

Secure
your
position

CommSec 

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Important information. The examples in this brochure are for illustrative purposes only. They do not represent any particular individual.

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Lock in your investment strategy

One of the secrets of successful investing is to decide on an investment strategy, and stick to it. But how do you keep your strategy in place when you're away from your desk?

After all, even the most dedicated investor can't watch the market all the time.

The answer is simple: CommSec Conditional Trading

Conditional Trading is an advanced trading tool that helps you keep your investment strategy on track, even when you can't give the market your full attention.

You decide the prices at which you want to buy and sell securities, put your conditional orders in place, and let us do the rest. Six different conditional orders give you the flexibility and control you need to become a more strategic and disciplined investor.

Why choose Conditional Trading?

Take profits	Conditional orders help you lock in gains. You decide how much profit you'd be happy with, and sell when the security price reaches your target.
Limit losses	Conditional orders help you limit losses. You work out what losses you can tolerate, and sell before prices fall any further.
Make the most of opportunities	Conditional Buy orders enable you to take advantage of market movements, picking up good buys as security prices fall, and moving into momentum securities as they rise.
Keep to your strategy	Conditional orders are organised ahead of time, so you make your decisions with a cool head. That means that you can keep to your trading strategy, whatever the market's doing.
Get on with your life	If you are not a full – time trader, you have other things to do. Whether it's enjoying a holiday, spending more time with the family or just doing your everyday job, Conditional Trading lets you get on with your life, without neglecting your investments.

Choosing a conditional order

	When the share price falls	When the share price rises	When a share price changes direction
To sell	Falling Sell	Rising Sell	Trailing Sell
To buy	Falling Buy	Rising Buy	Trailing Buy

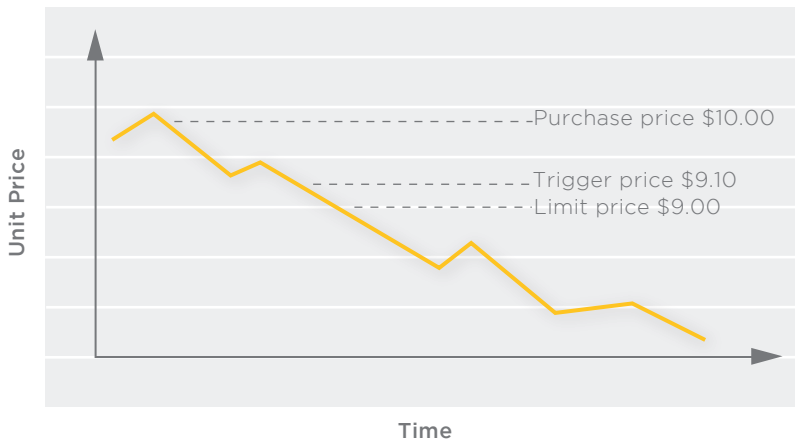
Falling Sell

Falling Sell helps you lock in your gains or limit your losses in a falling market

A Falling Sell order instructs us to sell some or all of your securities in a company when the security price falls to the level you have set as your trigger. You also set a limit price, below which we won't sell.

I can do that

1. The strategy	2. How she did it	3. The result
Alex buys 1,000 units in Blue Sky Enterprises Pty Ltd for \$10 per unit. She wants to sell her shareholding if the security price falls to \$9, limiting her losses to 10% of the purchase price.	Alex creates a Falling Sell trigger with a trigger price of \$9.10 and a limit price of \$9.00. When the security price falls to \$9.10, a Sell order is automatically placed for her, with a limit price of \$9.00.	Alex's securities sell the same day for \$9.09, limiting her losses to 91c per unit.



Rising Sell

Rising Sell helps you take a profit when a security price rises

A Rising Sell order instructs us to sell some or all of your securities in a company when the unit price rises to the level you have set as a trigger. You also set a limit price, below which we won't sell.

I can do that

1. The strategy	2. How he did it	3. The result
<p>Carl owns 1,000 units of Bright Future Pty Ltd, which he bought for \$10 per unit. His strategy is to sell when he can achieve a 10% capital gain.</p>	<p>Carl creates a Rising Sell trigger with a trigger price of \$11.05 and a limit price of \$11.00. When the security price rises to \$11.05, a Sell order is automatically placed for him, with a limit price of \$11.00.</p>	<p>Carl's securities sell almost at the top of the market, at \$11.01, giving him just more than his planned 10% gain, with \$1.01 per unit.</p>



TIP

Log into the CommSec web site at commsec.com.au, and under the Trading menu you can check the status of your Conditional Trading triggers.

