
Medallion Trust

Medallion Trust Series 2011-1 Supplemental Information Memorandum



\$525,000,000

**Mortgage Backed Secured Pass Through Floating Rate Class A2-R Notes due
November 2042**

Rating

“AAA(sf)” by Standard & Poor’s (Australia) Pty Ltd

“AAAsf” by Fitch Australia Pty Ltd

**Arranger, Bookrunner and Lead Manager
Commonwealth Bank of Australia**

ABN 48 123 123 124

**Structural Advisor
Commonwealth Bank of Australia**

**Co-Manager
Macquarie Bank Limited**

ABN 46 008 583 542

22 April 2016

No Guarantee by Commonwealth Bank of Australia or Macquarie

The Class A2-R Notes do not represent deposits or other liabilities of Commonwealth Bank of Australia (“**Commonwealth Bank of Australia**”), Macquarie Bank Limited (ABN 46 008 583 542) (“**Macquarie**”) or any other member of the Commonwealth Bank of Australia group or the Macquarie group. None of Commonwealth Bank of Australia, Securitisation Advisory Services Pty Limited ABN 88 064 133 946 (the “**Manager**”), Macquarie or any other member of the Commonwealth Bank of Australia group or the Macquarie Group guarantees the payment or repayment or the return of any principal invested in, or any particular rate of return on, the Class A2-R Notes or the performance of the Assets of the Series Trust. In addition, none of the obligations of the Manager are guaranteed in any way by Commonwealth Bank of Australia or any other member of the Commonwealth Bank of Australia group or the Macquarie Group.

Purpose of this Supplemental Information Memorandum

This Supplemental Information Memorandum relates solely to a proposed issue of Class A2-R Notes by Perpetual Trustee Company Limited (ABN 42 000 001 007) (the “**Trustee**”) in its capacity as trustee of the Medallion Trust Series 2011-1 Trust (the “**Series Trust**”). It is not relevant for any other purpose.

This Supplemental Information Memorandum should be read in conjunction with the information memorandum relating to the Medallion Trust Series 2011-1 dated 19 April 2011 (the “**Base Information Memorandum**”), which is attached to this Supplemental Information Memorandum and, except as updated by this Supplemental Information Memorandum, is incorporated in its entirety in this Supplemental Information Memorandum and each reference to the term “Information Memorandum” in the Base Information Memorandum shall be taken to mean the Base Information Memorandum as updated by this Supplemental Information Memorandum. To the extent of any inconsistency between the Base Information Memorandum and this Supplemental Information Memorandum, this Supplemental Information Memorandum will prevail.

This Supplemental Information Memorandum alone does not contain complete information about the offering of the Class A2-R Notes. No one may use this Supplemental Information Memorandum to offer and sell the Class A2-R Notes unless it is accompanied by the Base Information Memorandum.

The Class A2-R Notes are subject to Investment Risk

The holding of the Class A2-R Notes is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

US Selling Restrictions

The Class A2-R Notes have not been and will not be registered under the Securities Act and unless so registered may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Class A2-R Notes are being offered and sold only to persons (other than United States persons) outside the United States pursuant to Regulation S and the Securities Act. For a description of certain further restrictions on offers, transfers and sales of the Class A2-R Notes and the distribution of this Supplemental Information Memorandum, see Section 1 (“*Important Notice*”), Section 2.12 (“*Miscellaneous*”) and Section 13 (“*Selling Restrictions*”) of this Supplemental Information Memorandum below.

Table of Contents

1	Important notice	6
1.1	Base Information Memorandum	6
1.2	Interpretation – references to the Notes	6
1.3	Summary Only	6
1.4	Limited Responsibility for Information	7
1.5	Date of this Supplemental Information Memorandum	7
1.6	Independent Investment Decisions	8
1.7	Authorised Material	8
1.8	Distribution to Professional Investors Only	8
1.9	Distribution	9
1.10	Issue Not Requiring Disclosure to Investors under the Corporations Act	9
1.11	Offshore Associates Not To Acquire Class A2-R Notes	9
1.12	Disclosure of Interests	10
1.13	Limited Recovery	10
1.14	Australian Financial Services Licence of Perpetual Trustee Company Limited	10
1.15	European Union Capital Requirements Directive - Securitisation Exposure Rules and Other Regulatory Initiatives	10
1.16	Repo-Eligibility	12
1.17	Listing	13
1.18	References to Rating	14
2	Summary	15
2.1	Parties to the Transaction	15
2.2	Summary of the Notes	16
2.3	Structural Overview	20
2.4	Credit Enhancements	21
2.5	Liquidity Enhancement	24
2.6	Other Structural Enhancements	25
2.7	Hedging Arrangements	25
2.8	Optional Redemption	26
2.9	The Mortgage Loan Pool	26
2.10	Payments on the Class A2-R Notes	27
2.11	Allocation of Cash Flows	27
2.12	Miscellaneous	35
3	Some risk factors	37
3.1	Risks of Equitable Assignment	37
3.2	Consumer credit legislation	39
3.3	European Union directive on the taxation of savings income	41
3.4	The proposed financial transactions tax (“FTT”)	42
3.5	European Union Capital Requirements Regulation - securitisation exposure rules and other regulatory initiatives	43
3.6	Effects of other financial regulatory measures	44
3.7	Application of the Personal Property Securities regime	44
3.8	Foreign Account Tax Compliance	46
3.9	Common Reporting Standard	47
4	The Parties	48
4.1	The Trustee	48
4.2	The Seller	48
4.3	The Manager	48
4.4	The Security Trustee	48

5	The Series Trust	50
5.1	General	50
5.2	Assets of the Series Trust	50
6	Commonwealth Bank of Australia Residential Loan Program	50
7	Description of the Class A2-R Notes	55
7.1	Issuance and use of proceeds	55
7.2	Form of the Class A2-R Notes	55
7.3	Transfer of Class A2-R Notes	56
7.4	Notices to Class A2-R Noteholders	57
7.5	Joint Noteholders	57
7.6	Method of Payment	57
7.7	Interest on the Class A2-R Notes	57
7.8	Repayment of principal on the Class A2-R Notes	58
7.9	Withholding or Tax Deductions	60
8	Determination and payment of income and principal in respect of the Series Trust	60
8.1	Payments by the Trustee	60
8.2	Payment of the Available Income Amount on each Distribution Date	60
8.3	Payment of the Available Principal Amount on each Distribution Date	60
8.4	Principal Chargeoffs	61
8.5	Principal Draws	61
8.6	Liquidity Facility Advances	61
8.7	Extraordinary Expense Reserve	61
8.8	Post enforcement payments	62
9	Description of the Transaction Documents	62
9.1	General	62
9.2	Expiry of the Class A2 Note Fixed Swap, Income Reserve and GIC Account arrangements on the Class A2 Refinancing Date	62
9.3	The Mortgage Insurance Policies	63
9.4	Description of the Mortgage Insurers	63
10	The Servicer	65
11	Taxation considerations	68
11.1	Tax Issues for the Series Trust	68
11.2	Interest Withholding Tax	68
11.3	Other tax matters that are relevant to Class A2-R Noteholders	71
11.4	Other tax matters that are relevant to the Series Trust	74
12	Ratings of the Class A2-R Notes	78
13	Selling Restrictions	79
13.1	Introduction	79
13.2	Australia	79
13.3	United States of America	79
13.4	European Economic Area	79
13.5	The Republic of Ireland	80
13.6	The United Kingdom	80
13.7	Hong Kong	81
13.8	Japan	81
13.9	New Zealand	82
13.10	Switzerland	82
13.11	Singapore	82

13.12	Republic of China	84
13.13	General	84
14	Listing on a securities exchange	85
14.1	Application for Listing	85
14.2	Additional Information	85
15	Transaction Documents	86
ANNEXURE – BASE INFORMATION MEMORANDUM		103

1 Important notice

1.1 Base Information Memorandum

This Supplemental Information Memorandum must be read only in conjunction with the Base Information Memorandum. See the section entitled “*Purpose of this Supplemental Information*” on page 2 of this Supplemental Information Memorandum.

Terms

References in this Supplemental Information Memorandum to various documents are explained in Section 15 (“*Transaction Documents*”) of this Supplemental Information Memorandum. Unless defined elsewhere, all other terms are defined in the Glossary in Section 17 (“*Glossary*”) of the Base Information Memorandum. Section 16 (“*Transaction Documents*”) and Section 17 (“*Glossary*”) of the Base Information Memorandum should be referred to in conjunction with any review of this Supplemental Information Memorandum.

1.2 Interpretation – references to the Notes

On 2 May 2011 (the “**Closing Date**”), the Trustee issued:

- A\$2,253,000,000 floating rate Class A1 Notes;
- A\$525,000,000 fixed rate Class A2 Notes;
- A\$108,000,000 floating rate Class AB Notes;
- A\$54,000,000 floating rate Class AC Notes; and
- A\$60,000,000 floating rate Class B Notes.

The terms on which those Notes were issued are described in the Base Information Memorandum and summarised in Section 2.2 (“*Summary of the Notes*”) of this Supplemental Information Memorandum. No Class A2-R Notes have been issued prior to the date of this Supplemental Information Memorandum and the Class A2-R Notes were not offered pursuant to the Base Information Memorandum. However, for the purposes of this Supplemental Information Memorandum only, references in the Base Information Memorandum to the “**Notes**” offered pursuant to the Base Information Memorandum shall, except as the context otherwise requires, be taken to include a reference to the Class A2-R Notes.

The Class A2-R Notes are “Class A Notes” for the purposes of the Base Information Memorandum.

1.3 Summary Only

This Supplemental Information Memorandum is only a summary of the terms and conditions of the Class A2-R Notes and the Series Trust and is to assist each recipient to decide whether it will undertake its own further independent investigation of the Class A2-R Notes. This Supplemental Information Memorandum does not purport to contain all the information a person considering subscribing for or purchasing the Class A2-R Notes may require. Accordingly, this Supplemental Information Memorandum should not be relied upon by intending subscribers or purchasers of the Class A2-R Notes. Intending subscribers or purchasers of the Class A2-R Notes should review the Transaction Documents which contain the definitive terms relating to the Series Trust and the transactions connected therewith. If there is any inconsistency between this Supplemental Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information.

This Supplemental Information Memorandum must be read together with the Base Information Memorandum.

This Supplemental Information Memorandum should not be construed as an offer or invitation to any person to subscribe for or buy the Class A2-R Notes and must not be relied upon by intending subscribers or purchasers of Class A2-R Notes. In addition, this Supplemental Information Memorandum should not be construed as an offer or invitation to any person to subscribe for or buy any other Notes issued by the Trustee as trustee of the Series Trust.

It should not be assumed that the information contained in this Supplemental Information Memorandum is necessarily accurate or complete in the context of any offer to subscribe for or an invitation to subscribe for or buy any Class A2-R Notes even if this Supplemental Information Memorandum is circulated in conjunction with such an offer or invitation.

1.4 Limited Responsibility for Information

The Manager has prepared and authorised the distribution of this Supplemental Information Memorandum, has accepted sole responsibility for the information contained in it and to the best of its knowledge and belief the information contained in this Supplemental Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of Commonwealth Bank of Australia, Macquarie, the Trustee or P.T. Limited ABN 67 004 454 666 (the “**Security Trustee**”) have authorised, caused the issue of, or have (and expressly disclaim) any responsibility for, or made any statement in, any part of this Supplemental Information Memorandum. Furthermore, none of Macquarie, the Trustee nor the Security Trustee has had any involvement in the preparation of any part of this Supplemental Information Memorandum (other than where parts of this Supplemental Information Memorandum contain particular references to Perpetual Trustee Company Limited or P.T. Limited in their corporate capacity). Whilst the Manager believes the statements made in this Supplemental Information Memorandum are accurate, neither it nor Commonwealth Bank of Australia, Macquarie, the Trustee, the Security Trustee nor any external adviser to any of the foregoing makes any representation or warranty, express or implied, as to, nor assumes any responsibility or liability for, the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Supplemental Information Memorandum or in any previous, accompanying or subsequent material or presentation.

No recipient of this Supplemental Information Memorandum can assume that any person referred to in it has conducted any investigation or due diligence concerning, or has carried out or will carry out any independent audit of, or has independently verified or will verify, the information contained in this Supplemental Information Memorandum.

1.5 Date of this Supplemental Information Memorandum

This Supplemental Information Memorandum has been prepared as at 22 April 2016 (the “**Preparation Date**”), based on information available and facts and circumstances known to the Manager at that time.

Neither the delivery of this Supplemental Information Memorandum, nor any offer or issue of any Class A2-R Notes, at any time after the Preparation Date implies, or should be relied upon as a representation or warranty, that:

- (a) there has been no change since the Preparation Date in the affairs or financial condition of the Series Trust, the Trustee, Commonwealth Bank of Australia,

Macquarie, the Manager or any other party named in this Supplemental Information Memorandum; or

- (b) the information contained in this Supplemental Information Memorandum is correct at such later time.

No person undertakes to review the financial condition or affairs of the Trustee or the Series Trust at any time or to keep a recipient of this Supplemental Information Memorandum or the holder of any Note (the “**Noteholder**”) informed of changes in, or matters arising or coming to their attention which may affect, anything referred to in this Supplemental Information Memorandum.

Neither the Manager, Commonwealth Bank of Australia, Macquarie, nor any other person accepts any responsibility to Noteholders or prospective Noteholders to update this Supplemental Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

1.6 Independent Investment Decisions

This Supplemental Information Memorandum is not intended to be, and does not constitute, a recommendation by the Manager, the Trustee, Commonwealth Bank of Australia, Macquarie or the Security Trustee that any person subscribe for or purchase any Class A2-R Note. Accordingly, any person contemplating the subscription or purchase of any Class A2-R Note must:

- (a) make their own independent investigation of the terms of the Class A2-R Notes (including reviewing the Transaction Documents) and the financial condition, affairs and creditworthiness of the Series Trust, after taking all appropriate advice from qualified professional persons; and
- (b) base any investment decision on the investigation and advice referred to in paragraph (a) and not on this Supplemental Information Memorandum.

1.7 Authorised Material

No person is authorised to give any information or to make any representation which is not contained in this Supplemental Information Memorandum and any information or representation not contained in this Supplemental Information Memorandum must not be relied upon as having been authorised by or on behalf of Commonwealth Bank of Australia, Macquarie or the Manager.

1.8 Distribution to Professional Investors Only

Prior to the approval of this Supplemental Information Memorandum by the by the relevant competent authority (if required) in connection with any application for listing or admission to trading of the Class A2-R Notes by the Manager, this Supplemental Information Memorandum has been prepared on a confidential basis for distribution only to professional investors whose ordinary business includes the buying or selling of securities such as the Class A2-R Notes. This Supplemental Information Memorandum is not intended for, should not be distributed to, and should not be construed as an offer or invitation to, any other person. If the Manager, subject to investor demand and in its sole discretion, makes an application for the Class A2-R Notes to be listed with a stock exchange and admitted to trading and such application is approved, it will no longer be confidential and will be a publicly available document.

1.9 Distribution

The distribution of this Supplemental Information Memorandum and the offering or invitation to subscribe for or buy the Class A2-R Notes in certain jurisdictions may be restricted by law. No action has been taken or will be taken which would permit the distribution of this Supplemental Information Memorandum or the offer or invitation to subscribe for or buy the Class A2-R Notes in any jurisdiction where action for that purpose is required.

1.10 Issue Not Requiring Disclosure to Investors under the Corporations Act

This Supplemental Information Memorandum is not a “Prospectus” for the purposes of Chapter 6D of the Corporations Act 2001 of Australia (the “**Corporations Act**”) or a “Product Disclosure Statement” for the purposes of Chapter 7 of the Corporations Act and is not required to be lodged with the Australian Securities and Investments Commission under the Corporations Act as each offer for the issue, any invitation to apply for the issue, and any offer for sale of, and any invitation for offers to purchase, the Class A2-R Notes to a person under this Supplemental Information Memorandum:

- (a) will be for a minimum amount payable (after disregarding any amount lent by the person offering the Class A2-R Notes (as determined under section 700(3) of the Corporations Act) or any of their associates (as determined under sections 10 to 17 of the Corporations Act)) on acceptance if the offer or application (as the case may be) is at least \$500,000 (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001); or
- (b) is made to a professional investor for the purposes of section 708 of the Corporations Act; or
- (c) does not otherwise require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a “retail client” within the meaning of section 761G of the Corporations Act (a “**Retail Client**”).

No action has been taken or will be taken which would permit a public offering of the Class A2-R Notes, or possession or distribution of this Supplemental Information Memorandum, in any country or jurisdiction where action for that purpose is required.

A person may not (directly or indirectly) offer for issue or sale, or make any invitation to apply for the issue or to purchase, the Class A2-R Notes nor distribute this Supplemental Information Memorandum except if the offer or invitation:

- (a) does not need disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) is not made to a Retail Client; and
- (c) complies with any other applicable laws in all jurisdictions in which the offer or invitation is made.

1.11 Offshore Associates Not To Acquire Class A2-R Notes

Under present law, interest and other amounts paid on the Class A2-R Notes will not be subject to Australian interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Income Tax Assessment Act 1936 (Cth) and they are not acquired directly or indirectly by certain offshore associates of the Trustee or Commonwealth Bank of Australia, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Class A2-R Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme. Each of the Lead Manager and the Co- Manager has undertaken not to offer a Class A2-R Note if the Lead

Manager or the Co-Manager (as applicable) knew, or has reasonable grounds to suspect, that the Class A2-R Note or an interest in the Class A2-R Note was being or would be acquired by such an offshore associate of the Trustee or Commonwealth Bank of Australia.

1.12 Disclosure of Interests

Each of Commonwealth Bank of Australia, the Manager and their respective subsidiaries:

- (a) may have a pecuniary or other interests in the Class A2-R Notes ; and
- (b) may receive fees, brokerage and commissions, and may act as principal, in any dealings in the Class A2-R Notes.

1.13 Limited Recovery

Any obligation or liability of the Trustee arising under or in any way connected with the Class A2-R Notes, the Master Trust Deed, the Series Supplement, the Security Trust Deed or any other Transaction Document to which the Trustee is a party is limited, except in the case of fraud, negligence or wilful default on the part of the Trustee or its officers, employees or agents or any other person whose acts or omissions the Trustee is liable for under the Transaction Documents, to the extent to which it can be satisfied out of the Assets of the Series Trust out of which the Trustee is actually indemnified for the obligation or liability. Other than in the exception previously mentioned, the personal assets of the Trustee, the Security Trustee or any other member of the Perpetual Trustee group are not available to meet payments of interest or repayments of principal on the Class A2-R Notes.

None of Commonwealth Bank of Australia, Macquarie, the Manager, the Trustee or the Security Trustee guarantees the success of the Class A2-R Notes issued by the Trustee or the repayment of capital or any particular rate of capital or income return in respect of the investment by Noteholders in the Class A2-R Notes, nor do they make any statement (including, without limitation, any representation) with respect to income tax or other taxation consequences of any subscription, purchase or holding of the Class A2-R Notes or the receipt of any amounts thereunder.

1.14 Australian Financial Services Licence of Perpetual Trustee Company Limited

Perpetual Trustee Company Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643). Perpetual Trustee Company Limited has appointed P.T. Limited to act as its authorised representative under that licence (Authorised Representative No. 266797).

1.15 European Union Capital Requirements Directive - Securitisation Exposure Rules and Other Regulatory Initiatives

Articles 404 – 410 (inclusive) of Regulation (EU) No 575/2013 (as amended by corrigendum) of the European Parliament and Council (the “**CRR**”) came into force on 1 January 2014 in Member States of the European Union and have been or are expected to be implemented by national legislation in the other Member States of the European Economic Area (“**EEA**”).

