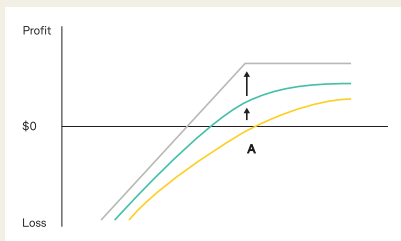


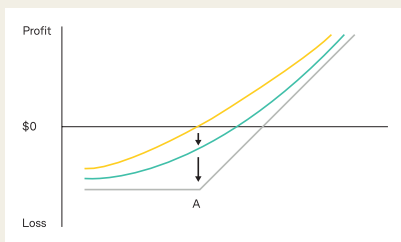
Using Exchange Traded Options with your CommSec Margin Loan

You can combine an Exchange Traded Options account with your CommSec Margin Loan to create a tailor-made investment that can earn you additional income or provide you with price protection. Here's how:



COVERED CALLS — EARN ADDITIONAL INCOME

Selling Covered Calls — also known as writing or a buy-write — is a popular income-generating strategy in a market that is flat to moderately bullish. Selling a Covered Call provides you with an options sale premium which you can use to increase the overall return of your investment, or partially offset the loss if the share price falls. In turn for accepting this premium, you take on the obligation to sell your underlying stock at a predetermined price (forgoing any further increase in the value of the stock), if the option is exercised by its holder up until the expiry date of the Option.



PROTECTIVE PUTS – CREATE YOUR OWN GUARANTEED STOP-LOSS

Just as insurance is used to protect assets such as cars, homes and contents, Put Options can protect your stocks in times of market uncertainty. When you buy a Put Option, you are purchasing the right (but not the obligation) to sell the underlying stock at a predetermined price up until the expiry date of the Option. You can choose the time and price of protection, and you can exercise your right to sell your stock at the predetermined price at any time before the Put Option expires. The costs associated with this strategy is also similar to an insurance policy, whereby if the option expires out of the money at the end of the protection period, there is no further value that can be derived from it, and a new option would need to be purchased for future protection.

On the CommSec website, you can search for and invest in Exchange Traded Options in approximately 70 of the largest listed companies in the ASX.

You can also use your CommSec Margin Loan as a standalone settlement facility for your Option trades. As an alternative to a bank account, it can provide you with a flexible source of funding for your investments that can also help you keep track of your bottom line for interrelated trades.

It is important to be aware of the benefits and risks of each Option strategy you use with your Margin Loan. A Covered Call can be a great way of generating additional income over existing shares, but it also limits your capital growth and provides only partial protection, to a maximum value of the covered call premium received, against a falling share price. Likewise, buying Puts offers full protection for a short period of time, but they may be uneconomical over the long term.

To learn more about the full range of strategies, risks and how to link an ETO account to your Margin Loan, visit www.commsec.com.au > **Products > Derivatives > Options & Warrants** or contact our Options desk on **1800 245 698** (8am–5.30pm (Sydney time), Monday to Friday).

Risk Disclosure

Remember, whilst borrowing to invest can multiply your investment returns, it may also multiply your losses if the value of your investment falls.

Margin Loans and Exchange Traded Options (Options) involve significant risk, before acting on this information please read and consider the CommSec Margin Loan Important Information & Risk Disclosure Statement located at www.commsec.com.au > Tools & Support > Contact & Support > FAQ's > CommSec Margin Loan Risk Disclosure, Important Information and Disclaimer and Disclaimer and the Exchange Traded Options Important Information and Risk Disclosure Statement Located at www.commsec.com.au > Tools & Support > Contact & Support > FAQ's > CommSec ETO Risk Disclosure, Important Information and Disclaimer.

This information has been prepared without taking account of the objectives, needs, financial and taxation situation of any particular individual. For this reason any individual should, before acting on the information, consider the appropriateness of it having regard to their own objectives, needs, financial and taxation situation and, if necessary, seek appropriate independent financial and taxation advice. The target market for these products can be found within the product's Target Market Determination, available at commsec.com.au/tmd.

CommSec Margin Lending facilities are provided by the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (the Bank) and administered by its wholly owned but non-guaranteed subsidiary Commonwealth Securities Limited ABN 60 067 254 399 AFSL 238814 (CommSec), a Participant of the ASX Group. Exchange Traded Options (Options) are issued by CommSec. Please obtain and consider the Product Disclosure Statements (PDS) for the CommSec Margin Loan and Options, available from commsec.com.au before making any decision about the products. Only investors familiar with the risks