Trailing Sell

Trailing Sell helps you maximise profits when a security price rises

A Trailing Sell order instructs us to sell some or all of your securities in a company when the security price rises to or beyond a level you have set as your trail start price; and then experiences a fall equal to or greater than a trail stop value you have set.

I can do that

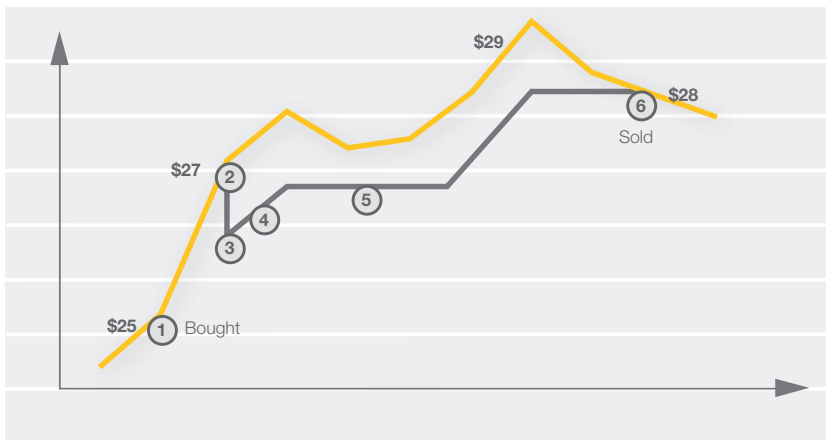
1. The strategy	2. How she did it	3. The result
<p>Rhys bought 1000 units of Take Up Pty Ltd for \$8.00. He would like to take profits when the share price reaches \$9.00, however, is happy to risk selling lower to try and maximise any upside resulting from positive momentum.</p>	<p>Rhys creates a Trailing Sell order with a trail start price of \$9.05 and a trail stop value of \$0.05.</p> <p>A trail will begin when the security price rises to or beyond \$9.05 and a market order will be fired the next time a fall equal to or greater than \$0.05 occurs.</p>	<p>Rhy's trail start price and trail end value were met in one day.</p> <p>The price opened at \$9.15 to hit a maximum of \$9.45 before closing at \$9.30. Rhy's market order executed at \$9.40 per unit.</p> <p>The Trailing Sell resulted in a 3.5% increase in profits had he placed a Rising Sell for \$9.00.</p>

TIP

If you would like to set a limit price for your order, please consider a non-trailing conditional order.

I can do that

1. The strategy	2. How he did it	3. The result
<p>Damien owns 1,000 units of Max High Pty Ltd and is of the opinion that if the share price reaches \$10.00 the momentum will continue.</p> <p>He is unsure where the share price will correct, however, believes a fall of \$0.20 is big enough to suggest a downward swing is occurring.</p>	<p>Damien creates a Trailing Sell order with a trail start price of \$10.00 and a trail end value of \$0.20.</p> <p>A trail will begin when the security price rises to or beyond \$10.00 and a market order will be fired the next time a fall equal to or greater than \$0.20 occurs.</p>	<p>Damien's securities sell 3 weeks after the trail starts for \$12.80 per unit.</p> <p>The trail started when the price rose above \$10.00. The price did not experience a fall of more than \$0.20 for 3 weeks until it hit \$12.80 and a market order was fired.</p>



XYZ Stock

1. You buy XYZ stock at \$25 per share.
2. XYZ rises to \$27.
3. You place a sell trailing stop loss with a trail value of \$1.
4. As long as the price moves in your favour, your trailing price will stay \$1 away.
5. The price of XYZ peaks at \$29, then starts to drop. Your trailing stop loss remains at \$28.
6. Shares are sold when XYZ reaches \$28.

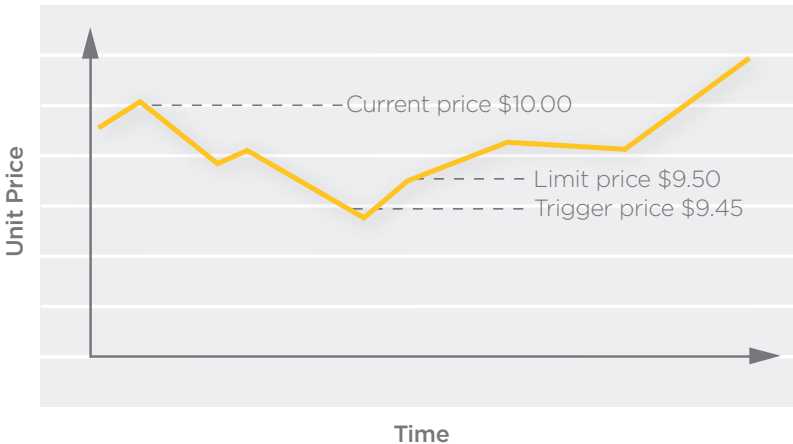
Falling buy

Falling Buy helps you invest in a company when it becomes good value

A Falling Buy order instructs us to buy a security for you when the unit price falls to the price you have set as a trigger or below. You also set a limit price, above which we won't buy.