Article 405 of the CRR restricts ‘credit institutions’ and ‘investment firms’ (each as defined in the CRR), and the consolidated group subsidiaries thereof (each, an “**Affected Investor**”) from investing in or being exposed to a ‘securitisation’ (as defined in the CRR) unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the Affected Investor that it will retain, on an ongoing basis, a net economic interest of at least 5 per cent in that securitisation in the manner contemplated by Article 405 (and regulatory technical standards since adopted by the European Commission, in relation to the same).

Article 406 of the CRR also requires that an Affected Investor be able to demonstrate that it has undertaken certain due diligence in respect of, among other things, the Class A2-R Notes it has acquired and the underlying exposures, and that procedures have been established for monitoring the performance of the underlying exposures on an ongoing basis.

Failure to comply with one or more of the requirements as set out in Articles 405 and 406 of the CRR may result in the imposition of a penal capital charge with respect to the investment made in the securitisation by the relevant Affected Investor.

Investors should also be aware of Article 17 of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU), as supplemented by Section 5 of Chapter III of Commission Delegated Regulation (EU) No 231/2013 (“**Investment Managers Directive**”) and Article 135(2) of the EU Solvency II Directive 2009/138/EC, as supplemented by Articles 254-257 of Commission Delegated Regulation (EU) No 2015/35 (“**Solvency II**”), which introduce risk retention and due diligence requirements which apply, respectively, to EEA regulated alternative investment fund managers and EEA regulated insurance/reinsurance undertakings. While such requirements are similar to those which apply under the CRR they are not identical and, in particular, additional due diligence obligations apply to relevant investors under the Investment Managers Directive and Solvency II. Similar requirements are also scheduled to apply in the future to investment in securitisations by Undertakings for Collective Investment in Transferrable Securities (“**UCITS**”) and insurance and reinsurance undertakings subject to regulation by supervisory authorities in any member state of the European Economic Area. In this Supplemental Information Memorandum, all such requirements, together with Articles 404 – 410 (inclusive) of the CRR, are referred to as the “**Retention Rules**”.

At the time the Series Trust was established and Notes were first issued by the Trustee, the CRR and other Retention Rules described above were not in force. At that time, the previous European Union retention rules under Article 122a of the Capital Requirements Directive (comprising Directive 2006/48/EC and Directive 2006/49/EC, as amended) (the “**CRD II Rules**”) were in force. Commonwealth Bank of Australia undertook in the Series Supplement to retain on an ongoing basis a net economic interest of at least 5 per cent in the Medallion Trust Series 2011-1 securitisation transaction in accordance with the provisions of the CRD II Rules. On the Closing Date such interest was comprised of an interest in randomly selected exposures equivalent to no less than 5% of the aggregate principal balance of the securitised exposures in accordance with Article 122a paragraph (1) sub-paragraph (c) of the CRD II Rules. As at the Preparation Date, Commonwealth Bank of Australia continues to hold a net economic interest of at least 5 per cent in the Medallion Trust Series 2011-1 securitisation transaction in this manner. While the Retention Rules do not provide that compliance with the CRD II Rules will be taken to satisfy the Retention Rules, the requirements of Article 122a paragraph (1) sub-paragraph (c) are substantially similar to the requirements currently in force under Article 405 paragraph (1) sub-paragraph (c) of the CRR.

Relevant investors are required to independently assess and determine the sufficiency of the information described in this Supplemental Information Memorandum and in any reports provided to investors in relation to the Series Trust for the purposes of their compliance with the Retention Rules (including regulatory technical standards, implementing technical standards and national measures in relation to the same) and any other similar requirements and none of the Trustee, Commonwealth Bank of Australia, Macquarie and each other party to a Transaction Document makes any representation that the information described above or in this Supplemental Information Memorandum is sufficient in all circumstances for such purposes. Prospective investors who are uncertain as to such requirements in a relevant jurisdiction should seek relevant professional advice or guidance from their regulator.

See Section 3.5 (“*European Union Capital Requirements Regulation – securitisation exposure rules and other regulatory initiatives*”) of this Supplemental Information Memorandum for further details.

1.16 Distribution by Macquarie group

This Supplemental Information Memorandum is intended solely for the use of wholesale clients as defined under the Corporations Act 2001 (Cth).

This Supplemental Information Memorandum is distributed in Hong Kong by Macquarie Capital Securities Limited (“**MCSL**”) and is intended solely for “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong for the purpose of providing information and does not constitute any offer to the public within the meaning of the Companies Ordinance (Cap.32) of Hong Kong. Neither MCSL nor any of its related companies carries on banking business in Hong Kong, nor are they Authorized Institutions under the Banking Ordinance (Cap. 155) of Hong Kong and therefore none of them are subject to the supervision of the Hong Kong Monetary Authority. The contents of this Supplemental Information Memorandum have not been reviewed by any regulatory authority in Hong Kong.

This Supplemental Information Memorandum is made available in Japan by Macquarie Capital Securities (Japan) Limited (Financial Instruments Firm. Kanto Financial Bureau (Kin-Sho) No. 231 (Member of Japan Securities Dealers Association and The Financial Futures Association of Japan)) and is intended solely for "Qualified Institutional Investors" and "Joint Stock Companies" with capital of 1 billion yen or more within the meaning of the Financial Instruments and Exchange Law. No part of the information provided herein is to be construed as a solicitation to buy or sell any financial product, or to engage on or refrain from engaging in any transaction.

This Supplemental Information Memorandum is distributed in Singapore by Macquarie Bank Limited Singapore Branch (“**MBL Singapore**”) and has not been registered as a prospectus with the Monetary Authority of Singapore. This Supplemental Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the financial instruments referred to in this document may not be circulated or distributed, nor may the financial instruments be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (“**SFA**”) under Section 274 of the SFA, (ii) to an accredited investor (as defined under Section 4A of the SFA) under Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

MBL Singapore holds a licence under the Banking Act, Chapter 19 of Singapore to transact banking business in Singapore and therefore is subject to the supervision of the Monetary Authority of Singapore in respect thereof. As a holder of a banking licence in Singapore, MBL Singapore is exempted from the requirement to hold a Capital Markets Services Licence, Financial Adviser’s Licence, Commodity Broker’s Licence or a Commodity Trading Adviser Licence in Singapore and is permitted to carry on activities regulated under the Securities and Futures Act (Chapter 289), Financial Advisers Act (Chapter 110) and the Commodity Trading Act (Chapter 48A).

This Supplemental Information Memorandum is distributed in the United Kingdom by Macquarie Bank Limited, London Branch (“**MBLLB**”) and in the EEA member states (other than the United Kingdom) by Macquarie Bank International Limited (“**MBIL**”) where required. This Supplemental Information Memorandum is directed only at: Qualified Investors (i) who have professional experience in matters relating to investments who fall

within the definition of "investment professional" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (ii) who are high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order, and (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). Any investment or investment activity to which this announcement relates is available only to and will only be engaged in with relevant persons. Under no circumstances should persons act or rely upon the contents of this Supplemental Information Memorandum (i) in the United Kingdom, by persons who are not relevant persons and (ii) in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors.

This information is distributed in New Zealand by Macquarie. Neither Macquarie nor any member of the Macquarie group, or any of its worldwide related bodies corporate, are registered as a bank in New Zealand by the Reserve Bank of New Zealand under the Reserve Bank of New Zealand Act 1989.

This Section 1.16 should be read in conjunction with the selling restrictions set out in Section 13 ("*Selling Restrictions*").

Other than Macquarie, any Macquarie entity noted in this document is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). That entity's obligations do not represent deposits or other liabilities of Macquarie. Macquarie does not guarantee or otherwise provide assurance in respect of the obligations of that entity, unless noted otherwise.

1.17 Repo-Eligibility

Securitisation Advisory Services Pty Limited, as Manager intends to make an application to the Reserve Bank of Australia ("**RBA**") for the Class A2-R Notes to be "eligible securities" (or "**repo eligible**") for the purposes of repurchase agreements with the RBA.

The criteria for repo eligibility published by the RBA require, among other things, that certain information be provided by the Manager to the RBA at the time of seeking repo-eligibility and during the term of the Class A2-R Notes in order for the Class A2-R Notes to be (and to continue to be) repo-eligible.

No assurance can be given that the application by the Manager for the Class A2-R Notes to be repo eligible will be successful, or that the Class A2-R Notes will continue to be repo eligible at all times even if they are eligible in relation to their initial issue. For example, subsequent changes by the RBA to its criteria could affect whether the Class A2-R Notes continue to be repo-eligible.

If the Class A2-R Notes are repo-eligible at any time, Noteholders should be aware that relevant disclosures may be made by the Manager to investors and potential investors in Class A2-R Notes from time to time in such form as determined by the Manager as it sees fit (including for the purpose of complying with the RBA's criteria).

1.18 Listing

Securitisation Advisory Services Pty Limited, as Manager, may, at its discretion, make an application to a securities exchange or other competent authority for the Class A2-R Notes to be listed and admitted for trading on its regulated market or unregulated markets. Such approval, if sought and obtained, would relate solely to the Class A2-R Notes. However, there can be no assurance that any application for listing or trading of the Class A2-R Notes, if

made, will be successful. Accordingly, the issuance and settlement of the Class A2-R Notes is not conditional on the listing of the Class A2-R Notes on any securities exchange or the admission of the Class A2-R Notes to trading on any regulated or unregulated market. Perpetual Trustee Company Limited has not made or authorised any application for admission to listing and/or trading of any Class A2-R Notes.

1.19 References to Rating

There are various references in this Supplemental Information Memorandum to the credit ratings of Class A2-R Notes and of particular parties. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant Rating Agency. In addition, the provisional ratings of Class A2-R Notes do not address the expected timing of principal repayments under those Class A2-R Notes. None of the Rating Agencies has been involved in the preparation of this Supplemental Information Memorandum. Each Rating Agency is not established in the European Community but rather is incorporated in the Commonwealth of Australia. Consequently, each Rating Agency is not required to be registered under Regulation (EC) 1060/2009 (“**CRA Regulation**”). It is anticipated that the credit ratings of the Class A2-R Notes will, upon their issue, be endorsed by Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Ltd, respectively, in accordance with the CRA Regulation. Each of Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Ltd is established in the European Union and registered under the CRA Regulation. As such, Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Ltd are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. The European Securities Markets Authority has indicated that ratings issued in Australia which have been endorsed by Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Ltd may be used in the European Union by the relevant market participants.

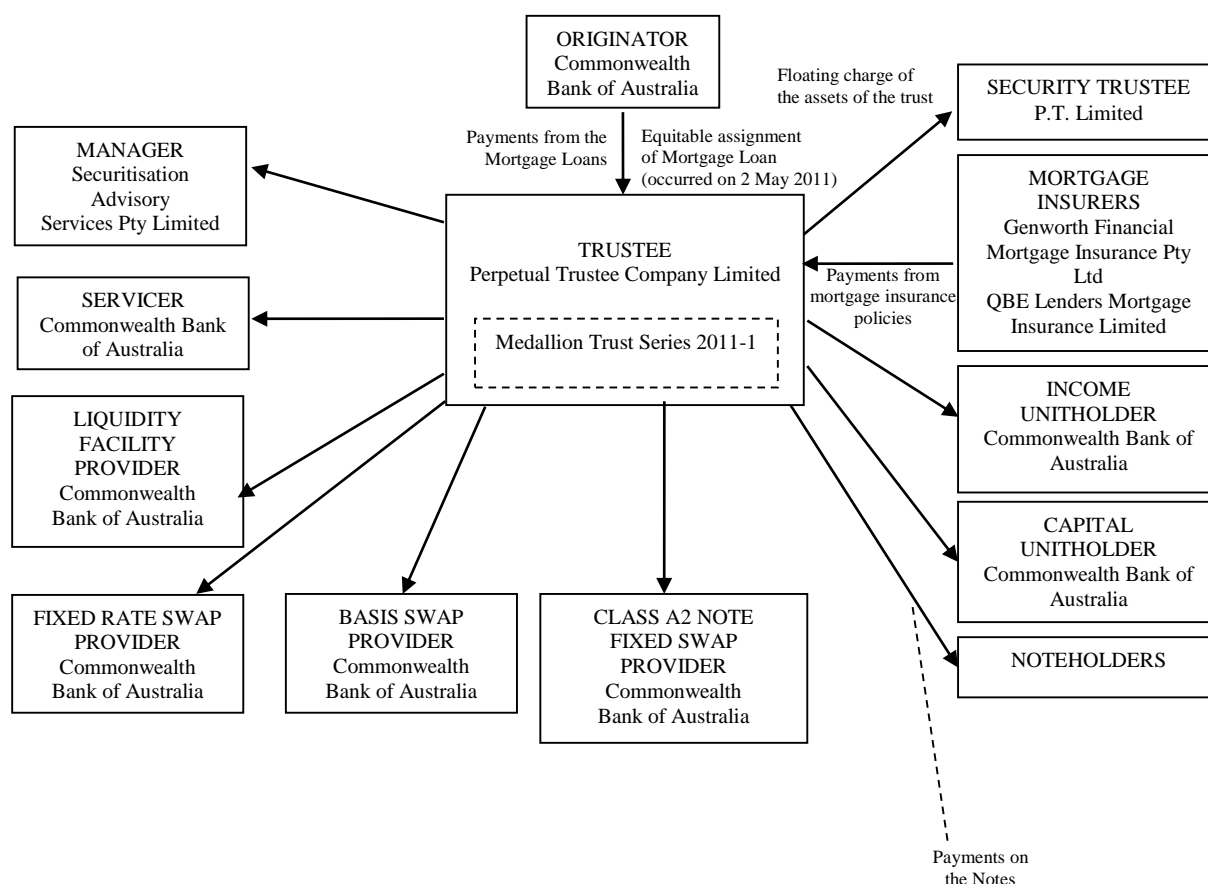
2 Summary

This summary highlights selected information from this Supplemental Information Memorandum and does not contain all of the information that you need to consider in making your investment decision. This summary contains an overview of some of the concepts and other information to aid your understanding. All of the information contained in this summary is qualified by the more detailed explanations in other parts of this Supplemental Information Memorandum and in the Base Information Memorandum.

2.1 Parties to the Transaction

Trustee:	Perpetual Trustee Company Limited in its capacity as trustee of the Series Trust
Manager:	Securitisation Advisory Services Pty Limited, Ground Floor, Darling Park Tower 1, 201 Sussex Street, Sydney, NSW 2000 Ph: +61 2 9118 7214
Security Trustee:	P.T. Limited
Seller:	Commonwealth Bank of Australia
Servicer:	Commonwealth Bank of Australia
Income Unitholder:	Commonwealth Bank of Australia
Capital Unitholder:	Commonwealth Bank of Australia
Lead Manager:	Commonwealth Bank of Australia
Co-Manager:	Macquarie Bank Limited
Liquidity Facility Provider:	Commonwealth Bank of Australia
Mortgage Insurers:	Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305) QBE Lenders' Mortgage Insurance Limited (ABN 70 000 511 071)
Fixed Rate Swap Provider:	Commonwealth Bank of Australia
Basis Swap Provider:	Commonwealth Bank of Australia
Class A2 Note Fixed Swap Provider	Commonwealth Bank of Australia
Rating Agencies:	Standard & Poor's (Australia) Pty Ltd Fitch Australia Pty Ltd

Structural Diagram



2.2 Summary of the Notes

The Trustee issued Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes and Class B Notes on 2 May 2011. The Trustee will not issue any further Notes of those Classes.

The Trustee proposes to issue the Class A2-R Notes on 22 April 2016 (the “**Class A2 Refinancing Date**”) for the purpose of using the proceeds of such issue together with the balance of the GIC Account on that day for application towards repayment of the Invested Amount of the Class A2 Notes. For more detail, see Sections 8.15 (“*Repayment of Class A2 Notes on Class A2 Refinancing Date*”) and 8.19 (“*Class A2-R Notes*”) of the Base Information Memorandum. As at 22 March 2016, the balance of the GIC Account is \$0.

In certain circumstances, the Trustee may issue Redraw Notes – see Section 8.20 (“*Redraws and Further Advances*”) of the Base Information Memorandum. As at the Preparation Date, no Redraw Notes have been issued.

The Class A1 Notes, the Class A2 Notes, the Class A2-R Notes, the Class AB Notes, the Class AC Notes, the Class B Notes and the Redraw Notes are secured, limited recourse obligations of the Trustee collateralised by the same pool of Mortgage Loan Rights. None of the Notes have been, or will be, registered in the United States. The Class A2 Notes are to be repaid in full on the Issue Date of the Class A2-R Notes as described above.

Only the Class A2-R Notes are being offered pursuant to this Supplementary Information Memorandum.

Summary of the Class A2-R Notes

	Class A2-R Notes
Initial Principal Balance	A\$525,000,000
Ratings: Standard & Poor's (Australia) Pty Ltd Fitch Australia Pty Limited	AAA(sf) AAAsf
Interest rate	BBSW plus 1.40% (to apply at all times from the Class A2 Refinancing Date)
Interest Accrual Method	actual /365
Payment dates (" Distribution Dates ")	22nd day of each calendar month commencing on 22 May 2016 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.
Interest payable	On each Distribution Date as specified above
Clearance/Settlement	Austraclear/ Euroclear/ Clearstream
ISIN	AU3FN0030771

Summary of the Notes previously issued by the Trustee as trustee of the Series Trust

	Class A1 Notes	Class A2 Notes	Class AB Notes	Class AC Notes	Class B Notes
Initial Principal Balance	A\$2,253,000,000	A\$525,000,000	A\$108,000,000	A\$54,000,000	A\$60,000,000
% of Total initial Series Trust issuance	75.1%	17.5%	3.6%	1.8%	2.0%
Ratings:					
Standard & Poor's (Australia) Pty Ltd	AAA(sf)	AAA(sf)	AAA(sf)	AAA(sf)	Not rated
Fitch Australia Pty Limited	AAAsf	AAAsf	AAAsf	AAAsf	Not rated
Interest rate up to but excluding the Call Date	BBSW plus 0.95%	6.50% fixed	BBSW plus 1.70%	BBSW plus 2.05%	BBSW plus an undisclosed margin.
Interest rate following the Call Date	BBSW plus 0.95% + 0.25% provided that, if on or after the Call Date the Trustee, at the direction of the Manager, proposes to redeem the Class A1 Notes at their Stated Amount (together with all accrued but unpaid interest) on a Distribution Date, but is unable to do so because, following a meeting of the Class A1 Noteholders convened under the provisions of the Security Trust Deed by the Manager for this purpose, the Class A1 Noteholders have not approved by an Extraordinary Resolution, the redemption of the Class A1 Notes at their Stated	A fixed rated of 6.50% (however the Class A2 Notes outstanding on the Class A2 Refinancing Date will convert into Class A2-R Notes, if not redeemed on that date by the issuance of Class A2-R Notes as described in this Supplemental Information Memorandum).	BBSW plus 1.70% + 0.25% provided that, if on or after the Call Date the Trustee, at the direction of the Manager, proposes to redeem the Class AB Notes at their Stated Amount (together with all accrued but unpaid interest) on a Distribution Date, but is unable to do so because, following a meeting of the Class AB Noteholders convened under the provisions of the Security Trust Deed by the Manager for this purpose, the Class AB Noteholders have not approved by an Extraordinary Resolution, the redemption of the Class AB Notes at their Stated	BBSW plus 2.05% + 0.25% provided that, if on or after the Call Date the Trustee, at the direction of the Manager, proposes to redeem the Class AC Notes at their Stated Amount (together with all accrued but unpaid interest) on a Distribution Date, but is unable to do so because, following a meeting of the Class AC Noteholders convened under the provisions of the Security Trust Deed by the Manager for this purpose, the Class AC Noteholders have not approved by an Extraordinary Resolution, the	BBSW plus the initial undisclosed margin.

