

May 22, 2007

Gearing through Asgard platform gains popularity with investors

Asgard Wealth Solutions has recorded a 30 per cent increase in the number of investors opening margin lending accounts through its integrated gearing facility on its mini-master trust, Elements, during the six months to March.

General Manager of product Dean Thomas said the company had noticed a recent surge in the popularity of margin lending through Elements which it introduced to the market in 2004, makes it one of the first ever facilities of its kind to be offered through a platform.

Gearing - that is, borrowing money to invest - can enable investors to reach their investment goals much earlier than would be possible if they were simply to invest their own money. An added benefit of gearing for investors is that interest costs on the loan can generally be claimed as a tax deduction.

"Asgard was ahead of its time when it launched Elements with a fully integrated gearing facility three years ago in response to adviser demand," Mr Thomas said.

"Our advisers said they wanted to be able to view and monitor all their clients' investment portfolios through the one, automated facility that was easy to setup and provided a central point for loan and account queries and this is what we provided them with.

"We also offered comprehensive reporting via adviserNET and Investor Online, meaning advisers and their clients could access up-to-date investment and account information 24 hours a day, seven days a week. We introduced set gearing and automatic sell-down ratios meaning little time needed to be spent on administration, and offered advisers the ability to easily monitor and make changes to clients' accounts and gearing levels when necessary.

"For investors, the St.George margin loan is available with features such as no establishment fee, and options to pay a fixed interest rate 12 months in advance.

Mr Thomas said the growth in popularity of the gearing facility in Elements among investors had been unprecedented in the history of the product.

"The recent take-up has been the best over a six month period in the three years since Elements was launched," Mr Thomas said.

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