

## Securities Based Lending

Providing you with financing and liquidity for today's needs, without sacrificing tomorrow's objectives.

### Introduction

Momentum Securities (Pty) Ltd is a JSE regulated member and a national credit provider (regulated in terms of the National Credit Act).

A Securities Based Lending facility (SBL facility) provides you with access to a source of liquidity for both your personal and business needs. By using your shares (please refer to the eligibility criteria) in your Momentum Securities portfolio as collateral, you can have access to the funds you need without having to sell your shares.

Through the SBL facility, you can use the gearing power of your share portfolio to access the liquidity you need to act on important opportunities while keeping your long-term investment objectives intact. We accept Top 100 listed JSE shares and qualifying offshore portfolios, and Collective Investment Scheme holdings as collateral.

### Common uses

- Acquire a second investment portfolio;
- Refinance high interest debt/debt consolidation;
- Pay tuition;
- Taxes;
- Other unexpected expenses.

### Benefits

- Streamlined application process: 3 - 5 days approval process;
- No CGT event: no need to sell your shares in the portfolio in order to raise cash;
- One account: securities and loan consolidated in one account;
- No initial structure/administration charges, market-related interest rate;
- No fixed repayment terms;
- No pre-payment penalties;
- Single provider service: your Momentum Securities Portfolio Manager will assist you in the application process.

### Terms

- Two year term;\*
- Variable interest rate (prime linked);
- Daily margin calls on out of cover and limit;
- Momentum Securities has the right to sell securities if the margin call is not honoured;

- Maximum 50% Loan To Value, typically Top 40 and diversified;\*
- External payments are only made to your designated bank account;
- Securities used as collateral will be pledged to Momentum Securities.

### Eligibility

- Natural person, trusts and companies - only South African residents, 18 years and older;
- Successful application is subject to affordability and credit checks;
- Minimum portfolio size: R250 000
- Minimum loan amounts: R100 000
- Collateral eligibility: Local JSE listed Top 100 (by market cap) shares and qualifying offshore portfolios, and Collective Investment Schemes holdings

### Endowment policies\*

Securities based lending is available on endowments held on the Momentum Wealth and Momentum Wealth International platforms with a maximum loan to value of 40% and one year renewal term with all other terms applicable. You will require a cash reserve within the platform contract.

## Documentation

Should you wish to apply for a SBL facility, please contact us and provide us with the following:

### Natural persons

- List of your assets and liabilities;
- Proof of income;
- Completed credit application;
- Supporting documentation ie bank statement/payslip.

### Company or Trust

- Latest independent audited/reviewed financial statements, not older than 12 months;
- Completed credit application;
- Other supporting documentation if applicable.

**For more information, please contact your portfolio manager, or our Client Services team on 011 550 6270.**



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Momentum Securities is an authorised financial services and registered credit provider and a subsidiary of Momentum Group Ltd. Reg no 1974/000041/07.

Momentum Securities is a member of the JSE Ltd. (FSP29547) (NCRCP2518).

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