	Class A1 Notes	Class A2 Notes	Class AB Notes	Class AC Notes	Class B Notes
	Amount, then BBSW plus 0.95%.		Amount then BBSW plus 1.70%.	redemption of the Class AC Notes at their Stated Amount then BBSW plus 2.05%.	
Interest Accrual Method	actual /365	RBA Bond Basis (based initially on the period from 22 April 2011 to (but excluding) 22 October 2011, then subsequently the period between Fixed Interest Payment Dates, except as described in Section 8.4 (“ <i>Key Dates and Periods</i> ”) of the Base Information Memorandum)	actual /365	actual /365	actual /365
Payment dates (“ Distribution Dates ”)	22nd day of each calendar month commencing on 22 June 2011 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.	22nd day of April and October in each year commencing on 22 October 2011 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day (“ Fixed Interest Payment Date ”). No amounts of principal are due on the Class A2 Notes prior to the Class A2 Refinancing Date (on 22 April 2016).	22nd day of each calendar month commencing on 22 June 2011 or, if such day is not a Business Day, the next Business Day, unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.	22nd day of each calendar month commencing on 22 June 2011 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.	22nd day of each calendar month commencing on 22 June 2011 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.
Interest payable	On each Distribution Date specified above	On each Fixed Interest Payment Date specified above	On each Distribution Date specified above	On each Distribution Date specified above	On each Distribution Date specified above
Clearance/Settlement	Austraclear/ Euroclear/ Clearstream	Austraclear/ Euroclear/Clearstream	Austraclear/ Euroclear/ Clearstream	Austraclear/ Euroclear/ Clearstream	Austraclear/ Euroclear/ Clearstream

	Class A1 Notes	Class A2 Notes	Class AB Notes	Class AC Notes	Class B Notes
ISIN	AU3FN0012944	AU3CB0173953	AU3FN0012951	AU3FN0012969	AU3FN0012977
Issue Date	2 May 2011				
Final Maturity Date	The Distribution Date occurring in November 2042				

As at 22 March 2016:

- the aggregate Invested Amount of the Class A1 Notes is \$315,957,791.10;
- the aggregate Invested Amount of the Class A2 Notes is \$525,000,000.00;
- the aggregate Invested Amount of the Class AB Notes is \$57,485,710.80;
- the aggregate Invested Amount of the Class AC Notes is \$28,742,855.40;
- the aggregate Invested Amount of the Class B Notes is \$60,000,000.00; and
- there are no Redraw Notes on issue.

As outlined above, and discussed in further detail in Section 8.19 (“*Class A2-R Notes*”) of the Base Information Memorandum, it is expected that the Class A2 Notes will be redeemed immediately following the issue of Class A2-R Notes on the Class A2 Refinancing Date. All other Classes of Notes on issue are expected to remain outstanding as at that date.

The descriptions of the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B Notes (including certain terms of the Transaction Documents as they apply to those Classes of Notes) are included in this Supplemental Information Memorandum solely for information purposes and to assist prospective investors in the Class A2-R Notes to understand the structure of the transaction and the current liabilities of the Series Trust. The Base Information Memorandum contains more detailed information about the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B Notes.

2.3 Structural Overview

The Series Trust is a securitisation trust established under the Medallion Trust Programme. The Series Trust was established on 6 April 2011. The Series Trust is a unit trust and all units are currently held by the Commonwealth Bank of Australia. The Series Trust is a separate transaction to each other securitisation under the Medallion Trust Programme. The Assets of the Series Trust will not be available to pay the obligations of any other trust, and the assets of other trusts will not be available to pay the obligations of the Series Trust.

The Series Trust involves the securitisation of Mortgage Loans originated by Commonwealth Bank of Australia secured by mortgages on residential property located in Australia. On 2 May 2011, Commonwealth Bank of Australia equitably assigned the Mortgage Loans to the Series Trust, which issued the Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes and Class B Notes to fund the acquisition of those Mortgage Loans.

The Trustee has granted the Charge under the Security Trust Deed in favour of P.T. Limited, as Security Trustee, to secure the Series Trust’s payment obligations under the Transaction

Documents to the Noteholders, the Servicer, the Seller, the Liquidity Facility Provider, the Basis Swap Provider, the Fixed Rate Swap Provider and the Class A2 Note Fixed Swap Provider (collectively, the “**Secured Creditors**”). The Charge is a floating charge over all of the Assets of the Series Trust. If an Event of Default occurs under the Security Trust Deed, the Security Trustee must, subject to certain conditions, enforce the Charge if so directed an Extraordinary Resolution by the Voting Secured Creditors. For further information regarding the Charge, including a description of floating charges as a form of security, the Events of Default and procedure for enforcement of the Charge and the order of priority for distribution of enforcement proceeds received by the Security Trustee, see Section 10.6 (“*The Security Trust Deed*”) of the Base Information Memorandum.

Payments of interest and principal on the Notes will come only from the Mortgage Loans and other Assets of the Series Trust. The assets of the parties to the transaction are not available to meet the payments of interest and principal on the Notes. If there are losses on the Mortgage Loans, the Series Trust may not have sufficient Assets to repay the Notes.

For an overview of the Medallion Trusts Programme and the Series Trust, see Section 5 (“*Description of the Series Trust*”) of the Base Information Memorandum.

2.4 Credit Enhancements

Credit enhancement is intended to enhance the likelihood of full payment of principal and interest due on the Notes and to decrease the likelihood that Noteholders will experience losses. The credit enhancement for the Notes will not provide protection against all risks of loss and will not guarantee repayment of the entire principal balance and accrued interest. If losses occur which exceed the amount covered by any credit enhancement or which are not covered by any credit enhancement, Noteholders will bear their allocated share of losses.

Payments of interest and principal on the Notes will be supported by the following forms of credit enhancement:

(a) Subordination of interest payments

Prior to enforcement of the Charge:

- (i) the Class AB Notes, the Class AC Notes and the Class B Notes will always be subordinated to the Class A Notes and the Redraw Notes;
- (ii) the Class AC Notes and the Class B Notes will always be subordinated to the Class AB Notes, the Class A Notes and the Redraw Notes; and
- (iii) the Class B Notes will always be subordinated to the Class AC Notes, the Class AB Notes, the Class A Notes and the Redraw Notes,

in their respective rights to receive interest payments.

See Section 8.10 (“*Payment of Available Income Amount on a Distribution Date*”) of the Base Information Memorandum.

(b) Subordination of principal repayments

Prior to enforcement of the Charge:

- (i) the Class AB Notes, the Class AC Notes and the Class B Notes will be subordinated to the Class A Notes and the Redraw Notes; and

- (ii) the Class AC Notes and the Class B Notes will be subordinated to the Class AB Notes, the Class A Notes and the Redraw Notes; and
- (iii) the Class A Notes will be subordinated to the Redraw Notes,

in their right to receive principal payments on a Distribution Date unless the Stepdown Conditions (as set out in Section 8.16 (“*Stepdown Conditions*”) of the Base Information Memorandum) are satisfied on the immediately preceding Determination Date, in which event the Class AB Notes and the Class AC Notes will be entitled to receive principal payments rateably with the Class A Notes (but below the Redraw Notes) to the extent described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”), and Section 8.14 (“*Class A Principal Allocation*”) of the Base Information Memorandum.

Prior to enforcement of the Charge, the Class B Notes will always be subordinated to the Class AC Notes, the Class AB Notes, the Class A Notes and the Redraw Notes in their right to receive principal payments.

(c) **Subordination of payments following enforcement of the Charge**

Following enforcement of the Charge:

- (i) the Class AB Notes, the Class AC Notes and the Class B Notes will be fully subordinated to the Class A Notes and the Redraw Notes in their right to receive interest payments and principal repayments;
- (ii) the Class AC Notes and the Class B Notes will be fully subordinated to the Class AB Notes, the Class A Notes and the Redraw Notes in their right to receive interest payments and principal repayments; and
- (iii) the Class B Notes will be fully subordinated to the Class AC Notes, the Class AB Notes, the Class A Notes and the Redraw Notes in their right to receive interest payments and principal repayments.

The Class A Notes and the Redraw Notes rank pari passu and rateably following enforcement of the Charge.

See Section 10.6(k) (“*Priorities under the Security Trust Deed*”) of the Base Information Memorandum.

(d) **Allocation of losses**

The Class AB Notes, the Class AC Notes and the Class B Notes will bear all losses on the Mortgage Loans before the Class A Notes and the Redraw Notes.

Any losses allocated to the Class A Notes will be allocated rateably with the Redraw Notes and pari passu and rateably as between the Class A Notes, as described in Section 8.21(a) (“*Principal Chargeoffs*”) of the Base Information Memorandum.

The Class AC Notes and the Class B Notes will bear all losses on the Mortgage Loans before the Class AB Notes, the Class A Notes and the Redraw Notes.

The Class B Notes will bear all losses on the Mortgage Loans before the Class AC Notes, the Class AB Notes, the Class A Notes and the Redraw Notes.

The support provided by the relevant subordinated Classes of Notes is intended to enhance the likelihood that the Class A Notes, the Class AB Notes and the Class AC Notes (as applicable) will receive expected payments of interest and expected repayments of principal. The following chart describes the support provided by the relevant Classes of Notes:

Class	Credit Support ("Credit Support Notes")	Support Percentage
Class A Notes	Class AB Notes, Class AC Notes and Class B Notes	14.81%
Class AB Notes	Class AC Notes and Class B Notes	8.99%
Class AC Notes	Class B Notes	6.08%

The support percentage in the above table is the aggregate Invested Amount of the relevant Credit Support Notes, as a percentage of the aggregate Invested Amount of all Notes as at 22 March 2016 (after giving effect to any principal payments to be made in respect of the Notes on that day).

The Trustee may issue Redraw Notes in the circumstances described in Section 8.20 ("*Redraws and Further Advances*") of the Base Information Memorandum. If issued, Redraw Notes will, as indicated in the preceding paragraphs, prior to enforcement of the Charge, rank equally with the Class A Notes in their right to receive interest payments and will rank in priority to the Class A Notes in their right to receive principal payments. Any losses on the Mortgage Loans will be allocated to the Redraw Notes *pari passu* and rateably with the Class A Notes (and after allocation to the Class B Notes, the Class AC Notes and the Class AB Notes) as described in Section 8.21(a) ("*Principal Chargeoffs*") of the Base Information Memorandum. Following enforcement of the Charge, the Redraw Notes will rank equally with the Class A Notes in their right to receive both interest and principal payments (as described in Section 10.6(k) ("*Priorities under the Security Trust Deed*") of the Base Information Memorandum).

(e) **Mortgage Insurance Policies**

A High LTV master mortgage insurance policy issued by Genworth Financial Mortgage Insurance Pty Limited provides full coverage for all principal due on certain of the Mortgage Loans which are generally those which had a loan to value ratio greater than 80% at the time of origination.

A Master Mortgage Insurance Policy issued by QBE Lenders' Mortgage Insurance Limited provides full coverage for all principal due on the balance of the Mortgage Loans.

Proceeds paid by a mortgage insurer under these mortgage insurance policies will form part of interest or principal collections available to fund payments by the Trustee on a Distribution Date. For more information regarding the mortgage insurance policies in respect of the Mortgage Loans, see Sections 10.10 ("*The Mortgage Insurance Policies*") and 10.11 ("*The Master Mortgage Insurance Policy*") of the Base Information Memorandum, as supplemented by and Section 9.3 ("*The Mortgage Insurance Policies*") of this Supplemental Information Memorandum.

(f) **Excess Available Income**

Any interest collections on the Mortgage Loans and other income amounts of the Series Trust remaining after payments of interest on the Notes (other than the Class B Notes) and the Series Trust's expenses and the reimbursement of any unreimbursed Principal Draws (see Section 2.5(a) ("*Principal Draws*") below) will be available to cover any losses on the Mortgage Loans that are not covered by the mortgage insurance policies.

2.5 Liquidity Enhancement

Payments of interest on the Notes will be supported by the following forms of liquidity enhancements.

(a) **Principal Draws**

To cover possible liquidity shortfalls in the payments of interest on the Notes (other than the Class B Notes) and the other senior expenses of the Series Trust, the Manager will direct the Trustee to allocate available principal collections on the Mortgage Loans and other principal receipts of the Series Trust towards meeting the shortfall as described in Section 8.6 ("*Principal Draw*") and Section 10.7 ("*Principal Draws*") of the Base Information Memorandum.

(b) **Liquidity Facility**

To cover possible liquidity shortfalls in the payments of interest on the Notes (other than the Class B Notes) and other senior expenses of the Series Trust, where Principal Draws have been exhausted, the Trustee will, in certain circumstances, be able to borrow funds under a Liquidity Facility to be provided by Commonwealth Bank of Australia as described in Section 8.7 ("*Liquidity Facility Advance*") and Section 10.8 ("*The Liquidity Facility*") of the Base Information Memorandum.

(c) **Redraws and Further Advances**

Under the terms of each variable rate Mortgage Loan, a borrower may, subject to certain conditions, redraw previously prepaid principal. A borrower may redraw an amount equal to the difference between the scheduled principal balance, being its principal balance if no amount had been prepaid, of his or her loan and the current principal balance of the loan. Commonwealth Bank of Australia may also agree to make further advances to a borrower in excess of the scheduled principal balance of his or her loan. Commonwealth Bank of Australia will be reimbursed for any redraws, and for any further advances which exceed the scheduled principal balance of a Mortgage Loan by no more than one scheduled monthly instalment on the Mortgage Loan, that it advances to borrowers from principal collections on the Mortgage Loans. Thus, the Series Trust will have less funds available to pay principal to the Notes on the next Distribution Date, but will have a corresponding greater amount of Assets with which to make future payments.

Where Commonwealth Bank of Australia makes further advances which exceed the scheduled principal balance of a Mortgage Loan by more than one scheduled monthly instalment, then Commonwealth Bank of Australia will repurchase the loan from the pool. See Sections 7 ("*Commonwealth Bank of Australia Residential Loan Program*"), 8.20 ("*Redraws and Further Advances*") and 10.12 ("*Description of the Mortgage Insurers*") of the Base Information Memorandum.

2.6 Other Structural Enhancements

(a) Extraordinary Expense Reserve

The Extraordinary Expense Reserve is a sub-ledger of the Collections Account which was established on the Closing Date and funded by the Seller lending to the Trustee an amount equal to the Extraordinary Expense Reserve Amount. The funds in the Extraordinary Expense Reserve are available to be applied on a Distribution Date towards meeting any out of pocket Expenses properly and reasonably incurred by the Trustee in relation to the Series Trust in respect of the immediately preceding Collection Period but which are not incurred in the ordinary course of business of the Series Trust (“**Extraordinary Expenses**”).

If, on any Determination Date, the Manager determines that there are any Extraordinary Expenses in respect of the immediately preceding Collection Period, then the Manager must direct the Trustee to apply (and on such direction the Trustee must apply) an amount equal to the lesser of:

- (i) the amount of such Extraordinary Expenses on that day; and
- (ii) the balance of the Extraordinary Expense Reserve on that day,

from the Extraordinary Expense Reserve on the following Distribution Date towards payment or reimbursement of those Extraordinary Expenses (an “**Extraordinary Expense Reserve Draw**”).

For further details on the Extraordinary Expense Reserve, see Section 8.7 (“*Extraordinary Expense Reserve*”) of this Supplemental Information Memorandum.

(b) GIC Account and Income Reserve

The Trustee has also established a GIC Account as described in Section 10.9 (“*GIC Account*”) of the Base Information Memorandum and an Income Reserve as described in Section 8.8 (“*Income Reserve*”) of the Base Information Memorandum.

On the Class A2 Refinancing Date, the balance of the GIC Account (if any) will, together with the issue proceeds of any Class A2-R Notes, be applied towards redeeming the Class A2 Notes (with any remaining GIC Account funds to be included in the amount of principal available for distribution by the Trustee on the Distribution Date immediately following the Class A2 Refinancing Date).

On the Class A2 Refinancing Date, any amounts standing to the balance of the Income Reserve after any other required drawing by the Trustee has been made on that day will be released from the Income Reserve and repaid to the Seller.

Accordingly, once the Class A2-R Notes have been issued and the balance of the GIC Account and the Income Reserve has been withdrawn and applied as described above, no further amounts will be deposited into the GIC Account or the Income Reserve and therefore these structural enhancements will cease to be available.

2.7 Hedging Arrangements

The Trustee has entered into swaps to hedge the following risks:

- (a) the basis risk between the interest rate on the Mortgage Loans which accrue interest at a discretionary variable rate of interest and the floating rate obligations of the Series Trust under the Notes (other than the Class A2 Notes);

- (b) the basis risk between the interest rate on the Mortgage Loans which accrue interest at a fixed rate of interest and the floating rate obligations of the Series Trust under the Notes (other than the Class A2 Notes); and
- (c) the interest rate risk between the interest rate on the Mortgage Loans which accrue interest at a discretionary variable rate of interest or a fixed rate of interest and the fixed rate obligations of the Series Trust under the Class A2 Notes.

However, the swap transaction described in paragraph (c) above will terminate on the Class A2 Refinancing Date.

For further details on the hedging arrangements, see Section 10.13 (“*The Interest Rate Swaps*”) of the Base Information Memorandum.

2.8 Optional Redemption

The Trustee will, if the Manager directs it to do so, at the Manager’s option, redeem all (but not some) of the Notes on any Distribution Date occurring on or after the Call Date as described in Section 7.8 (“*Repayment of principal on the Class A2-R Notes*”) of this Supplemental Information Memorandum.

2.9 The Mortgage Loan Pool

The Mortgage Loan pool consists of fixed rate and variable rate residential Mortgage Loans secured by mortgages on owner occupied and non-owner occupied residential properties.

The following is a summary of the characteristics of the Mortgage Loan pool as of the close of business on 16 March 2016:

Number of Mortgage Loans	5,317
Number of Mortgage Loans (consolidated)	5,180
Mortgage Loan Pool Size	A\$965,703,109
Average Mortgage Loan Balance	A\$181,626
Maximum Mortgage Loan Balance	A\$960,000
Minimum Mortgage Loan Balance	A\$-1,072
Total Valuation of the Properties	A\$2,639,398,030
Maximum Remaining Term to Maturity in Months	330
Maximum Current Loan-to-Value Ratio	346.00%
Weighted Average Seasoning in Months	79
Weighted Average Remaining Term to Maturity in Months	267
Weighted Average Original Loan-to-Value Ratio	64.22%
Weighted Average Current Loan-to-Value Ratio	48.17%
Weighted Average Current Loan-to-Value Ratio (consolidated)	48.87%
Weighted Average Mortgage Rate	4.96%
Days in Arrears > 30 Days	1.15%

Subsequent to the Closing Date, certain existing Mortgage Loans were split into multiple Mortgage Loans in order to accommodate Borrower requests, including in relation to fixing interest rates.

For the purposes of calculating the summary of the characteristics of the Mortgage Loan pool above:

- statistics in relation to “*Number of Mortgage Loans (consolidated)*” and the “*Weighted Average Current Loan-to-Value Ratio (consolidated)*” are calculated as if all Mortgage Loans from a single Borrower constitute one single consolidated loan

secured by all properties securing those Mortgage Loans, with the security valuations for the relevant properties securing the original Mortgage Loan and the split Mortgage Loan being allocated to the original Mortgage Loan; and

- for all other purposes, each Mortgage Loan is treated as an individual loan with:
 - any Mortgage Loan split into multiple Mortgage Loans as separate loans;
 - the new Mortgage Loan is taken to be originated as at the date the original Mortgage Loan was split; and
 - the original Mortgage Loan is taken to have been repaid by the amount of the balance of the newly created Mortgage Loan.

For further details see Appendix A (“*Mortgage Loan Information*”) of this Supplemental Information Memorandum.