I can do that

1. The strategy	2. How he did it	3. The result
David wants to invest in Market Favourite Pty Ltd, but thinks the security is currently overvalued at \$10 per unit. He believes that \$9.50 would be a fair price.	David creates a Falling Buy trigger with a trigger price of \$9.45 and a limit price of \$9.50. When the security price falls to \$9.45, a Buy order is automatically placed, with a limit price of \$9.50.	David buys 1,000 units at \$9.50, just the level he was hoping for. Since then, his securities have luckily appreciated, validating his investment strategy.



TIP

Set up Conditional Trading orders before you go on holidays or overseas, and keep your portfolio working, even when you're not.

Trailing Buy

Trailing Buy helps you invest in a company by maximising value

A Trailing Buy order instructs us to buy a security when the unit price falls to or beyond a level you have set as your trail start price; **and then** experiences a rise equal to or greater than a trail stop value you have set.

I can do that

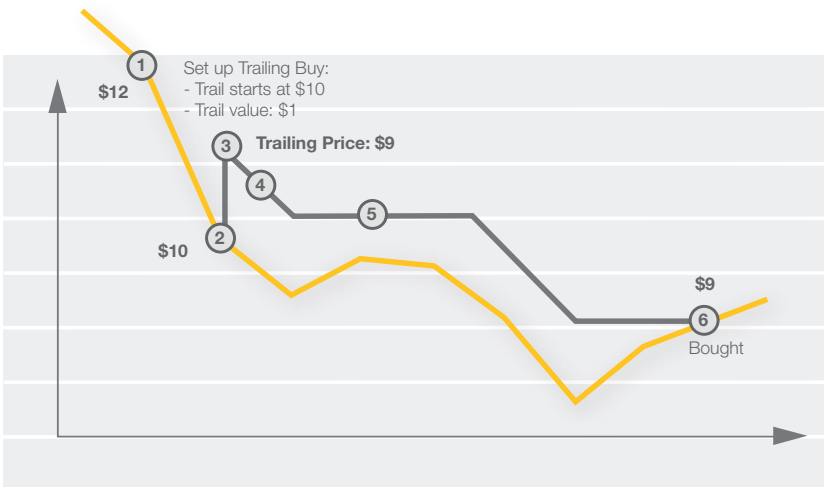
1. The strategy	2. How he did it	3. The result
Jenny has decided she would like to buy 1000 units of Take Down Pty Ltd for \$9.00, however, is happy to risk buying higher to try and maximise any downside resulting from negative momentum.	Jenny creates a Trailing Buy order with a trail start price of \$8.91 and a trail stop value of 1%. A trail will begin when the security price falls to or beyond \$8.91 and a market order will be fired the next time a rise equal to or greater than 1% occurs.	Jenny's trail start price and trail end value were met in one day. The price fell from \$9.05 below \$8.91 to hit a low of \$8.50 before closing at \$8.95. Jenny's market order executed at \$8.59 per unit. The Trailing Sell resulted in a 4.6% decrease in purchase price had she placed a Rising Sell.

TIP

As trailing conditional orders are market orders and operate off equal to and more/less than conditions. The executed price may be significantly different to your desired price. If you would like to set limit orders please consider another type of conditional order.

I can do that

1. The strategy	2. How he did it	3. The result
<p>Rob would like to buy 1,000 units of Max Low Pty Ltd and is of the opinion that if the share price falls to \$10.00 the momentum will continue.</p> <p>He is unsure where the share price will correct, however, believes a rise of 2% is big enough to suggest an upward swing is occurring.</p>	<p>Rob creates a Trailing Buy order with a trail start price of \$10.00 and a trail stop value of 2%.</p> <p>A trail will begin when the security price falls to or beyond \$10.00 and a market order will be fired the next time a rise equal to or greater than 2% occurs.</p>	<p>Rob buys the securities for \$7.65.</p> <p>The trail started when the price dropped below \$10.00. The price did not experience a rise of more than 2% for 4 weeks until it hit \$7.65 and a market order was fired.</p>



Rising Buy

Rising buy helps you take advantage of a security that's on the rise

A Rising Buy order instructs us to buy a security for you when the unit price rises to the level you have set as a trigger or above. You also set a limit price, above which we won't buy.

