

Macquarie Private Wealth Exchange Traded Options

## At a glance

### Earning additional income

By selling call options against shares you already own, or at the same time as buying shares, you can lock in a selling price at or above the current market price and get paid a premium for undertaking to sell the shares.

### Potential risk

Forgoing some or all of the upside potential at a given price.

### Protecting the value of your shares from a fall in price

Buying put options to lock in a selling price for the underlying shares (a form of insurance).

### Potential risk

Can be expensive. If the protection is not required, the put option will decay in value over the period.

### Capitalising on share price movements without having to purchase shares

Buying call options when expecting the market to rise, and buying put options when expecting the market to fall.

### Potential risk

Share price movements can provide opportunities for profit but these are not isolated. You should understand the impact of volatility and time decay.

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# Make the most of Australian equities, come rain or shine.

Exchange Traded Options

Macquarie Private Wealth  
A world of opportunities



MACQUARIE



FORWARD thinking

If you're looking to make your share portfolio work harder and accelerate the growth of your investments, you need to take a more active approach.

Exchange Traded Options (ETOs) are a versatile way to increase your opportunity for profit. They can provide you with an additional source of income and offer you protection for your share portfolio.

Macquarie is the number one retail broking house in Australian ETOs by volume\* and we have an expert team who can help you with advice, execution and expiry.

## A versatile addition to enrich your portfolio

Using ETO strategies on a diversified blue chip portfolio of shares can help you potentially generate greater income and minimise the impact of market volatility on your holdings.

There are ETO strategies that give you the opportunity to protect your shares from a fall in price. By buying a put option, you can lock in a selling price for the underlying shares for the life of the option. Alternatively, index options can be used to hedge portfolios without needing to buy insurance on individual stocks.

Our qualified derivatives advisers can show you how to take a more proactive approach to achieving growth, income and protection for your share portfolio.

## Finding the right strategy for you

The strategies our advisers commonly use to generate income and/or trading profits include covered calls, bull spreads, bear spreads, calendar spreads and ratio spreads. These strategies, particularly in the short term, can be quite volatile and can sustain short term losses. You should consult your adviser for more information on each strategy.

When you open an options trading account, our advisers and risk managers will assess your risk tolerance with respect to derivatives trading. The strategies we then recommend and execute for you will be aligned with your risk profile.

If your risk profile is appropriate you can combine margin lending with options trading as a powerful trading tool to reach your goals faster. Speak to your adviser about Trading Power, Macquarie's margin lending facility.

## Success leaves clues

Macquarie is the number one retail broking house by way of volume and turnover in the Australian ETOs market\*.

When it comes to ETOs, Macquarie has a dedicated team of experts at your disposal. All our options operators are ASX accredited in derivatives, and we have accredited derivatives advisers throughout our Australian office network. Our advisers can help you reap the benefits of ETOs, whilst ensuring you are not exposing yourself to unwanted risks.

## Risks associated with options trading

When used correctly, options can provide higher returns in a lower risk environment than holding the shares outright. If you are comfortable increasing your risk on specific holdings in order to increase returns, ETOs may be an appropriate trading tool for you.

Both the purchase and sale of ETOs involve an element of risk. Transactions should only be entered into by investors who understand the nature and extent of their rights, obligations and risks.

**Call 1800 789 789 to speak to a member of our derivatives trading team and find out how ETOs can help you make the most of Australian equities.**

\* Largest retail broking house in Australian ETOs by volume in 2006.