2.10 Payments on the Class A2-R Notes

(a) Interest

Interest on the Class A2-R Notes is calculated in the manner described in Section 7.7(a) (“*Interest on the Class A2-R Notes*”) of this Supplemental Information Memorandum.

Interest on the Class A2-R Notes is payable monthly in arrears on each Distribution Date.

On each Distribution Date, the Available Income Amount (see the diagram in Section 2.11 (“*Allocation of Cash Flows*”) of this Supplemental Information Memorandum) will be allocated to pay interest on the Notes (including the Class A2-R Notes) in the order of priority set out in Section 8.10 (“*Payment of Available Income Amount on a Distribution Date*”) of the Base Information Memorandum and summarised in the diagrams in Section 2.12 (“*Allocation of Cash Flows*”) of this Supplemental Information Memorandum.

(b) Principal

On each Distribution Date, the Available Principal Amount (see the diagram in Section 2.11 (“*Allocation of Cash Flows*”) of this Supplemental Information Memorandum) will be allocated to repay (or provide for repayment of) principal on the Class A2-R Notes and certain other amounts in the order of priority set out in Section 8.13 (“*Payment of Available Principal Amount on a Distribution Date*”) of the Base Information Memorandum and summarised in the diagrams in Section 2.12 (“*Allocation of Cash Flows*”) of this Supplemental Information Memorandum.

The Trustee must repay the Invested Amount of the Class A2-R Notes on the Final Maturity Date if not repaid earlier.

2.11 Allocation of Cash Flows

On each Distribution Date the Trustee will allocate interest and principal to each Noteholder (including the Class A2-R Noteholders) to the extent of the Available Income Amount and Available Principal Amount on that Distribution Date available to be applied for these purposes. The charts on the succeeding pages summarise the flow of payments. For more detail, see Sections 8 (“*Description of the Notes*”) of the Base Information Memorandum.

Determination of Available Income Amount in relation to each Distribution Date

The following diagram assumes that the relevant Distribution Date occurs after the Class A2 Refinancing Date.

Finance Charge Collections

Amounts received by the Trustee during the preceding Collection Period under the Mortgage Loans in respect of interest, fees and certain other charges.

+

Mortgage Insurance Income Proceeds

Amounts received pursuant to a mortgage insurance policy which the Manager determines should be accounted for in respect of a finance charge loss.

+

Extraordinary Expense Reserve Draw

Any Extraordinary Expense Reserve Draw to be allocated to the Available Income Amount on that Distribution Date

+

Net amounts under Interest Rate Swap Agreements

Net amounts receivable by the Trustee under any Interest Rate Swap Agreement on the immediately following Distribution Date (other than any Interest Rate Swap Provider Deposit or other swap collateral).

+

Amounts under Support Facilities

Other amounts receivable by the Trustee from a Support Facility Provider under a Support Facility (other than an Interest Rate Swap Agreement or the Liquidity Facility Agreement) on or prior to the immediately following Distribution Date which the Manager determines should be accounted for as income.

+

Other Income Amounts

Certain other amounts and certain other receipts in the nature of income (as determined by the Manager) received by the Trustee during the Collection Period ending on that preceding Determination Date.

+

Principal Draw

Any amount of the Available Principal Amount to be allocated to the Available Income Amount as a Principal Draw on that Distribution Date.

+

Liquidity Facility Advance

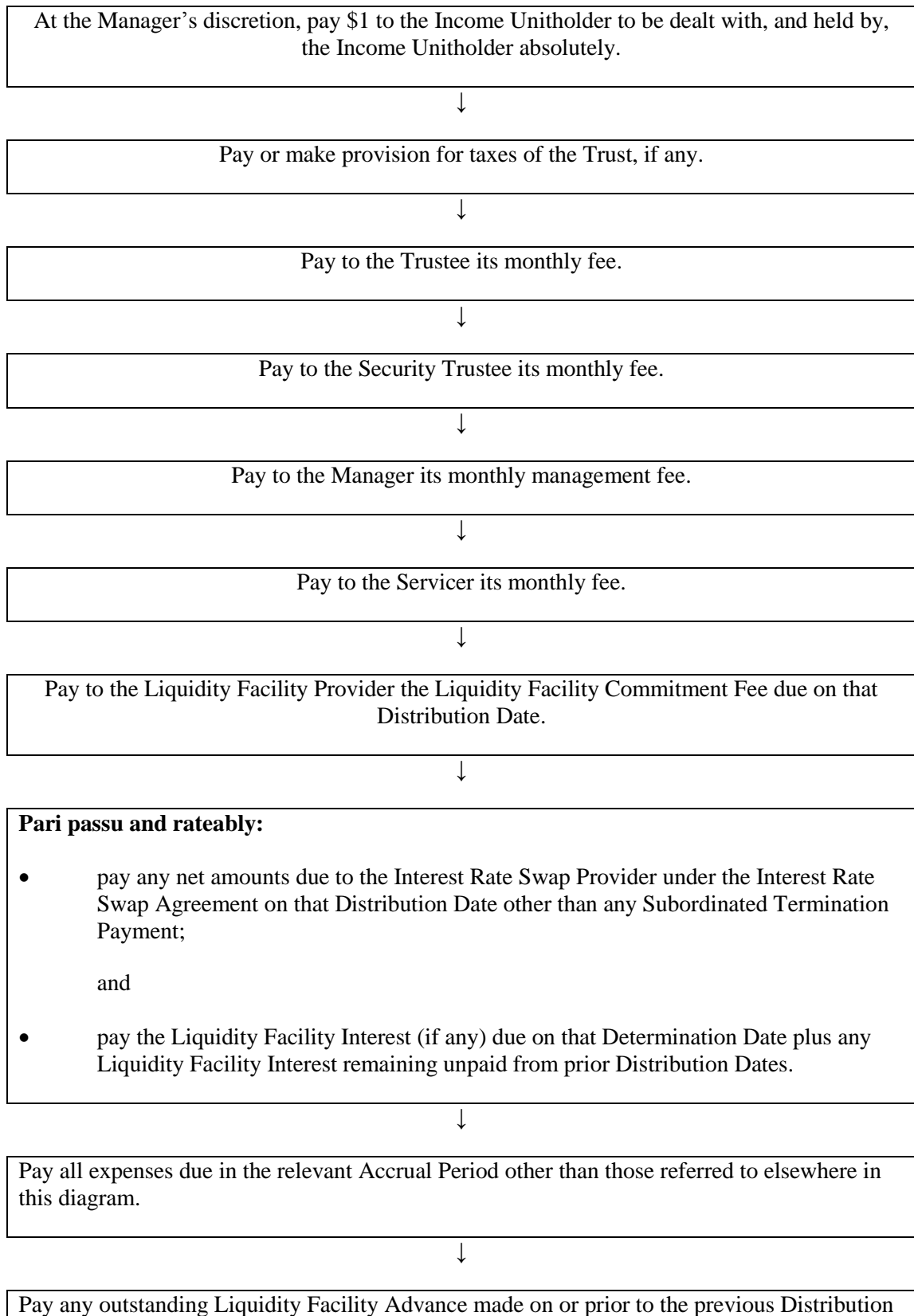
Any advance to be made under the Liquidity Facility on that Distribution Date.

=

Available Income Amount

Payment of Available Income Amount on a Distribution Date

The following diagram assumes that the relevant Distribution Date occurs after the Class A2 Refinancing Date.



Date to the Liquidity Facility Provider.



Pay pari passu and rateably:

- to the Class A1 Noteholders, the interest due on the Class A1 Notes for that Distribution Date together with any unpaid interest in relation to the Class A1 Notes for previous Distribution Dates;
- to the Class A2-R Noteholders, the interest due on the Class A2-R Notes for that Distribution Date together with any unpaid interest in relation to the Class A2-R Notes for previous Distribution Dates; and
- to the Redraw Noteholders, the interest due on the Redraw Notes for that Distribution Date together with any unpaid interest in relation to the Redraw Notes for previous Distribution Dates.



Pay to the Class AB Noteholders the interest due on the Class AB Notes for that Distribution Date together with any unpaid interest in relation to the Class AB Notes for previous Distribution Dates.



Pay to the Class AC Noteholders the interest due on the Class AC Notes for that Distribution Date together with any unpaid interest in relation to the Class AC Notes for previous Distribution Dates.



Allocate the amount of any unreimbursed Principal Draws to the Available Principal Amount for payment on that Distribution Date.



Allocate the amount of any unreimbursed Principal Chargeoffs to the Available Principal Amount for payment.



Allocate an amount to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve is equal to the Extraordinary Expense Reserve Required Amount.



Pay to the Liquidity Facility Provider any other amounts owing under the Liquidity Facility Agreement.



Pay pari passu and rateably any Subordinated Termination Payments payable to the Interest

Rate Swap Provider in accordance with the Interest Rate Swap Agreement.



Pay to the Class B Noteholders the interest due on the Class B Notes for that Distribution Date together with any unpaid interest in relation to the Class B Notes for previous Distribution Dates.



Pay to the Manager its arranging fee and any unpaid arranging fee from prior Distribution Dates.



Pay any remaining amounts to the Income Unitholder.

Determination of Available Principal Amount in relation to each Distribution Date

Principal Collections

Amounts received by the Trustee during the preceding Collection Period under the Mortgage Loans in respect of principal other than as described below.

+

Other Principal Amounts

Includes prepayments of principal on the Mortgage Loans received by the Trustee during the preceding Collection Period, amounts received pursuant to a Mortgage Insurance Policy which the Manager determines should be accounted for on the preceding Determination Date in respect of a principal loss, certain other amounts received by the Trustee during the preceding Collection Period, certain other receipts in the nature of principal, as determined by the Manager, received by the preceding Determination Date and, for the first Determination Date after the Class A2 Refinancing Date, the amount of any surplus funds in the GIC Account after redemption of the Class A2 Notes.

+

Principal Chargeoff Reimbursement

The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed Principal Chargeoffs.

+

Redraw Note Amount

The proceeds of issue of any Redraw Notes on that Determination Date or during the Collection Period ending on that Determination Date but excluding the immediately preceding Determination Date.

+

Principal Draw Reimbursement

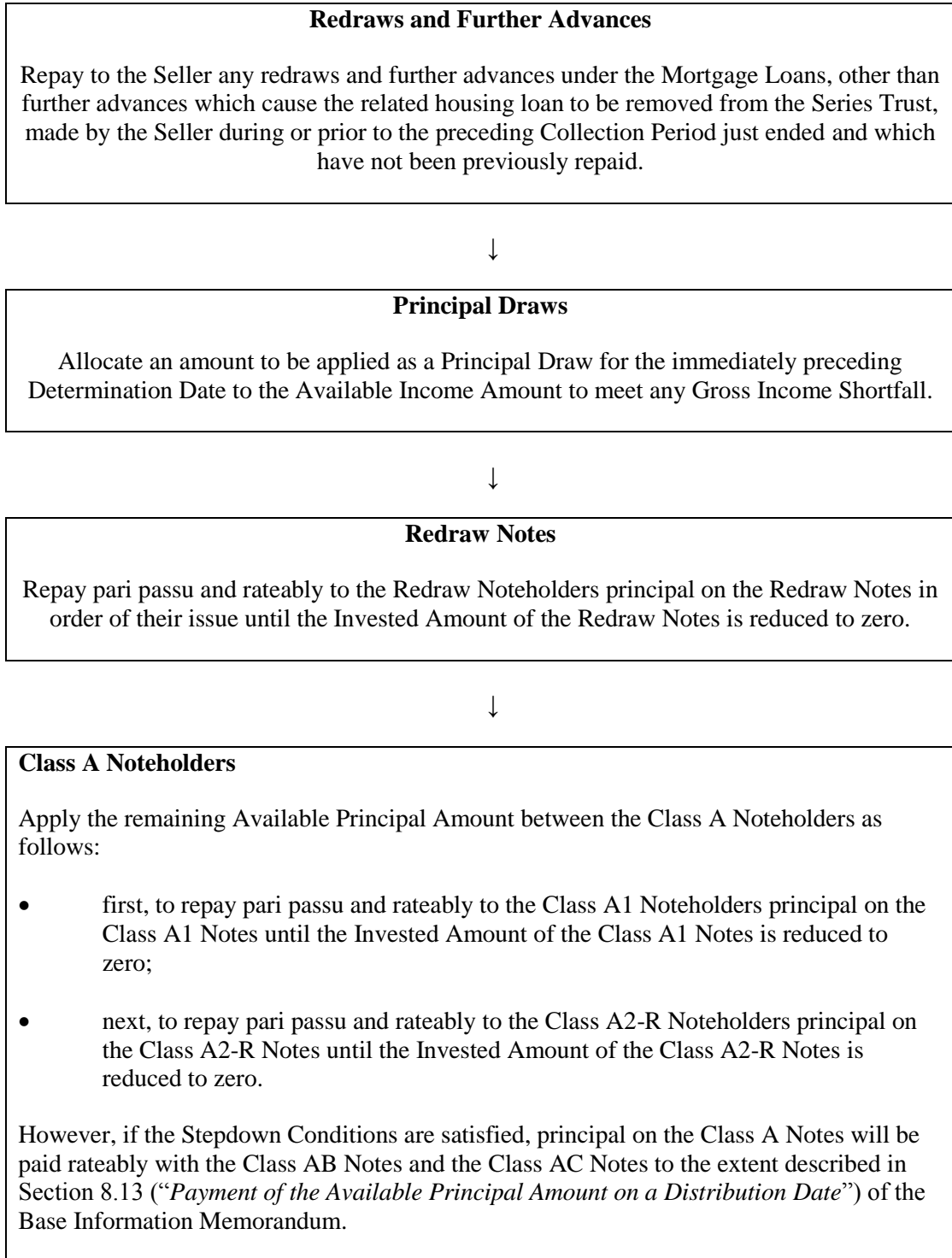
The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed Principal Draws.

=

Available Principal Amount

Payment of Available Principal Amount on a Distribution Date

The following diagram assumes that the relevant Distribution Date occurs after the Class A2 Refinancing Date.



Class AB Noteholders

Repay pari passu and rateably to the Class AB Noteholders principal on the Class AB Notes until the Invested Amount of the Class AB Notes is reduced to zero.

However, if the Stepdown Conditions are satisfied, principal on the Class AB Notes will be paid rateably with the Class A Notes to the extent described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”) of the Base Information Memorandum.



Class AC Noteholders

Repay pari passu and rateably to the Class AC Noteholders principal on the Class AC Notes until the Invested Amount of the Class AC Notes is reduced to zero.

However, if the Stepdown Conditions are satisfied, principal on the Class AC Notes will be paid rateably with the Class AB Notes and the Class A Notes to the extent described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”) of the Base Information Memorandum.



Class B Noteholders

Repay pari passu and rateably to the Class B Noteholders principal on the Class B Notes until the Invested Amount of the Class B Notes is reduced to zero.



Capital Unitholder

Pay any remaining amounts to the Capital Unitholder.

2.12 Miscellaneous

(a) Transfer of Class A2-R Notes

A Class A2-R Note can only be transferred if:

- (i) the relevant offer for sale or invitation to purchase:
 - A. does not require disclosure to investors under Part 6D.2 of the Corporations Act;
 - B. is not made to a Retail Client; and
 - C. complies with all applicable laws in all jurisdictions in which the offer or invitation is made; and
- (ii) the relevant offer or invitation is in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements

of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act (see Section 13 (“*Selling Restrictions*”) for more details).

In addition for so long as the Class A2-R Notes are lodged in Austraclear, any transfer of a Class A2-R Note must be in accordance with the Austraclear Regulations.

For further details, see Section 7.3 (“*Transfer of the Class A2-R Notes*”) of this Supplemental Information Memorandum.

(b) **Stamp Duty**

The Manager has received advice that neither the issue, the transfer, nor the redemption of the Class A2-R Notes will currently attract stamp duty in any jurisdiction of Australia. For further details, see Section 11 (“*Taxation considerations*”) of this Supplemental Information Memorandum.

(c) **Withholding Tax and Tax File Numbers**

Payments of principal and interest on the Class A2-R Notes will be reduced by any applicable withholding taxes. The Trustee is not obligated to pay any additional amounts to Noteholders to cover any withholding taxes.

Under present law, interest and other amounts paid on the Class A2-R Notes will not be subject to Australian interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Tax Act and they are not acquired directly or indirectly by any Offshore Associate of the Trustee or Commonwealth Bank of Australia. Accordingly, Offshore Associates of the Trustee or Commonwealth Bank of Australia should not acquire any Class A2-R Notes.

Under current tax law, tax will be deducted on payments to a holder of a Class A2-R Note who is an Australian resident or a non-resident who holds the Notes in connection with a business carried on at or through a permanent establishment in Australia, who does not provide the Trustee with a tax file number (if applicable) or Australian Business Number (where applicable) or proof of an exemption from the requirement to provide such details.

Noteholders and prospective Noteholders of Class A2-R Notes should obtain advice from their own tax advisers in relation to the tax implications of an investment in the Class A2-R Notes.

For further details see Section 12 (“*Taxation considerations*”) of this Supplemental Information Memorandum.

3 Some risk factors

The purchase, and subsequent holding, of the Class A2-R Notes is not free of risk. Prospective investors should carefully read and consider the risk factors set out in Section 3 (“*Some risk factors*”) of the Base Information Memorandum (as if each reference to “Notes” and “Class A Notes” includes the Class A2-R Notes offered pursuant to this Supplemental Information Memorandum), as supplemented by the following paragraphs, prior to deciding whether to purchase any Class A2-R Notes.

The Manager believes that the risks described below and in Section 3 (“*Some risk factors*”) of the Base Information Memorandum are some of the principal risks inherent in the transaction for Noteholders and that the discussion in relation to the Class A2-R Notes indicates some of the possible implications for Class A2-R Noteholders. However, the inability of the Trustee to pay interest or principal on the Class A2-R Notes may occur for other unforeseen reasons and the Manager does not in any way represent that the description of the risks outlined in these sections is exhaustive. It is only a summary of some particular risks. Further, although the Manager believes that the various structural protections available to Class A2-R Noteholders lessen certain of these risks, there can be no assurance that these measures will be sufficient to ensure the payment or distribution of interest or principal on the Class A2-R Notes on a timely or full basis. Prospective investors should also read the detailed information set out elsewhere in this Supplemental Information Memorandum and in the Base Information Memorandum and make their own independent investigation and seek their own independent advice as to the potential risks involved in purchasing and holding the Class A2-R Notes.

3.1 Risks of Equitable Assignment

This Section 3.1 updates and is to be read in substitution for Section 3.7 (“*Risks of Equitable Assignment*”) of the Base Information Memorandum.

The Mortgage Loans were assigned by Commonwealth Bank of Australia as Seller to the Trustee in equity. If the Trustee declares that a Perfection of Title Event has occurred the Trustee and the Manager must, amongst other things, take all such steps as are necessary to perfect the Trustee’s legal title in the mortgages relating to the Mortgage Loans (see Section 6.5 (“*Representations, Warranties and Eligibility Criteria*”) of the Base Information Memorandum for further details on Perfection of Title Events). Until such time, the Trustee is not to take any such steps to perfect legal title and, in particular, it will not notify the borrowers or any security providers of the assignment of the Mortgage Loans. As at the Preparation Date, the Trustee has not taken any steps to perfect legal title to the Mortgage Loans.

