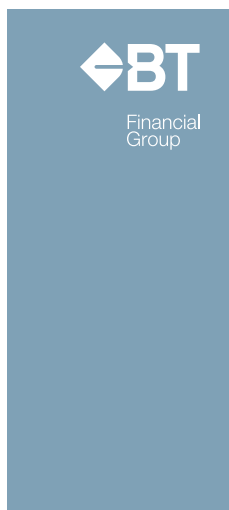
What is gearing?	<p>Gearing or otherwise known as leveraging is borrowing against your assets to invest further without realising your capital gains.</p> <p>Gearing gives you the opportunity to achieve greater returns by increasing the amount you invest. Gearing can also help you diversify your investments as you have more money to spread amongst the different asset classes.</p> <p>A Margin Loan enables you to borrow money to invest in listed securities or managed funds, against your existing assets being cash, shares or managed funds as security.</p>
Who can borrow using a Margin Loan?	Individuals, joint parties, partnerships, companies and trusts can establish a margin loan. You can also use third party's equity to secure the loan.
Third Party Security	Using a third party's investment to secure your margin loan enables you to invest further with out any initial equity. Third party security can be provided by individuals, joint parties or trusts.
Loan Approval	Approval is generally available within 24 hours (company and trust applications may take longer). There are no credit checks or other financial assessments required.
Application Fees	<p>Nil</p> <p>Note. A \$200 fee applies for company applications to cover ASIC search and registration charges.</p>
Transaction Fees	Nil
Establishment or Ongoing Fees	Nil
Regular Gearing	<p>Regular gearing involves combining your monthly savings with borrowed funds to invest into selected managed funds on a monthly basis. It can help grow your portfolio faster and it is a simple and automatic way to drip-feed money into investments, allowing you to take advantage of dollar cost averaging — buying more when the market is down and less when the market is up. This can smooth out the highs and lows of investing</p> <ul style="list-style-type: none"> <li>→ Minimum equity of \$1,100 for a \$2,500 loan with a 70% gearing ratio</li> <li>→ Minimum initial investment \$1,000 per managed fund</li> <li>→ Minimum monthly loan advance \$250</li> <li>→ Minimum monthly investment of \$250 per managed fund.</li> </ul>
What is a Margin Call ?	A margin call is when the balance of your margin loan exceeds your loan limit by more than the allowed buffer.
What is the Buffer?	With a margin loan, you are given a limit to the amount you can borrow, this is called your loan limit. You are allowed a small buffer which is over and above your loan limit. The buffer is 10% of the value of your loan limit. If you go above your loan limit and buffer you are in margin call.
Acceptable Security	Cash, Australian shares, managed funds and selected instalment warrants. Securities can be held in either the borrower's name or in the name of a third party.
Lending ratios	Lending ratios are usually between 35% and 80% of the value of the portfolio. Single stock restrictions may apply on securities where the lending ratio is less than 60%. All lending ratios are available on <a href="http://www.bt.com.au">www.bt.com.au</a> .

For further definitions turn over.

Trading	There are no BT Margin Lending administrative charges for trading and no limit to the number of times you can transact. You can use any stockbroker of your choice.
Cash advances	Cash advances can be made up to the amount of 'funds available' for any investment or business purpose. Advances may be requested via the internet, telephone or fax and are available by direct credit.
Interest rates	Variable interest is calculated on either the greater of the daily loan balance or minimum loan balance being either \$20,000 or \$2,500 with regular gearing, and charged to the margin loan account on the last business day of the month. Interest charges commence only after the money is borrowed. Fixed prepaid interest rates where interest is paid in advance are available for terms of 3, 6, 9 and 12 months. The minimum loan amount to prepay is \$20,000. Prepaid interest is not refundable. Interest rates are reviewed monthly. Interest can be paid by direct debit, BPAY or allowed to capitalise to the loan balance.
Dividends/distributions	Dividends and distributions received can be used to pay the interest on your loan or can be reinvested to enjoy the benefits of compounded returns.
Tools to manage you loan	You can monitor and transact on your loan account, securely online 24 hours a day, 7 days a week. Use our online calculators to simulate transactions on your loan, prepay interest or determine how much equity you need to get started.
Loan Repayment	The facility is an open ended revolving line of credit. There is no set principal repayment schedule or requirement for regular interest payments.

### Difference between Standard and Regular Gearing BT Margin Loan

	Standard Facility	Regular Gearing Facility	Additional information
Purpose of the loan type	Lump sum gearing for shares and managed funds.	Regular gearing into managed funds. Enabling you to start investing with as little as \$1,100	Regular gearing is only available for approved managed funds investments, master trusts and wrap products.
Loan term	No fixed term, although a minimum interest charge applies if the account is closed within 2 months.	No fixed term, although a \$150 charge applies if the account is closed within 12 months	
Minimum Loan	\$20,000	\$2,500	
Minimum Equity	\$8,800	\$1,100	Assuming a 70% LVR
Application Fees	Nil	Nil	Note. A \$200 fee applies for company applications to cover ASIC search and registration charges
Transaction Fees	Nil	Nil	
Establishment or Ongoing Fees	Nil	Nil	



#### What to do next

- **Speak to your financial planner about how regular investing with a low start BT Margin Loan can help you achieve your goals.**
- **Visit [www.bt.com.au](http://www.bt.com.au).**
- **Email [client.marginlending@btfinancialgroup.com](mailto:client.marginlending@btfinancialgroup.com).**
- **Call BT Margin Lending Customer Relations Consultants on 1800 816 222.**

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