I can do that

1. The strategy	2. How she did it	3. The result
Sarah's been watching Diamond Pty Ltd for a while. Currently the unit price is in the doldrums at \$10, but she thinks the company should recover strongly. She would like to buy when that recovery begins.	Sarah creates a Rising Buy trigger with a trigger price of \$10.25 and a limit price of \$10.30. When the security price rises to \$10.25, a Buy order is automatically placed, with a limit price of \$10.30.	Sarah is right about Diamond, and it continues to rise. Her Rising Buy order is placed and executed with Diamond stock at \$10.28, so she is well placed to make a profit.



TIP

Set up Conditional Trading orders before you go on holidays or overseas, and keep your portfolio working, even when you're not.

Conditional trading

Quick guide

Requirements for Conditional Trading

You must meet some conditions before qualifying for Conditional Trading:

For equity trading accounts only

- You must be a CommSec CHESS Sponsored client.
- You and all other beneficial owners on the account must read and accept the Conditional Trading Terms and Conditions and agree to act in accordance with them.
- You and all other beneficial owners on the account must read and accept the Risk Disclosure Statement (included in the Conditional Trading Terms & Conditions).

How do I place a conditional order?

Once you are registered, you can set up your conditional orders in two convenient ways:

Equities

- Online at commsec.com.au 24 hours a day.
- Over the phone on 13 15 19 between 8 am and 7 pm (Sydney time), Monday to Friday.

How will I know if my order is triggered?

You can be notified instantly by SMS or email when a conditional order is triggered (equity conditional orders only). To set up trade notifications, log on to commsec.com.au and go to the Trading section of the website.

What happens next?

When your trigger fires, your order is placed in the market until it is filled, or up to 20 trading days (five for Margin Loan customers).

However, CommSec cannot guarantee that your order will be executed. Conditional orders are subject to normal validation requirements and CommSec's usual vetting procedures at the time they are triggered.

All orders are subject to the Market Operator's rules and may be purged if there is a halt to trading in that security, or if there is a change in the basis of quotation.

What if I change my mind?

You can amend or cancel your outstanding triggers and triggered orders if they have not been executed, at any time.

Like any other order, conditional orders cannot be cancelled once they have been executed.

How long do conditional orders last?

Conditional Trading triggers that are not fired remain in place for 12 months. They are then automatically removed, and you will have to place a new trigger. Conditional Trading triggers are also removed from the system at any time if the Market Operator purges orders for that share from the market. This usually happens only if there is a change in the basis of quotation or some other corporate action.

What are the risks?

All security trading involves risk, and Conditional Trading is no different. If the market is moving fast, there is a risk your limit order will not execute, or your market order will execute at a much less favorable price point than your trigger conditions.

It is also possible for highly volatile securities to trigger conditional orders and then move against you, leaving you out of pocket. But you can minimise these risks by setting your trigger and limit prices carefully, and researching the securities in your portfolio.

By helping you stick to your investment strategy, Conditional Trading can help reduce overall risk, especially if you have your eye off the market temporarily.

What does it cost?

- There are no fees* for placing a Conditional Order.

*Brokerage will continue to apply for buy and sell trades.

How to get started*

	Online	Over the phone
STEP 1	<ul style="list-style-type: none"> Log on to commsec.com.au 	<ul style="list-style-type: none"> Read the Conditional Trading Terms and Conditions (which includes the Risk Disclosure Statement) available to download from commsec.com.au
STEP 2	<ul style="list-style-type: none"> Go to the Subscriptions page and subscribe to Conditional Trading 	<ul style="list-style-type: none"> Call 13 15 19 8 am to 7 pm (Sydney time), Monday to Friday
STEP 3	<ul style="list-style-type: none"> Read about Conditional Trading, including the Terms and Conditions and Risk Disclosure Statement 	<ul style="list-style-type: none"> Speak to our Client Service Officers to apply for Conditional Trading
STEP 4	<ul style="list-style-type: none"> You will be able to select Place Order from the Conditional Orders menu to set up your Conditional Trading triggers 	<ul style="list-style-type: none"> You may instruct the Client Service Officer to help you place your Conditional Trading triggers

*In order to qualify for Conditional Trading you must be a registered CommSec client. To register as a CommSec client visit commsec.com.au or call us on 13 15 19. Please also refer to page 11 for the full requirements for Conditional Trading.

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We're here to help

To find out more, call us on **13 15 19**, 8 am to 7 pm (Sydney time),
Monday to Friday, or visit our web site at **commsec.com.au**

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