The initial equitable assignment of the Mortgage Loans and associated delay in the notification to a borrower or any guarantor or security provider of the assignment of the Mortgage Loans to the Trustee may have the following consequences:

- (a) until a borrower, guarantor or security provider has notice of the assignment, such person is not bound to make payment to anyone other than the Seller and the borrower, guarantor or security provider can obtain a valid discharge from the Seller. As the Trustee will not have the right to give notice of assignment to the borrower, guarantor or security provider until a Perfection of Title Event has occurred, there is, therefore, a risk that a borrower, guarantor or security provider may make payments to the Seller after the Seller has become insolvent, but before the borrower, guarantor or security provider receives notice of assignment of the relevant Mortgage Loan. These payments may not be able to be recovered by the Trustee. In addition, section 80(7) of the Personal Property Securities Act 2009 (Cth) (“**PPSA**”) provides that an obligor will be entitled to make payments and obtain a good discharge from the Seller rather than directly to, and from, the Trustee until such time as the obligor receives a

notice of the assignment that complies with the requirements of section 80(7)(a) of the PPSA, including, without limitation, a statement that payment is to be made to the Trustee, unless the obligor requests the Trustee to provide proof of the assignment and the Trustee fails to provide that proof within 5 Business Days of the request, in which case the obligor may continue to make payments to the Seller. Accordingly, a borrower, guarantor or security provider may nevertheless make payments to the Seller and obtain a good discharge from the Seller notwithstanding the legal assignment of a Mortgage Loan to the Trustee, if the Trustee fails to comply with these requirements. One mitigating factor is that the Seller is appointed as the initial Servicer of the Mortgage Loans and is obliged to deal with all moneys received from borrowers, guarantors or security providers in accordance with the Series Supplement and to service those Mortgage Loans in accordance with the servicing standards, however this may be of limited benefit if the Seller is insolvent;

- (b) rights of set-off or counterclaim may accrue in favour of the borrower, guarantor or security provider against its obligations under the Mortgage Loans which may result in the Trustee receiving less money than expected from the Mortgage Loans (see Section 3.8 (“*Set-Off*”) of the Base Information Memorandum). However, under the Mortgage Loan documents, borrowers, guarantors and security providers agree to waive rights of set-off or counterclaim that they may have against Commonwealth Bank of Australia;
- (c) for so long as the Trustee holds only an equitable interest in the Mortgage Loans, the Trustee’s interest in the Mortgage Loans may become subject to the interests of third parties created after the creation of the Trustee’s equitable interest but prior to it acquiring a legal interest. To reduce this risk, the Servicer has undertaken not to consent to the creation or existence of any security interest over the mortgages securing the Mortgage Loans;
- (d) for so long as the Trustee holds only an equitable interest in the Mortgage Loans, Commonwealth Bank of Australia may need to be joined as a party to any legal proceedings against any borrower, guarantor or security provider in relation to the enforcement of any Mortgage Loan. In this regard, the Servicer undertakes to service (including enforce) the Mortgage Loans in accordance with the servicing standards;
- (e) the agreement from which a Mortgage Loan derives may be modified or substituted by the Seller and the relevant borrower, guarantor or security provider without the involvement of the Trustee both before and after the notice of the transfer to the relevant borrower, guarantor or security provider, subject to certain conditions including that the modification or substitution does not have a material adverse effect on the transferee’s rights under the contract or the transferor’s ability to perform the contract; and
- (f) to effect a legal assignment of Mortgage Loans will require:
 - (i) the execution of a further instrument in writing by the Seller in accordance with section 12 of the Conveyancing Act 1919 (NSW) or the applicable equivalent provision in each other Australian jurisdiction;
 - (ii) in relation to each Mortgage Loan which is a mortgage, the execution and registration of instruments of transfer under the applicable real property legislation in the Australian jurisdictions; and
 - (iii) depending on the situs of the Mortgage Loan, the payment of stamp duty (if any) on the transfer of the Mortgage Loan.

3.2 Consumer credit legislation

This Section 3.2 updates and is to be read in substitution for Section 3.12 (“*Consumer credit legislation*”) of the Base Information Memorandum.

National consumer credit legislation

Some of the Mortgage Loans and related mortgages and guarantees are regulated by the Consumer Credit Legislation. The “**Consumer Credit Legislation**” includes the National Consumer Credit Protection Act 2009 (Cth) (“**NCCP Act**”) (which incorporates the National Credit Code) and the unfair terms regime in Division 2 of Part 2 of the Australian Securities and Investments Commission Act 2001, each of which is described in further detail below.

The Consumer Credit Legislation requires anyone that engages in a credit activity, including by providing credit or exercising the rights and obligations of a credit provider, to be appropriately authorised to do so. This requires those persons to either hold an Australian Credit Licence, be exempt from this requirement or be a credit representative of a licensed person.

The Consumer Credit Legislation imposes a range of disclosure and conduct obligations on persons engaging in a credit activity. For example any increase of the credit limit of a regulated loan must be considered and made in accordance with the responsible lending obligations of the Consumer Credit Legislation.

Failure to comply with the Consumer Credit Legislation may mean that court action is brought by the borrower, guarantor, mortgagor or by the Australian Securities and Investments Commission (“**ASIC**”) to:

- (a) obtain an injunction preventing a regulated Mortgage Loan from being enforced (or any other action in relation to the Mortgage Loan) if to do so would breach the Consumer Credit Legislation;
- (b) obtain an order that compensation to be paid for loss or damage suffered (or likely to be suffered) as a result of a breach of a civil penalty provision or a criminal offence in the Consumer Credit Legislation;
- (c) if a credit activity has been engaged in without a licence and no relevant exemption applies, obtain orders (as the court considers appropriate) so that no profiting can be made from the activity, to compensate for loss and to prevent loss. This could include an order declaring a contract, or part of a contract, to be void, varying the contract, refusing to enforce, ordering a refund of money or return of property, payment for loss or damage or being ordered to supply specified services;
- (d) in the case of a debtor, vary the terms of a Mortgage Loan on the grounds of hardship;
- (e) vary the terms of a Mortgage Loan and related mortgage or guarantee, or a change to such documents, that are unjust, and reopen the transaction that gave rise to the Mortgage Loan and any related mortgage or guarantee, or change;
- (f) in the case of a debtor or guarantor, reduce or cancel any interest rate payable on the Mortgage Loan arising from a change to that rate which is unconscionable;
- (g) have certain provisions of the Mortgage Loan or a related mortgage or guarantee which are in breach of the legislation declared void or unenforceable;

- (h) obtain restitution or compensation from the credit provider in relation to any breaches of the Consumer Credit Legislation in relation to the Mortgage Loan or a related mortgage or guarantee; or
- (i) seek various remedies for other breaches of the Consumer Credit Legislation.

Applications may also be made to relevant external dispute resolution schemes, which have the power to resolve disputes where the amount in dispute is A\$500,000 or less. There is no ability to appeal from an adverse determination by an external dispute resolution scheme, including on the basis of bias, manifest error or want of jurisdiction.

Where a systemic contravention affects contract disclosures across multiple Mortgage Loans, there is a risk of a representative or class action under which a civil penalty could be imposed in respect of all affected Mortgage Loan contracts. If borrowers, guarantors or mortgagors suffer any loss, orders for compensation may be made.

Under the Consumer Credit Legislation, ASIC will also be able to make an application to vary the terms of a contract or a class of contracts on the above grounds if this is in the public interest (rather than limiting these rights to affected debtors).

Any such order (by a court or external dispute resolution scheme) may affect the timing or amount of interest, fees or charges or principal payments under the relevant Mortgage Loan (which might in turn affect the timing or amount of interest or principal payments under the Class A2-R Notes).

Breaches of the Consumer Credit Legislation may also lead to civil penalties or criminal fines being imposed on Commonwealth Bank of Australia, for so long as it holds legal title to the Mortgage Loans and the mortgages. If the Trustee acquires legal title or otherwise becomes a “credit provider” with respect to regulated Mortgage Loans, it will then become primarily responsible for compliance with the Consumer Credit Legislation and would be exposed to civil and criminal liability for certain breaches. These include breaches caused in fact by the Servicer. The amount of any civil penalty payable by the Seller or the Trustee (as the case may be) may be set off against any amount payable by the debtor under the Mortgage Loans.

The Trustee will be indemnified out of the Assets of the Series Trust for liabilities it incurs under the Consumer Credit Legislation. Where the Trustee is held liable for breaches of the Consumer Credit Legislation, the Trustee must seek relief initially under any indemnities provided to it by the Manager, the Seller or the Servicer before exercising its rights to recover against any Assets of the Series Trust.

The Seller gave certain representations and warranties that, as at the Cut-Off Date, the mortgages relating to the Mortgage Loans complied in all material respects with all applicable laws when those mortgages were entered into. The Servicer has also undertaken to comply with the Consumer Credit Legislation in carrying out its obligations under the Transaction Documents. In certain circumstances the Trustee may have the right to claim damages from Commonwealth Bank of Australia (as Seller or Servicer), as the case may be, where the Trustee suffers loss in connection with a breach of the Consumer Credit Legislation which is caused by a breach of a relevant representation or undertaking.

Unfair Terms

Under the Trade Practices Amendment (Australian Consumer Law) Act (No.1) 2010 (“Australian Consumer Law”) which amended the Australian Securities and Investment Commission Act 2001 (Cth), a term of a standard-form consumer contract will be unfair, and

therefore void, if it causes a significant imbalance in the parties' rights and obligations under the contract, is not reasonably necessary to protect the supplier's legitimate interests and would cause detriment to the consumer if it were relied on. A term of a mortgage loan which is unfair under this legislation may be declared void.

Also, under the Victorian regime set out in Part 2B of the Fair Trading Act 1999 (Vic), a term in a consumer contract would be unfair and therefore void if it is a prescribed unfair term or if a court or Tribunal determines that in all the circumstances it causes a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer.

The provisions in the Australian Consumer Law commenced on 1 July 2010 while the application of the Victorian regime to credit contracts commenced in June 2009. The Victorian and/or the Australian Consumer Law regime may apply to Mortgage Loans, depending when the Mortgage Loans were entered into. However, the Victorian version of the regime only applies to agreements if they were entered into between 9 October 2003 (or June 2009 for credit contracts) and 1 January 2011. Mortgage Loans and related mortgages and guarantees entered into before the application of either the Victorian or national unfair terms regimes will become subject to the national regime going forward if those contracts are renewed or a term is varied (although, where a term is varied, the regime only applies to the varied term).

To the extent that a provision of any of the Mortgage Loans were found to be unfair, this could have an adverse effect on the ability of the Trustee to recover money from the relevant borrower and consequently to make payments under the Transaction Documents.

Effect of Orders

An order made under any of the above consumer credit laws may affect the timing or amount of collections under the relevant mortgage loans which may in turn affect the timing or amount of interest and principal payments under the Class A2-R Notes.

Seller and Servicer obligations

Commonwealth Bank of Australia made certain representations and warranties to the Trustee that the Mortgage Loans complied with all applicable laws at the time the Mortgage Loans were made. The Servicer has undertaken to comply with all applicable laws in servicing those loans regulated by the legislation described above.

3.3 European Union directive on the taxation of savings income

This Section 3.3 updates and is to be read in substitution for Section 3.29 ("*European Union directive on the taxation of savings income*") of the Base Information Memorandum.

The European Union adopted a Directive (2003/48/EC) regarding the taxation of savings income ("**Savings Tax Directive**"). Under the Savings Tax Directive, European Union member states ("**Member States**") were required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria was instead required (unless during that period it elected otherwise) to operate a withholding system in relation to such payments deducting tax at a rate of 35%.

A number of non-European Union countries and certain dependent or associated territories of certain Member States have adopted and implemented similar measures (either provision of information or transitional withholding) in relation to payments of savings income made by a

person within its jurisdiction to an individual, or to certain non-corporate entities, resident in a Member State.

In addition, Member States have entered into reciprocal arrangements with certain of those non- European Union countries and dependent or associated territories of certain Member States in relation to payments of savings income made by a person in a Member State to an individual, or to certain non-corporate entities, resident in certain dependent or associated territories or non-European Union countries.

On 9 December 2014, the Economic and Financial Affairs Council of the European Union officially adopted the revised Directive on Administrative Cooperation 2011/16/EU (the "ACD") (regarding mandatory automatic exchange of information in the field of taxation), which effectively incorporates the Common Reporting Standard (discussed in Section 3.9 ("*Common Reporting Standard*") below). Member States are required to apply these provisions under their laws from 1 January 2016.

Therefore, the European Commission has repealed the Savings Tax Directive with effect from 1 January 2016 (in the case of all Member States other than Austria) and 1 January 2017 (in the case of Austria), subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates.

Prospective holders of Class A2-R Notes should seek their own professional advice in relation to the Savings Tax Directive, the ACD and related national measures adopted by Member States.

3.4 The proposed financial transactions tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. If the FTT is adopted based on the current proposals, then it could apply in certain circumstances to persons within and outside of the European Union Member States participating in the FTT. Generally, the FTT would apply to certain dealings in financial instruments (including secondary market transactions) where at least one party is a financial institution, and at least one party is established or deemed to be established in a participating Member State. Accordingly, the FTT could, if implemented, operate in a manner giving rise to tax liabilities for Noteholders or, potentially, for the Trustee with respect to certain transactions. Any such liabilities, if incurred by the Trustee, may reduce amounts available to the Trustee to meet its obligations under the Class A2-RNotes and may result in investors receiving less interest or principal than expected.

The proposed Directive remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Although the Ministers of the participating Member States (other than Slovakia) have announced plans for a progressive implementation commencing on or before 1 January 2016, the actual implementation date would depend on the future approval of the European Council and consultation of other EU institutions, and the subsequent transposition into local law. Additional EU Member States may decide to participate.

Prospective holders of Class A2-R Notes should seek their own professional advice in relation to the FTT.

3.5 European Union Capital Requirements Regulation - securitisation exposure rules and other regulatory initiatives

This Section 3.5 updates Section 3.32 (“*European Union Capital Requirements Directive – CRD2 Rules*”) of the Base Information Memorandum.

Articles 404 – 410 (inclusive) of Regulation (EU) No 575/2013 of the European Parliament and Council (the “**CRR**”) came into force on 1 January 2014 in Member States of the European Union and have been or are expected to be implemented by national legislation in the other Member States of the European Economic Area (“**EEA**”).

Article 405 of the CRR restricts ‘credit institutions’ and ‘investment firms’ (each as defined in the CRR), and the consolidated group subsidiaries thereof (each, an “**Affected Investor**”), from investing in or being exposed to a ‘securitisation’ (as defined in the CRR) unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the Affected Investor that it will retain, on an ongoing basis, a net economic interest of at least 5 per cent in that securitisation in the manner contemplated by Article 405 (and the regulatory technical standards since adopted by the European Commission in relation to the same).

Article 406 of the CRR also requires an Affected Investor be able to demonstrate that it has undertaken certain due diligence in respect of, among other things, the Class A2-R Notes it has acquired and the underlying exposures, and that procedures have been established for monitoring the performance of the underlying exposures on an on-going basis.

Failure to comply with one or more of the requirements as set out in Articles 405 and 406 of the CRR may result in the imposition of a penal capital charge with respect to the investment made in the securitisation by the relevant Affected Investor.

In addition, Article 17 of the EU Alternative Investment Managers Directive and Section 5 of Chapter III of Commission Delegated Regulation (EU) No. 231/2013 supplementing that Directive (“**Investment Managers Directive**”) and Article 135(2) of the European Union Solvency II Directive 2009/138/EC, as supplemented by Articles 254 to 257 of Commission Delegated Regulation (EU) No. 2015/35 (“**Solvency II**”), introduce risk retention and due diligence requirements which apply, respectively, to EEA regulated alternative investment fund managers and insurance/reinsurance undertakings. While the requirements under the Investment Managers Directive and Solvency II are similar to those which apply under the CRR, they are not identical and, in particular, additional due diligence obligations apply to relevant investors to whom the Investment Managers Directive and Solvency II apply. Similar requirements are also scheduled to apply in the future to investment in securitisations by Undertakings for Collective Investment in Transferrable Securities (“**UCITS**”) and insurance and reinsurance undertakings subject to regulation by supervisory authorities in any member state of the European Economic Area. All such requirements, together with Articles 404 to 410 of the CRR, are referred to as the “**Retention Rules**”.

At the time the Series Trust was established and Notes were first issued by the Trustee, the CRR and other Retention Rules described above were not in force. At that time, the previous European Union retention rules under Article 122a of the Capital Requirements Directive (comprising Directive 2006/48/EC and Directive 2006/49/EC, as amended) (the “**CRD II Rules**”) were in force. Commonwealth Bank of Australia undertook in the Series Supplement to retain on an ongoing basis a net economic interest of at least 5 per cent in the Medallion Trust Series 2011-1 securitisation transaction in accordance with the provisions of the CRD II Rules. On the Closing Date such interest was comprised of an interest in randomly selected exposures equivalent to no less than 5% of the aggregate principal balance of the securitised exposures in accordance with Article 122a paragraph (1) sub-paragraph (c) of the CRD II Rules. As at the Preparation Date, Commonwealth Bank of Australia continues to hold a net

economic interest of at least 5 per cent in the Medallion Trust Series 2011-1 securitisation transaction in this manner. While the Retention Rules do not provide that compliance with the CRD II Rules will be taken to satisfy the Retention Rules, the requirements of Article 122a paragraph (1) sub-paragraph (c) are substantially similar to the requirements currently in force under Article 405 paragraph (1) sub-paragraph (c) of the CRR.

Relevant investors are required to make themselves aware of the requirements of the Retention Rules (and any implementing rules in relation to a relevant jurisdiction) and should carefully consider whether the applicable conditions under the Retention Rules are satisfied at any time. Such investors should independently assess and determine the sufficiency of the information described in this Supplemental Information Memorandum and in any reports provided to investors in relation to the transaction for the purpose of complying with the Retention Rules and the regulatory technical standards and implementing technical standards in relation to the same. None of the Trustee, Commonwealth Bank of Australia or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes or has any obligation to provide any further information or take any other steps that may be required by an Affected Investor to enable compliance by the Affected Investor with the requirements of the Retention Rules or any other applicable legal, regulatory or other requirements.

There remains considerable uncertainty with respect to the Retention Rules and it is not clear what will be required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the Retention Rules and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

The Retention Rules and any other changes to the regulation or regulatory treatment of the Class A2-R Notes for some or all investors may negatively impact the regulatory position of certain individual investors and, in addition, could have a negative impact on the price and liquidity of the Class A2-R Notes in the secondary market.

There can be no assurance that the regulatory capital treatment of the Class A2-R Notes for any investor will not be affected by any future implementation of, and changes to, the Retention Rules or other regulatory or accounting changes.

3.6 Effects of other financial regulatory measures

In addition to the European Union Retention Rules detailed above in Section 3.5 (“*European Union Capital Requirements Regulation - securitisation exposure rules and other regulatory initiatives*”) of this Supplemental Information Memorandum, there are other domestic and international measures for increased or revised regulation (including with respect to regulatory capital treatment) of mortgage backed securities (such as the Class A2-R Notes) which are currently at various stages of implementation.

Such changes in the global financial regulation or regulatory treatment of mortgage-backed securities may negatively impact the regulatory position of affected investors and have an adverse impact on the value and liquidity of mortgage-backed securities such as the Class A2-R Notes. Prospective investors in the Class A2-R Notes should consult with their own legal and investment advisors regarding the potential impact on them and the related compliance issues.

3.7 Application of the Personal Property Securities regime

A new personal property securities regime commenced operation throughout Australia in January 2012. The PPSA established a national system for the registration of security interests in personal property, together with new rules for the creation, priority and

enforcement of security interests in personal property. The PPSA commenced on 15 December 2009, and took effect on 30 January 2012 (“**PPSA Start Date**”), with a two year transitional period which ended on 30 January 2014. The PPSA has a retrospective effect on security interests and security agreements arising before the PPSA Start Date by operation of the transitional provisions, including in relation to security interests arising under the Transaction Documents.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages (but do not include mortgages over real property). However, they also include transactions that in substance, secure payment or performance of an obligation but may not have been previously legally classified as securities (referred to as “in-substance” security interests), including transactions that were not regarded as securities under the law that existed prior to the introduction of the PPSA. Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation. These deemed security interests include assignments of receivables.

A person who holds a security interest under the PPSA will need to register (or otherwise perfect) the security interest to ensure that the security interest (within a limited period of time) has priority over competing interests (and in some cases, to ensure that the security interest survives the insolvency of the grantor). If they do not do so:

- (a) another security interest may take priority;
- (b) another person may acquire an interest in the assets which are subject to the security interest free of their security interest; or
- (c) they may not be able to enforce the security interest against a grantor who becomes insolvent (because the security interest will vest in the grantor).

The transitional provisions under the PPSA provided that security interests registered on certain registers which existed prior to the PPSA Start Date were to be migrated to the Personal Property Securities Register. Security interests which were not migrated, or which were not immediately prior to the PPSA Start Date registered on any such pre-existing registers, needed to be registered on the Personal Property Securities Register (or otherwise perfected) before 30 January 2014 to preserve priority. Accordingly, transactions which were not regarded as securities under the law that existed prior to the introduction of the PPSA, but may be security interests under the PPSA, either because they are “in-substance” securities or deemed securities, need to be registered under the PPSA.

The Transaction Documents contain security interests for the purposes of the PPSA. For example, the assignment of the Mortgage Loans will be a deemed security interest under the PPSA. The Charge is also a security interest under the PPSA.

The Manager has undertaken in the Series Supplement to take all reasonable steps on or before the PPSA Start Date to ensure that the Charge is perfected for the purposes of the PPSA with the highest ranking priority reasonably possible and to take such steps as the Manager considers necessary for the purpose of ensuring other relevant security interests under the Transaction Documents are perfected for the purposes of the PPSA (where failure to do so may materially affect one or any class of Secured Creditors). As a result of this process, the Manager has caused registrations to be made on the Personal Property Securities Register in relation to the assignments of receivables and the Charge.

There is uncertainty on aspects of the implementation of the PPSA regime because the PPSA is still relatively new and has significantly altered the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve

over time. Further, the PPSA has recently been the subject of a statutory review process as required under section 343 of the PPSA. The final report on that review was tabled before Australia's Commonwealth Parliament on 18 March 2015. However, it remains unclear at this stage what amendments will be made to the PPSA as a result of the final report and what the timeframe for implementation of those amendments will be.

3.8 Foreign Account Tax Compliance

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act ("**FATCA**") establish, in an effort to assist the United States Internal Revenue Service ("**IRS**") in enforcing U.S. taxpayer compliance, a new due diligence, reporting and withholding regime.

Under FATCA, a 30% withholding may be imposed (i) in respect of certain U.S. source payments, (ii) from 1 January 2019 in respect of gross proceeds from the sale of assets that give rise to U.S. source interest or dividends and (iii) from 1 January 2019, at the earliest, in respect of "foreign passthru payments" (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities that fail to meet certain certification or reporting requirements or do not comply with FATCA.

The Trustee and other financial institutions through which payments on the Notes are made may be required to withhold on account of FATCA. A withholding may be required if (i) an investor does not provide information sufficient for the Trustee or the relevant financial institution to determine whether the investor is subject to FATCA Withholding or (ii) a foreign financial institution ("**FFI**") to or through which payments on the Notes are made is a "non-participating FFI".

FATCA Withholding is not expected to apply if, in respect of foreign pass-thru payments only, the Notes are treated as debt for U.S. federal income tax purposes and the Notes are issued on or before the date that is six months after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register (the "**grandfathering date**") provided that the Notes are not materially modified after the grandfathering date.

The Australian Government and U.S. Government signed an intergovernmental agreement with respect to FATCA ("**IGA**") on 28 April 2014. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act to give effect to the IGA ("Australian Amendments") and that legislation came into force on 30 June 2014.

Australian financial institutions which are "Reporting Australian Financial Institutions" under the IGA must follow specific due diligence procedures to identify their account holders (e.g. the Noteholders) and provide information about financial accounts held by U.S. persons and recalcitrant account holders and on payments made to non-participating FFIs, to the Australian Taxation Office ("**ATO**"). The ATO is required to provide such information to the IRS.

Under the Australian Amendments, Australian FFIs will generally be able to be treated as "deemed compliant" with FATCA. Depending on the nature of the relevant FFI, FATCA Withholding may not be required from payments made with respect to the Class A2-R Notes other than in certain prescribed circumstances.

Noteholders may be requested to provide certain certifications and information to the Series Trust and/or the Trustee and any other financial institutions through which payments on the Notes are made in order for the Series Trust and/or the Trustee and such other financial institutions to comply with their FATCA obligations. If a payment to a Noteholder is subject to withholding as a result of FATCA, there will be no "gross up" (or any additional amount)

payable by way of compensation to the holder for the deducted amount. Additionally, if a payment to the Series Trust is subject to withholding as a result of FATCA, there will be no optional redemption of the Notes.

FATCA is particularly complex legislation and its application is uncertain at this time.

The above discussion is based on the IGA, the Australian Amendments, guidance issued by the ATO and regulations and guidance of the U.S. Treasury Department, all of which may be subject to change in a way that would alter the application of FATCA to the Series Trust and the Notes. Each Noteholder should consult its own tax advisor to obtain a more detailed explanation of FATCA and the IGA and to learn how they might affect such holder in its particular circumstance.

3.9 Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**Common Reporting Standard**”) will require certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the Common Reporting Standard. A jurisdiction that has signed the CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. A version of the Common Reporting Standard is expected to apply to Australian financial institutions with effect from 1 January 2017.

4 The Parties

4.1 The Trustee

Perpetual Trustee Company Limited was incorporated on 28 September 1886 as Perpetual Trustee Company (Limited) under the Companies Statute of New South Wales as a public company.

The principal activities of Perpetual Trustee Company Limited are the provision of trustee and other commercial services. Perpetual Trustee Company Limited is an authorised trustee corporation, and holds an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643).

4.2 The Seller

The Commonwealth Bank of Australia was established in 1911 by an Act of Australia's Commonwealth Parliament as a government owned enterprise to conduct commercial and savings banking business. For a period it also operated as Australia's central bank until this function was transferred to the Reserve Bank of Australia in 1959. The process of privatisation of the Commonwealth Bank of Australia was commenced by Australia's Commonwealth Government in 1990 and was completed in July 1996. The Commonwealth Bank of Australia is now a public company listed on the Australian Securities Exchange. Its registered office is at Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, Australia.

As at 31 December 2015, Commonwealth Bank of Australia had a short term credit rating of F1+ from Fitch Ratings, P-1 from Moody's Investor Services and A-1+ from S&P, and a long term credit rating of AA- from Fitch Ratings, Aa2 from Moody's Investor Services and AA- from S&P.

As at 31 December 2015, Commonwealth Bank of Australia and its subsidiaries, on a consolidated International Financial Reporting Standards basis, had total assets of A\$903.1 billion, total deposits and public borrowings of A\$560.5 billion and made a net profit attributable to equity holders of the Bank for the half-year ended 31 December 2015 of A\$4,618 million. Total regulatory capital under Basel III was A\$55.3 billion.

The Australian banking activities of Commonwealth Bank of Australia come under the regulatory supervision of the Australian Prudential Regulation Authority.

4.3 The Manager

The Manager, Securitisation Advisory Services Pty. Limited, is a wholly owned subsidiary of Commonwealth Bank of Australia. Its principal business activity is the management of securitisation trusts established under Commonwealth Bank of Australia's Medallion Trust Programme and the management of other securitisation programmes and a covered bond programme established by Commonwealth Bank of Australia or its customers. The Manager's registered office is Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, Australia

The Manager has obtained an Australian Financial Services License under Part 7.6 of the Australian Corporations Act (Australian Financial Services License No. 241216).

4.4 The Security Trustee

The Security Trustee, P.T. Limited is a wholly owned subsidiary of Perpetual Trustee Company Limited. P.T. Limited is a public company established under the laws of Australia. Perpetual Trustee Company Limited has appointed P.T. Limited to act as its authorised

representative under its Australian Financial Services License (Authorised Representative Number 266797). The Security Trustee's registered office is Level 12, 123 Pitt Street, Sydney, Australia. The principal activities of P.T. Limited are the provision of trustee and other commercial services.

5 The Series Trust

5.1 General

The Series Trust was established under the Medallion Trusts Programme on 6 April 2011 pursuant to the Master Trust Deed and the Series Supplement. The Series Trust is separate and distinct from any other trust established under the Master Trust Deed. The Assets of the Series Trust are not available to meet the liabilities of any other trust and the assets of any other trust are not available to meet the liabilities of the Series Trust. For further detail regarding the establishment and structure of the Series Trust, see Section 5 (“*Description of the Series Trust*”) of the Base Information Memorandum.

For a description of the role, duties, powers and terms of appointment of the Trustee, the Manager, the Servicer, the Custodian and the Support Facility Providers in relation to the Series Trust, see Section 10 (“*Description of the Transaction Documents*”) of the Base Information Memorandum.

The Series Trust may be terminated in the circumstances described in Section 9 (“*Termination of the Trust*”) of the Base Information Memorandum.

5.2 Assets of the Series Trust

The Assets of the Series Trust primarily consist of the Mortgage Loans and related Mortgage Loan Rights that were originated by Commonwealth Bank of Australia and acquired by the Trustee from Commonwealth Bank of Australia on the Closing Date. No further Mortgage Loans have been or will be acquired as Assets of the Series Trust. The assignment of the Mortgage Loans to the Trustee occurred in equity only and accordingly the Trustee only obtained an equitable interest in the Mortgage Loans and Mortgage Loan Rights assigned to it. The Trustee will not be entitled to take any steps to perfect its legal title or give notice to any party to the Mortgage Loan Documents of the assignment unless a Perfection of Title Event occurs as described in the Base Information Memorandum and has not taken any such steps as at the Preparation Date of this Supplemental Information Memorandum.

For further details about the Assets of the Series Trust and the acquisition of the Mortgage Loans by the Trustee on the Closing Date, see Section 6 (“*Description of the assets of the Series Trust*”) of the Base Information Memorandum.

Commonwealth Bank of Australia will have the right (but not the obligation) to extinguish the Trustee’s interest in the Mortgage Loan Rights, or to otherwise regain the benefit of the Mortgage Loan Rights on any Distribution Date occurring on or after the Call Date. See Section 10.14 (“*Clean-Up*”) of the Base Information Memorandum.

The information in Appendix A of this Supplemental Information Memorandum, sets forth in tabular format various details relating to the Mortgage Loan pool held as Assets of the Series Trust as at the close of business on 16 March 2016.

6 Commonwealth Bank of Australia Residential Loan Program

6.1 General

For a description of Commonwealth Bank of Australia’s residential loan program (including the features and process of origination) as applicable to the Mortgage Loans, see Section 7 (“*Commonwealth Bank of Australia Residual Loan Program*”) of the Base Information Memorandum as supplemented by the following paragraphs.

6.2 Commonwealth Bank of Australia's Product Types

Set out below is a summary of Commonwealth Bank of Australia's housing loan product types. The products described below apply to all Home Loans both Owner Occupied and Investment Home Loans. The Mortgage Loans include Home Loans of some or all of these types.

Commonwealth Bank of Australia offers a wide variety of housing loan product types with various features and options that are further described in this section. Market competition and economics may require that Commonwealth Bank of Australia offer new product types or add features to a housing loan which are not described in this section. However, before doing so, Commonwealth Bank of Australia must satisfy the Manager that the additional features would not affect any mortgage insurance policy covering the Mortgage Loans and would not cause a downgrade or withdrawal of the rating of the Notes if those Mortgage Loans remain in the Series Trust.

(a) Commonwealth Bank of Australia's Standard Variable Rate and Fixed Rate Home Loan/Investment Home Loan

These types of loan are Commonwealth Bank of Australia's traditional standard mortgage products which consists of standard variable rate and fixed rate options. The standard variable rate product is not linked to any other variable rates in the market. However, it may fluctuate with market conditions. Borrowers may switch to a fixed interest rate at any time as described below in "Switching Interest Rates." Some of the Mortgage Loans will be subject to fixed rates for differing periods.

In addition, some of these loans have an interest rate which is discounted by a fixed percentage to the standard variable rate or fixed rate. These discounts are offered under various packages including but not limited to Wealth Package/Mortgage Advantage package, members of certain professional groups, other high income individuals and borrowers who meet certain loan size requirements. Customers can confirm ('fix') their interest rate for a 1 to 7 year period. However, some of the existing Mortgage Loans are subject to a fixed rate for a remaining period of up to 9 years as the Commonwealth Bank of Australia previously provided customers the ability to fix their Mortgage Loan for up to 15 years.

(b) Commonwealth Bank of Australia's Extra, Economiser and Rate Saver Home Loan/Investment Home Loan

These types of loans have a variable interest rate which is not linked to the standard variable rate product and which may fluctuate independently of this and other standard variable rates in the market. These types of loans were introduced by Commonwealth Bank of Australia to allow borrowers who did not require a full range of product features to reduce their interest rate. The interest rate for the Extra, Economiser Home Loan and Rate Saver Home Loan historically has been less than that for the standard variable rate product. Of the features described below, at present only those headed "Redraw and Further Advances", "Interest Only Periods", "Repayment Holiday" and "Early Repayment" are available.

However, any such borrowers availing themselves of the "Interest Only Periods" product feature are no longer eligible for the product feature "Redraws and Further Advances". To take advantage of other features borrowers must, with the agreement of Commonwealth Bank of Australia, switch their Mortgage Loan to a Standard Variable Rate Loan or Fixed Rate Loan product. However, these or other features may in the future be offered to borrowers.

(c) **Commonwealth Bank of Australia No Fee Variable Rate Home Loan**

This type of loan has a variable interest rate which is not linked to the standard variable rate product and which may fluctuate independently of other standard variable rates in the market. This type of loan was introduced by Commonwealth Bank of Australia to provide borrowers with an option for a home loan that did not carry the various fees applicable on other loan types. The interest rate for the No Fee Home Loan historically has been less than that for the standard variable rate product. This product is not available for new loan amounts of less than A\$150,000.

6.3 Special Features of the Mortgage Loans

Each Mortgage Loan may have some or all of the features described in this section. In addition, during the term of any Mortgage Loan, Commonwealth Bank of Australia may agree to change any of the terms of that Mortgage Loan from time to time at the request of the borrower.

(a) **Switching Interest Rates**

Borrowers may elect for a fixed rate, as determined by Commonwealth Bank of Australia to apply to their Mortgage Loan. Borrowers may elect for a fixed rate for a period of up to 7 years, however some of the existing Mortgage Loans are subject to a fixed rate for a remaining period of up to 9 years as the Commonwealth Bank of Australia previously provided customers the ability to fix their Mortgage Loan for up to 15 years. These Mortgage Loans convert to the standard variable interest rate at the end of the agreed fixed rate period unless the borrower elects to fix the interest rate for a further period.

Any variable rate Mortgage Loan of the Series Trust converting to a fixed rate product will automatically be matched by an increase in the fixed rate swaps to hedge the fixed rate exposure.

(b) **Substitution of Security**

A borrower may apply to the Servicer to achieve the following:

- (i) substitute a different mortgaged property in place of the existing mortgaged property securing a Mortgage Loan; or
- (ii) release a mortgaged property from a mortgage.

If the Servicer's credit criteria are satisfied and another property is substituted for the existing security for the Mortgage Loan, the mortgage which secures the existing Mortgage Loan may be discharged without the borrower being required to repay the Mortgage Loan. The Servicer must obtain the consent of any relevant mortgage insurer to the substitution of security or a release of a mortgage where this is required by the terms of a Mortgage Insurance Policy.

(c) **Redraws and Further Advances**

Each of the variable rate Mortgage Loans allows the borrower to redraw principal repayments made in excess of scheduled principal repayments during the period in which the relevant Mortgage Loan is charged a variable rate of interest. Borrowers may request a redraw at any time subject to meeting certain credit criteria at that time. The borrower may be required to pay a fee to Commonwealth Bank of Australia in connection with a redraw. Currently, Commonwealth Bank of Australia does not

permit redraws on fixed rate Mortgage Loans, interest only Economiser and Rate Saver Home Loans/Investment Home Loans. A redraw will not result in the related Mortgage Loan being removed from the Series Trust.

In addition, Commonwealth Bank of Australia may agree to make a further advance to a borrower under the terms of a Mortgage Loan subject to a credit assessment.

Where a further advance does not result in the previous scheduled principal balance of the Mortgage Loan being exceeded by more than one scheduled monthly instalment, the further advance will not result in the Mortgage Loan being removed from the Series Trust. Where a further advance does result in the previous scheduled principal balance of the Mortgage Loan being exceeded by more than one scheduled monthly instalment, Commonwealth Bank of Australia must pay to the Series Trust the principal balance of the Mortgage Loan and accrued and unpaid interest and fees on the Mortgage Loan. If this occurs the Mortgage Loan will be treated as being repaid and will cease to be an Asset of the Series Trust.

A further advance to a borrower may also be made under the terms of another loan or as a new loan. These loans may share the same security as a Mortgage Loan assigned to the Series Trust but will be subordinated upon the enforcement of that security to the Mortgage Loan.

(d) **Repayment Holiday**

A borrower is allowed a repayment holiday where they have taken a Principal and Interest loan option and the borrower has prepaid enough principal to cover the required monthly repayment amount (RMRA) during the holiday period, creating a difference between the outstanding principal balance of the loan and the scheduled amortised principal balance of the Mortgage Loan. The borrower is not required to make any payments, including payments of interest, until the outstanding principal balance of the Mortgage Loan plus unpaid interest equals the scheduled amortised principal balance and/or a maximum term of 12 months. The failure by the borrower to make payments during a repayment holiday will not cause the related Mortgage Loan to be considered delinquent.

(e) **Early Repayment**

A borrower may incur a fee if an early repayment occurs on either a fixed rate or 1 Year Guaranteed Rate Mortgage Loan. A borrower may also incur break fees if an early repayment or partial prepayment of principal occurs on a fixed rate Mortgage Loan. However, at present fixed rate loans allow for partial prepayment by the borrower of up to A\$10,000 in any 12 month period without any break fees being applicable.

(f) **Combination or “Split” Mortgage Loans**

A borrower may elect to split a Mortgage Loan into separate funding portions which may, among other things, be subject to different types of interest rates. Each part of the Mortgage Loan is effectively a separate loan contract, even though all the separate loans are secured by the same mortgage.

(g) **Interest Offset**

Currently, Commonwealth Bank of Australia offers borrowers two interest offset features on certain Home Loan/Investment Home Loan products known as a

mortgage interest saver account (MISA) and Everyday Offset under which the interest accrued on the borrower's deposit account is offset against interest on the borrower's Mortgage Loan. Commonwealth Bank of Australia does not actually pay interest to the borrower on the loan offset account, but simply reduces the amount of interest which is payable by the borrower under its Mortgage Loan. The borrower continues to make its scheduled mortgage payment with the result that the portion allocated to principal is increased by the amount of interest offset. Fixed Rate loans receive a partial offset under the MISA arrangement but do not receive any offset with an Everyday Offset arrangement. Commonwealth Bank of Australia will pay to the Series Trust the aggregate of all interest amounts offset in respect of the Mortgage Loans for which it is the Seller. These amounts will constitute Finance Charge Collections for the relevant period.

If, following a Perfection of Title Event, the Trustee obtains legal title to a Mortgage Loan, Commonwealth Bank of Australia will no longer be able to offer an interest offset arrangement for that Mortgage Loan.

(h) **Interest Only Periods**

A borrower may also request to make payments of interest only on his or her Mortgage Loan. If Commonwealth Bank of Australia agrees to such a request it does so conditional upon higher principal repayments or a bulk reduction of principal applying upon expiry of the interest only period so that the Mortgage Loan is repaid within its original term. The interest only period can be extended beyond the initial period providing the total interest only period for the life of the loan does not exceed the following terms:

Home Loans (owner occupied) - Maximum 10 years

Investment home loan - Maximum of 15 years

A credit assessment is required for a switch to an interest only period of more than 5 years.

(i) **Special Introductory Rates**

Currently, Commonwealth Bank of Australia may offer borrowers introductory rates for periods of up to three years during which period the rate is either variable or fixed. On the expiry of the introductory offer, these home loans automatically convert to the standard or base variable interest rate.

6.4 Additional Features

Commonwealth Bank of Australia may from time to time offer additional features in relation to a Mortgage Loan which are not described in the preceding section or may cease to offer features that have been previously offered and may add, remove or vary any fees or other conditions applicable to such features.

7 Description of the Class A2-R Notes

7.1 Issuance and use of proceeds

The Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B Notes were issued by the Trustee on 2 May 2011. No Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes or Class B Notes are being offered by this Supplemental Information Memorandum. For a description of the terms and conditions applicable to the Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes and Class B Notes, see Section 8 (“*Description of the Notes*”) of the Base Information Memorandum.

The Trustee will issue the Class A2-R Notes on the Class A2 Refinancing Date pursuant to a direction from the Manager to the Trustee. The proceeds of the Class A2-R Notes will be applied on that date towards redeeming the Class A2 Notes.

The Class A2-R Notes will not be issued unless the aggregate Initial Invested Amount of the Class A2-R Notes together with the expected balance of the GIC Account on the Class A2 Refinancing Date is equal to the Invested Amount of the Class A2 Notes on that date. On the Class A2 Refinancing Date, the Trustee is required to deposit the issue proceeds of the Class A2-R Notes into the GIC Account and then apply the entire balance of the GIC Account (if any) towards the redemption of the Class A2 Notes in full. Accordingly, following the Issue Date of the Class A2-R Notes, there will not be any Class A2 Notes and Class A2-R Notes outstanding at the same time.

In addition, Class A2-R Notes will not be issued unless the margin for the Class A2-R Notes is less than 1.6075% (being the “**Class A2 Stepped Up Margin**”) and the Class A2-R Notes are assigned ratings of AAA(sf) by Standard & Poor’s and AAAsf by Fitch.

The Class A2-R Notes will be a sub-class of the “Class A Notes” of the Series Trust. Except as described in the Base Information Memorandum, as supplemented by this Supplemental Information Memorandum, the Class A2-R Notes are subject to the terms and conditions of the Class A Notes as described in the Base Information Memorandum.

The following paragraphs summarise the key terms and conditions as they relate to the Class A2-R Notes. For further details, see Section 8 (“*Description of the Notes*”) of the Base Information Memorandum.

7.2 Form of the Class A2-R Notes

(a) Registered form

The Class A2-R Notes will be denominated in Australian Dollars and upon issue be in the form of registered debt securities and will be issued by the Trustee in its capacity as trustee of the Series Trust. They are issued with the benefit of, and subject to, the Master Trust Deed, the Series Supplement and the Security Trust Deed.

The register maintained by the Trustee is the only conclusive evidence of the title of a person recorded in it as the holder of a Class A2-R Note. No definitive certificate or other instrument will be issued to evidence a person’s title to Class A2-R Notes.

(b) **Lodgement of the Class A2-R Notes in Austraclear**

It is intended that the Class A2-R Notes will be lodged in Austraclear after issue. It is also intended that the Class A2-R Notes will be lodged with Austraclear on the basis that they will not be uplifted.

Once the Class A2-R Notes are lodged into the Austraclear system, Austraclear will become the registered holder of those Class A2-R Notes in the register to be maintained by the Trustee. While those Class A2-R Notes remain in the Austraclear system:

- (i) all payments and notices required of the Trustee and the Manager in relation to those Class A2-R Notes will be directed to Austraclear;
- (ii) all dealings and payments in relation to those Class A2-R Notes within the Austraclear system will be governed by the Austraclear Regulations; and
- (iii) interests in the Class A2-R Notes may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the Class A2-R Notes in Euroclear would be held in the Austraclear System by Westpac Custodian Nominees Limited as nominee of Euroclear while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by ANZ Nominees Limited as nominee of Clearstream, Luxembourg. The rights of a holder of interests in Class A2-R Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominees and the rules and regulations of the Austraclear System. In addition, any transfer of interests in the Class A2-R Notes which are held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the other requirements set out above and in Section 7.3 (“*Transfer of Notes*”) below.

7.3 Transfer of Class A2-R Notes

A Class A2-R Noteholder is entitled to transfer any of its Class A2-R Notes if

the offer for sale or invitation to purchase to the proposed transferee by the Class A2-R Noteholder:

- (a) does not require disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) is not made to a Retail Client; and
- (c) complies with any other applicable laws in all jurisdictions in which the offer or invitation is made.

Unless lodged into the Austraclear system as explained in Section 7.2(b) (“*Form of the Class A2-R Notes*”) above, all transfers of Notes must be effected by a Security Transfer as described in Section 8.2(d) (“*Marked Security Transfer*”) of the Base Information Memorandum.

7.4 Notices to Class A2-R Noteholders

Notices, requests and other communications by the Trustee or the Manager to Class A2-R Noteholders may be made by:

- (a) advertisement placed on a Business Day in The Australian Financial Review (or other nationally delivered newspaper); or
- (b) mail, postage prepaid, to the address of the Class A2-R Noteholder as shown in the register. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the Class A2-R Noteholders actually receive the notice.

7.5 Joint Noteholders

Where Class A2-R Notes are held jointly, only the person whose name appears first in the register will be entitled to be:

- (a) (if and while the Class A2-R Notes are not lodged in Austraclear) issued any relevant Security Certificate and a marked Security Transfer as described in Sections 8.2(a) and (d) ("*Form of the Notes*"), respectively, of the Base Information Memorandum;
- (b) given any notices; and
- (c) paid any moneys due in respect of the Class A2-R Notes except that in the case of payment by cheque, the cheque will be payable to the joint Noteholders.

7.6 Method of Payment

Any amounts payable by the Trustee to a Noteholder in respect of a Class A2-R Note will be paid in Australian dollars and, subject to Section 7.2(b) ("*Lodgment of the Class A2-R Notes in Austraclear*") above in relation to Class A2-R Notes lodged in Austraclear, will be paid:

- (a) by electronic transfer through Austraclear;
- (b) by payment to a bank account in Australia of the payee nominated by the payee; or
- (c) any other manner specified by the Noteholder and agreed to by the Manager and the Trustee.

7.7 Interest on the Class A2-R Notes

(a) Periods for which the Class A2-R Notes accrue interest

The period that a Class A2-R Note accrues interest is divided into Accrual Periods. The first Accrual Period in respect of a Class A2-R Note commences on and includes the Class A2 Refinancing Date and ends on but excludes the immediately following Distribution Date. Each subsequent Accrual Period in respect of a Class A2-R Note commences on and includes a Distribution Date and ends on but excludes the following Distribution Date.

The final Accrual Period in respect of a Class A2-R Note ends on, but excludes, the earlier of:

- (i) the date upon which the Invested Amount of the Class A2-R Note is reduced to zero and all accrued interest in respect of the Class A2-R Note is paid in full;

- (ii) the Distribution Date on which the final distributions upon termination of the Series Trust are to be made, as described in Section 9 (“*Termination of the Trust*”) of the Base Information Memorandum; and
- (iii) the date upon which the Class A2-R Note is otherwise redeemed or are deemed to be redeemed and repaid in full.

(b) **Calculation of interest on the Class A2-R Notes**

The interest rate for the Class A2-R Notes for each Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus a margin of 1.40%. The margin of the Class A2-R Notes will not increase at any time after their issue.

Interest on each Class A2-R Note will be calculated in respect of an Accrual Period as the product of:

- (i) the Invested Amount of that Class A2-R Note as at the close of business on the first day of that Accrual Period, after giving effect to any payments of principal made with respect to such Class A2-R Note on such day;
- (ii) the interest rate for the Class A2-R Notes for that Accrual Period; and
- (iii) a fraction, the numerator of which is the actual number of days in the Accrual Period and the denominator of which is 365 days.

Interest will accrue on any unpaid interest in relation to a Class A2-R Note at the interest rate that applies from time to time to that Class A2-R Note until that unpaid interest is paid.

On the first day of each Accrual Period in respect of a Class A2-R Note, the Manager will determine the Bank Bill Rate for that Accrual Period.

(c) **Payment of interest on the Class A2-R Notes**

The Trustee must, in accordance with the Series Supplement, on each Distribution Date apply the Available Income Amount in respect of that Distribution Date, towards payment of amounts including the aggregate interest accrued on each Class A2-R Note during the Accrual Period ending on that Distribution Date, together with any unpaid interest on the Class A2-R Notes from previous Distribution Dates and any interest accrued on such unpaid interest, in the order contemplated by the Series Supplement. See Section 8.10 (“*Payment of the Available Income on a Distribution Date*”) of the Base Information Memorandum.

7.8 Repayment of principal on the Class A2-R Notes

(a) **Partial redemption of the Class A2-R Notes on each Distribution Date**

On each Distribution Date until the Invested Amount of the Class A2-R Notes is reduced to zero, the Trustee must apply the Available Principal Amount in respect of that Distribution Date towards repayment of principal on the Class A2-R Notes to the extent there are funds available for that purpose in accordance with the order of priority described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”) of the Base Information Memorandum.

(b) **Optional Redemption of the Notes**

The Trustee must, when directed by the Manager, at the Manager's option, redeem all (but not some) of the Notes of all Classes at their then Invested Amounts, subject to the following, together with accrued but unpaid interest to, but excluding, the date of redemption, on any Distribution Date occurring on or after the Call Date.

The Trustee may in exercising its option to redeem all of the Notes redeem the then outstanding Notes of a Class at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption. However, for each Class of Notes other than the Class B Notes, redemption at the Stated Amount must be approved by an Extraordinary Resolution of Noteholders of the relevant Class. However, the Trustee will not and the Manager will not direct the Trustee to redeem the Notes unless the Trustee is in a position on the relevant Distribution Date to repay the then Invested Amounts or the Stated Amounts, as required, of the Notes together with, in the case of all Notes other than the Class B Notes, all accrued but unpaid interest to but excluding the date of redemption and to discharge all its liabilities in respect of amounts which are required to be paid in priority to or equally with the Notes under Sections 8.10 ("*Payment of the Available Income Amount on a Distribution Date*") and 8.13 ("*Payment of the Available Principal Amount on a Distribution Date*") of the Base Information Memorandum.

For more details, see Section 8.25 ("*Optional Redemption of the Notes*") of the Base Information Memorandum.

(c) **Redemption of the Notes upon an Event of Default**

If an Event of Default occurs under the Security Trust Deed the Security Trustee must, upon becoming aware of the Event of Default and subject to certain conditions, in accordance with an Extraordinary Resolution of Voting Secured Creditors and the provisions of the Security Trust Deed, enforce the Charge. That enforcement can include the sale of some or all of the Mortgage Loans. Any proceeds from the enforcement of the security will be applied in accordance with the order of priority of payments as set out in the Security Trust Deed as described in Section 10.6(k) ("*Priorities under the Security Trust Deed*") of the Base Information Memorandum.

(d) **Final Maturity Date**

Unless previously redeemed, the Trustee must redeem the Class A2-R Notes by paying the Invested Amount, together with all accrued and unpaid interest, in relation to each Class A2-R Note on or by the Distribution Date falling in November 2042.

(e) **Redemption upon Final Payment**

Upon final payment being made in respect of any Class A2-R Notes following termination of the Series Trust or enforcement of the Charge, those Class A2-R Notes will be deemed to be redeemed and discharged in full and any obligation to pay any accrued but unpaid interest, the Stated Amount or the Invested Amount in relation to the Class A2-R Notes will be extinguished in full.

(f) **No Payments of Principal in Excess of Invested Amount**

No amount of principal will be repaid in respect of a Class A2-R Note in excess of its Invested Amount or, in the circumstances described in Section 7.8(b) (“*Optional Redemption of the Notes*”) of this Supplemental Information Memorandum, its Stated Amount.

7.9 Withholding or Tax Deductions

All payments in respect of the Class A2-R Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature unless the Trustee for the Class A2-R Notes is required by applicable law to make such a withholding or deduction. In that event the Trustee must account to the relevant authorities for the amount so required to be withheld or deducted. The Trustee will not be obliged to make any additional payments to holders of the Class A2-R Notes with respect to that withholding or deduction. Immediately after becoming aware that such a withholding or deduction is or will be required, the Trustee will notify the holders of the Class A2-R Notes.

8 Determination and payment of income and principal in respect of the Series Trust

8.1 Payments by the Trustee

The Trustee will make payments in respect of the Notes and other liabilities and expenses of the Series Trust on a monthly basis on each Distribution Date from Collections received during the preceding Collection Period and from amounts received under Support Facilities on or prior to the relevant Distribution Date and from accrued amounts retained or invested in Authorised Short-Term Investments. Amounts (if any) standing to the credit of the GIC Account will also be applied on the Class A2 Refinancing Date towards redemption of the Class A2 Notes and, if there is any excess in the GIC Account following redemption of those Notes, on the next Distribution Date to make principal payments to Noteholders. For more details, including a description of the amounts included in Collections, see Section 8.3 (“*Payments on the Notes*”) of the Base Information Memorandum.

8.2 Payment of the Available Income Amount on each Distribution Date

On each Distribution Date, prior to the enforcement of the Charge, the Available Income Amount for that Distribution Date is to be allocated towards paying interest on the Notes and certain other amounts in the order of priority set out in Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”) of the Base Information Memorandum.

The Available Income Amount is summarised in the diagram in Section 2.11 (“*Allocation of Cash Flows*”) of this Supplemental Information Memorandum and described in detail in Section 8.5 (“*Determination of the Available Income Amount*”) of the Base Information Memorandum.

8.3 Payment of the Available Principal Amount on each Distribution Date

On each Distribution Date, prior to the enforcement of the Charge, the Available Principal Amount for that Distribution Date is to be allocated towards paying principal on the Notes and certain other amounts in the order of priority set out in Section 8.13 (“*Payment of the Available Income Amount on a Distribution Date*”) of the Base Information Memorandum.

The Available Principal Amount is summarised in the diagram in Section 2.11 (“*Allocation of Cash Flows*”) of this Supplemental Information Memorandum and described in detail in Section 8.12 (“*Determination of the Available Principal Amount*”) of the Base Information Memorandum.

8.4 Principal Chargeoffs

For a description of the allocation of losses on the Mortgage Loans by way of Principal Chargeoffs on the Notes and the reimbursement of those Principal Chargeoffs (including the circumstances and the order in which Principal Chargeoffs are applied and reimbursed), see section 8.21 (“*Principal Chargeoffs*”) of the Base Information Memorandum.

As at the Preparation Date, there are no unreimbursed Principal Chargeoffs.

8.5 Principal Draws

If there are insufficient income receipts of a Series Trust to be applied on a Distribution Date toward payment of interest on the Notes (other than the Class B Notes) and other expenses of the Series Trust, the Manager may direct the Trustee to allocate some or all of the principal collections on the Mortgage Loans and other principal receipts of the Series Trust towards meeting the shortfall as described in Section 8.6 (“*Principal Draw*”) of the Base Information Memorandum. Principal Draws are to be reimbursed on subsequent Distribution Dates as described in Section 8.10 (“*Payment of the Available Income Amount on each Distribution Date*”) of the Base Information Memorandum.

As at the Preparation Date there are no unreimbursed Principal Draws.

8.6 Liquidity Facility Advances

Please see Section 8.7 (“*Liquidity Facility Advance*”) of the Base Information Memorandum for details regarding the making of drawings under the Liquidity Facility by the Trustee to assist in meeting the balance of any income shortfall on a Determination Date remaining after application of Principal Draws. For a description of the terms on which the Liquidity Facility is provided by the Liquidity Facility Provider, see Section 10.8 (“*The Liquidity Facility*”) of the Base Information Memorandum.

As at the Preparation Date, no drawings have been made under the Liquidity Facility.

8.7 Extraordinary Expense Reserve

This Section 8.7 updates and is to be read in substitution for Section 8.9 (“*Extraordinary Expense Reserve*”) of the Base Information Memorandum.

Commonwealth Bank of Australia lent to the Trustee an amount equal to the Extraordinary Expense Reserve Required Amount on the Closing Date to establish the Extraordinary Expense Reserve. The Extraordinary Expense Reserve is a sub-ledger of the Collections Account. Further amounts may be deposited into the Extraordinary Expense Reserve to the extent required under Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”) of the Base Information Memorandum.

If, on any Determination Date, the Manager determines that there are any Extraordinary Expenses in respect of the immediately preceding Collection Period, then the Manager must direct the Trustee to apply (and on such direction the Trustee must apply) an amount equal to the lesser of:

- (a) the amount of such Extraordinary Expenses on that day; and
- (b) the balance of the Extraordinary Expense Reserve on that day,

from the Extraordinary Expense Reserve on the following Distribution Date towards payment or reimbursement of those Extraordinary Expenses (“**Extraordinary Expense Reserve Draw**”).¹

Each Extraordinary Expense Reserve Draw made on any Distribution Date as described above is to be repaid on subsequent Distribution Dates, but only to the extent that there are funds available for this purpose in accordance with Section 8.10 (“*Payment of the Available Income Amount on each Distribution Date*”) of the Base Information Memorandum.

On the Distribution Date on which all Notes are to be redeemed in full, any amounts standing to the balance of the Extraordinary Expense Reserve after any Extraordinary Expense Reserve Draw has been made as described above will be released from the Extraordinary Expense Reserve and repaid to the Seller.

As at the Preparation Date, there are no unreimbursed Extraordinary Expense Reserve Draws.

8.8 Post enforcement payments

For details of the order of allocation of proceeds received by the Security Trustee following an Event of Default and enforcement of the Charge, see Section 10.6(k) (“*Priorities under the Security Trust Deed*”) of the Base Information Memorandum.

9 Description of the Transaction Documents

9.1 General

For a summary of the material terms of the Transaction Documents (including the Master Trust Deed, the Series Supplement, the Security Trust Deed, the Liquidity Facility Agreement, the Mortgage Insurance Policies and the Interest Rate Swap Agreement), see Section 10 (“*Description of the Transaction Documents*”) as supplemented by the following paragraphs.

9.2 Expiry of the Class A2 Note Fixed Swap, Income Reserve and GIC Account arrangements on the Class A2 Refinancing Date

(a) Class A2 Note Fixed Swap

The Class A2 Note Fixed Swap will terminate in accordance with its terms on the Class A2 Refinancing Date (with the final payments under that swap transaction to be made between the Trustee and the Class A2 Note Fixed Swap Provider on that day).

(b) Income Reserve

On the Class A2 Refinancing Date any amounts standing to the balance of the Income Reserve after any other required drawing by the Trustee has been made on that day will be released from the Income Reserve and repaid to the Seller. See Section 8.8 (“*Income Reserve*”) of the Base Information Memorandum for further details.

(c) GIC Account

Immediately after issuance of the Class A2-R Notes on the Class A2 Refinancing Date, the entire balance of the GIC Account (if any) will be transferred to the Collection Account and applied towards redemption of the Class A2 Notes on that day. No further amounts will be deposited or credited to the GIC Account after that

¹ As a result of amendments to the Series Supplement made by an Amending Deed dated 12 December 2014, Section 8.9 (“*Extraordinary Expense Reserve*”) of the Base Information Memorandum describes the operation of the Extraordinary Expense Reserves that applied prior to these amendments.

time. If there is any surplus remaining in the GIC Account after redemption of the Class A2 Notes on the Class A2 Refinancing Date, such surplus amount will be included in the Available Principal Amount for distribution on the following Distribution Date in accordance with Section 8.13 (“*Payment of the Available Principal Amount on each Distribution Date*”) of the Base Information Memorandum.

9.3 The Mortgage Insurance Policies

A high LTV master mortgage insurance policy issued by Genworth Financial Mortgage Insurance Pty Limited provides full coverage for all principal due on those Mortgage Loans which generally had a loan to value ratio greater than 80% at the time of origination. A master mortgage insurance policy issued by QBE Lenders’ Mortgage Insurance Limited will provide full coverage for all principal due on the balance of the Mortgage Loans.

Each Mortgage Insurance Policy is subject to certain exclusions from coverage and rights of refusal or reduction of claims. These generally include (but are not limited to) failure to pay premium payable under the relevant Mortgage Insurance Policy, failure by the Seller or the Trustee to comply with applicable laws, the making of certain variations to a relevant Mortgage Loan which have not been consented to by the Mortgage Insurer or if the relevant Mortgage Loan is wholly or partly unenforceable (including where the relevant borrower has a right of set-off or a counterclaim in any proceedings taken by or on behalf of the Trustee in relation to the Mortgage Loan). In addition, the Mortgage Insurance Policies do not cover any loss arising due to certain events, such as physical damage to the property, war or warlike activities, acts of terrorism or terrorist activities and other similar events.

The availability of funds under the relevant Mortgage Insurance Policy will ultimately be dependent on the financial strength of the insurer. A borrower’s payments that are expected to be covered by a Mortgage Insurance Policy may not be covered or may be reduced because of these exclusions, refusals or reductions or in the event that the mortgage insurer becomes subject to administration, liquidation or other form of insolvency proceedings or suffers financial difficulties which impede the Mortgage Insurer’s ability to perform its obligations. If such circumstances arise, the Trustee may not have enough money to make timely and full payments of principal and interest on the Notes.

For a summary of the material terms and conditions of the Mortgage Insurance Policies as at the Closing Date see Section 10.10 (“*The Mortgage Insurance Policies*”) of the Base Information Memorandum.

9.4 Description of the Mortgage Insurers

(a) Genworth Financial Mortgage Insurance Pty Limited

Genworth Financial Mortgage Insurance Pty Limited ACN 106 974 305 (“**Genworth**”) is a proprietary company registered in Victoria and limited by shares. Genworth’s principal activity is the provision of lenders mortgage insurance which it, and predecessor businesses, have provided in Australia since 1965.

Genworth’s ultimate Australian parent company is Genworth Mortgage Insurance Australia Limited ACN 154 890 730, which is a public company listed on the Australian Securities Exchange and registered in Victoria. Genworth Financial, Inc. has ultimate control of the majority (approximately 52% as at 14 January 2016) of the fully paid ordinary shares of Genworth Mortgage Insurance Australia Limited.

Genworth Financial, Inc. (NYSE: GNW) (“Genworth Financial”) is a leading Fortune 500 insurance holding company. Genworth Financial operates through three

divisions: U.S. Life Insurance, which includes life insurance, long term care insurance and fixed annuities; Global Mortgage Insurance, containing U.S. Mortgage Insurance and International Mortgage Insurance segments; and the Corporate and Other division, which includes the International Protection and Runoff segments. Genworth Financial, headquartered in Richmond, Virginia, traces its roots back to 1871 and became a public company in 2004.

The business address of Genworth is Level 26, 101 Miller Street, North Sydney, NSW, 2060, Australia.

(b) **QBE Lenders' Mortgage Insurance Limited**

QBE Lenders' Mortgage Insurance Limited (ABN 70 000 511 071) is an Australian public company registered in New South Wales and limited by shares. QBE Lenders' Mortgage Insurance Limited's principal activity is lenders' mortgage insurance which it has provided in Australia since 1965.

QBE Lenders' Mortgage Insurance Limited's parent is QBE Holdings (AAP) Pty Ltd, a subsidiary of the ultimate parent company, QBE Insurance Group Limited ("QBE Group"). QBE Group is an Australian based public company listed on the Australian Securities Exchange. QBE Group is recognised as Australia's largest international general insurance and reinsurance company with operations in more than 37 countries around the world, and is one of the top 20 global general insurers and reinsurers as measured by net earned premium. QBE Group currently has a counterparty credit rating by Standard & Poor's of A- (outlook stable).

As of 31 December 2014, the audited financial statements of QBE Lenders' Mortgage Insurance Limited had total assets of A\$2,565 million and shareholder's equity of A\$1,328 million. QBE Lenders' Mortgage Insurance Limited currently has an insurer financial strength rating by Standard & Poor's of A+ (outlook stable) and Fitch Ratings of AA- (outlook stable).

There is no assurance that the ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by such rating agencies, if, in their judgment, circumstances so warrant. The ratings reflect each respective rating agency's current assessments of the creditworthiness of QBE Lenders' Mortgage Insurance Limited and its ability to pay claims on its policies of insurance. Each insurer financial strength rating of QBE Lenders' Mortgage Insurance Limited should be evaluated independently. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency. Such ratings are subject to revision, qualification or withdrawal at any time by the applicable rating agency.

The business address of QBE Lenders' Mortgage Insurance Limited is Level 5, 2 Park Street, Sydney, New South Wales, Australia, 2000.

10 The Servicer

10.1 General

Please see Section 11 (“*The Servicer*”) of the Base Information Memorandum, as supplemented by the following paragraphs, for information about the role of the Servicer in relation to the Series Trust and the servicing of the Mortgage Loans by Commonwealth Bank of Australia as the current Servicer.

10.2 Commonwealth Bank of Australia’s current servicing arrangements

The day to day servicing of the Mortgage Loans is performed by Commonwealth Bank of Australia, as the current Servicer, at Commonwealth Bank of Australia’s Group Operations division, presently located in Sydney, Brisbane, Melbourne, Adelaide and Perth, and at the retail branches and telephone banking, Internet, Online Applications and marketing centres of Commonwealth Bank of Australia. Servicing procedures undertaken by Group Lending Services (a department within Group Operations) include partial loan security discharges, loan security substitutions and consents for subsequent mortgages as well as other day to day loan maintenance activities. Arrears management is undertaken by the collections area of the Commonwealth Bank of Australia. Customer enquiries are dealt with by the retail branches and telephone banking and marketing centres of Commonwealth Bank of Australia.

10.3 Commonwealth Bank of Australia’s current Collection and Enforcement Procedures

Pursuant to the terms of the Mortgage Loans, borrowers must make the minimum repayment due under the terms and conditions of the Mortgage Loans, on or before each monthly instalment due date. A borrower may elect to make his or her repayments weekly or fortnightly so long as the equivalent of the minimum monthly repayment is received on or before the monthly instalment due date. Borrowers often select repayment dates to coincide with receipt of their salary or other income. In addition to payment to a retail branch by cash or cheque, Mortgage Loan repayments may be made by direct debit to a nominated bank account or direct credit from the borrower’s salary by their employer.

A Mortgage Loan is subject to action in relation to arrears of payment whenever the monthly repayment is not paid by the monthly instalment due date. However, under the terms of the Mortgage Loans, borrowers may prepay amounts which are additional to their required monthly repayments to build up a “credit buffer”, being the difference between the total amount paid by them and the total of the monthly repayments required to be made by them. If a borrower subsequently fails to make some or all of a required monthly repayment, the servicing system will apply the amount not paid against the credit buffer until the total amount of missed payments exceeds the credit buffer. The Mortgage Loan will be considered to be arrears only in relation to that excess.

Commonwealth Bank of Australia’s automated collections system identifies all Mortgage Loan accounts which are in arrears and produces lists of those Mortgage Loans. The collection system allocates overdue loans to designated collection officers within Commonwealth Bank of Australia who take action in relation to the arrears.

Actions taken by Commonwealth Bank of Australia in relation to delinquent accounts will vary depending on a number of elements, including the following and, if applicable, with the input of a mortgage insurer:

- (a) arrears history;
- (b) equity in the property; and

- (c) arrangements made with the borrower to meet overdue payments.

If satisfactory arrangements cannot be made to rectify a delinquent Mortgage Loan, legal notices are issued and recovery action is initiated by Commonwealth Bank of Australia. This includes, if Commonwealth Bank of Australia obtains possession of the mortgaged property, ensuring that the mortgaged property supporting the Mortgage Loan still has adequate general home owner's insurance and that the upkeep of the mortgaged property is maintained. Recovery action is arranged by experienced collections staff in conjunction with internal or external legal advisers. A number of sources of recovery are pursued including the following:

- (a) voluntary sale by the mortgagor;
- (b) guarantees;
- (c) government assistance schemes;
- (d) mortgagee sale;
- (e) claims on mortgage insurance; and
- (f) action against the mortgagor/borrower personally.

It should be noted that the Commonwealth Bank of Australia reports all actions that it takes on overdue Mortgage Loans to the relevant mortgage insurer where required in accordance with the terms of the mortgage insurance policies.

10.4 Collection and Enforcement Process

When a Mortgage Loan becomes delinquent a reminder letter is issued to the borrower to seek full and immediate clearance of all arrears. When this letter is sent depends on the risk profile of the account, but this will generally be in the first seven days. In the absence of successful contact, a phone call is made to the borrower. If the Mortgage Loans have a direct debit payment arrangement and there are sufficient funds available, a sweep of the nominated account is made to rectify the arrears.

If an arrangement has not been entered into to rectify the arrears, a default notice is sent advising the borrower that if the matter is not rectified within a period of 30 days, Commonwealth Bank of Australia is entitled to commence enforcement proceedings without further notice. The days delinquent that the notice is sent is dependent on the risk profile of the account. Generally, a default notice will be sent by day 60. Normally a further notice will be issued to a borrower on an account which is 90 days delinquent advising the borrower that failure to comply within 30 days will result in Commonwealth Bank of Australia exercising its power of sale. At 120 days delinquent, a letter of demand and notice to vacate is issued to the borrower, followed by a statement of claim at 150 days delinquent.

Service of a statement of claim is the initiating process in the relevant Supreme Court.

Once a borrower is served with a statement of claim, the borrower is given up to 40 days to file a notice of appearance and defence and, failing this, Commonwealth Bank of Australia will apply to the court to have judgment entered in its favour. Commonwealth Bank of Australia will then apply for a writ of possession whereby the sheriff will set an eviction date. Appraisals and valuations are ordered and a reserve price is set for sale by way of public auction, tender or private treaty. These time frames assume that the borrower has either taken no action or has not honoured any commitments made in relation to the delinquency to the satisfaction of the Commonwealth Bank of Australia and the mortgage insurers.

It should also be noted that Commonwealth Bank of Australia's ability to exercise its power of sale on the mortgaged property is dependent upon the statutory restrictions of the relevant state or territory as to notice requirements. In addition, there may be factors outside the control of the mortgagee such as whether the mortgagor contests the sale and the market conditions at the time of sale. These issues may affect the length of time between the decision of Commonwealth Bank of Australia to exercise its power of sale and final completion of the sale.

The collection and enforcement procedures may change from time to time in accordance with business judgment and changes to legislation and guidelines established by the relevant regulatory bodies.

11 Taxation considerations

The following is a summary of the material Australian withholding tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “Australian Tax Act”) the Taxation Administration Act 1953 of Australia and any relevant rulings, judicial decisions or administrative practice, as at the Preparation Date of this Supplemental Information Memorandum of the purchase, ownership and disposition of the Class A2-R Notes by Noteholders who purchase the Class A2-R Notes on original issuance at the stated offering price and do not hold the Class A2-R Notes as trading stock. It also sets out a summary of certain other Australian tax matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (including, dealers in securities, custodians or other third parties who hold Class A2-R Notes on behalf of any Noteholders).

The following is not, and should not be construed as, legal or tax advice. It is a general guide only and each prospective Noteholder should consult his or her own tax advisors concerning the tax consequences, in their particular circumstances, of the purchase, ownership and disposition of the Class A2-R Notes.

11.1 Tax Issues for the Series Trust

The Series Trust is part of a consolidated group for Australian income tax purposes. Under consolidation, the head company of the consolidated group has the liability to pay the income tax of the group. Further comments on consolidation are in Section 11.4(a) of this Supplemental Information Memorandum below.

11.2 Interest Withholding Tax

(a) Exemption in section 128F

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**IWT**”) is available, in respect of the Class A2-R Notes issued by the Trustee under section 128F of the Australian Tax Act, if the following conditions are met:

- (i) the Trustee is a company as defined in section 128F(9) (which includes certain companies acting in their capacity as trustee) and a resident of Australia when it issues those Class A2-R Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- (ii) those Class A2-R Notes are debentures that are not equity interests and are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Trustee is offering those Class A2-R Notes for issue. In summary, the five methods are:
 - A. offers to 10 or more unrelated financiers, securities dealers or entities that carry on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
 - B. offers to 100 or more investors of a certain type;
 - C. certain offers of listed notes;
 - D. certain offers via publicly available information sources; and

- E. offers to a dealer, manager or underwriter under an agreement with the Trustee who offers to sell those Class A2-R Notes within 30 days by one of the preceding methods.
 - (iii) the Trustee does not know or have reasonable grounds to suspect, at the time of issue, that those Class A2-R Notes or interests in those Class A2-R Notes were being, or would later be, acquired, directly or indirectly, by an “associate” of the Trustee, except as permitted by section 128F(5) of the Australian Tax Act (see below); and
 - (iv) at the time of the payment of interest, the Trustee does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Trustee, except as permitted by section 128F(6) of the Australian Tax Act (see below).
- (b) **Associates**

Since the Trustee is a trustee of a trust, the entities that are “associates” of the Trustee for the purposes of section 128F of the Australian Tax Act include:

- (i) any entity that benefits, or is capable of benefiting, under the trust (“**Beneficiary**”), either directly or through any interposed entities; and
- (ii) if the Beneficiary is a company, an “associate” of that Beneficiary, which would, for these purposes, include:
 - A. a person or entity that holds more than 50% of the voting shares in, or otherwise controls, the Beneficiary;
 - B. an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Beneficiary;
 - C. a trustee of a trust where the Beneficiary is capable of benefiting (whether directly or indirectly) under that trust; and
 - D. a person or entity that is an “associate” of another person or entity that is an “associate” of the Beneficiary under sub-paragraph A above.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (a)(iii) and (a)(iv) above), the issue of the Class A2-R Notes to, and the payment of interest to, the following “associates” may still qualify for the exemption from IWT under section 128F:

- (iii) onshore “associates” (ie Australian resident “associates” who do not hold the Class A2-R Notes in carrying on business at or through a permanent establishment outside Australia and non-resident “associates” who hold the Class A2-R Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- (iv) offshore “associates” (ie Australian resident “associates” that hold the Notes in carrying on business at or through a permanent establishment outside Australia and non-resident “associates” who do not hold the Class A2-R Notes in carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:

- A. in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Class A2-R Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme; or
- B. in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

(c) **Compliance with section 128F of the Australian Tax Act**

The Class A2-R Notes are “debentures” for the purposes of section 128F of the Australian Tax Act. Interest payable on the Class A2-R Notes would be “interest” for the purposes of the withholding tax provisions.

Unless otherwise specified in any relevant supplement to this Supplemental Information Memorandum, the Trustee intends to issue the Class A2-R Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

(d) **Exemptions under recent Tax Treaties**

The Australian Government has signed new or amended double tax conventions with a number of countries (each a “**Specified Country**”) which contain certain exemptions from IWT.

In broad terms, those treaties prevent IWT being imposed on payments of interest derived by either:

- (i) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or
- (ii) a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with the Trustee. The term “financial institution” refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

Specified Countries include the United States, the United Kingdom, France, Finland, Norway, Japan, New Zealand, South Africa and Switzerland.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public through the Federal Treasury’s Department’s website.

(e) **No payment of additional amounts**

Despite the fact that the Class A2-R Notes are intended to be issued in a manner which will satisfy the requirements of section 128F of the Australian Tax Act, if the Trustee is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Class A2-R Notes, the Trustee is not obliged to pay any additional amounts in respect of such deduction or withholding.

11.3 Other tax matters that are relevant to Class A2-R Noteholders

Discussed below is a general discussion of certain matters that are relevant to Class A2-R Noteholders, under Australian laws as presently in effect.

(a) Other taxes

- (i) *death duties* - no Class A2-R Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (ii) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Class A2-R Notes;
- (iii) *supply withholding tax* - payments in respect of the Class A2-R Notes can be made free and clear of the “supply withholding tax” imposed under Section 12-190 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“Taxation Administration Act”);
- (iv) *goods and services tax* - The receipt of the Class A2-R Notes will not give rise to a liability for GST in Australia on the basis that the supply of Class A2-R Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply;
- (v) *garnishee directions* – The Commissioner of Taxation may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act or any similar provision requiring the Trustee to deduct or withhold from any payment to any other party (including any Class A2-R Noteholder) any amount in respect of tax payable by that other party. If the Trustee is served with such a direction, the Trustee will comply with that direction and make any deduction or withholding required by that direction; and
- (vi) *other withholding taxes on payments in respect of Class A2-R Notes* - Section 126 of the Australian Tax Act imposes a type of withholding tax on the payment of interest on debentures payable to bearer (other than certain promissory notes) where the issuer fails to disclose to the ATO the names and addresses of the holders. As the Class A2-R Notes are in registered form, any interest payable under the Class A2-R Notes would not be subject to tax under section 126 of the Australian Tax Act.

(b) Non-Australian Class A2-R Noteholders

- (i) *income tax* - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Class A2-R Notes, payments of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a Noteholder of the Class A2-R Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Class A2-R Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;
- (ii) *gains on disposal or redemption of Class A2-R Notes* - a Class A2-R Noteholder, who is a non-resident of Australia and who, during the taxable year, does not hold the Class A2-R Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to

Australian income tax on gains realised during that year on sale or redemption of the Class A2-R Notes, provided such gains do not have an Australian source. A gain arising on the sale of Class A2-R Notes by a non-Australian resident Noteholder to another non-Australian resident where the Class A2-R Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not be expected to have an Australian source. In certain cases, a non-resident Noteholder may be able to claim a treaty exemption in relation to Australian sourced gains if there is a relevant double tax convention;

- (iii) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Class A2-R Notes as interest for IWT purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold by a non-Australian Noteholder to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in carrying on business at or through a permanent establishment in Australia. If the Class A2-R Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Class A2-R Notes. These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Class A2-R Notes had been held to maturity by a non-resident; and

- (iv) *additional withholdings from certain payments to non-residents* - Section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, Section 12-315 expressly provides that the regulations will not apply to interest and other payments which are treated as interest under the IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations that have so far been promulgated under Section 12-315 prior to the Preparation Date of this Supplemental Information Memorandum are not applicable to any payments in respect of the Class A2-R Notes. Any further regulations also should not apply to repayments of principal under the Class A2-R Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Class A2-R Notes will need to be monitored; and

- (v) *other withholding taxes on payments in respect of Class A2-R Notes* –Section 12-140 of Schedule 1 to the Taxation Administration Act imposes a type of withholding tax (see paragraph (c)(iii) below for the rate of withholding tax) on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”) or an Australian Business Number (“**ABN**”) (in certain circumstances) or provided proof of some other exemption (as appropriate). Assuming that the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Class A2-R Notes, then the requirements of Section 12-140 do not apply to payments to a Noteholder of Class A2-R Notes in registered form who is not a resident of Australia and not holding those Class A2-R Notes in the course of carrying on business at or through a permanent establishment in Australia; and
- (vi) *debt/equity rules* – Division 974 of the Australian Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The Trustee intends to issue Class A2-R Notes which should not be characterised as equity interests for the purposes of the tests contained in Division 974. Returns paid on the Class A2-R Notes are expected to be “interest” for the purpose of section 128F of the Australian Tax Act. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of holders of Class A2-R Notes; and
- (vii) *mutual assistance in the collection of debts* - The Commissioner of Taxation has some powers to collect a taxation debt on behalf of certain foreign taxation authorities if formally requested to do so, or to take conservancy measures to ensure the collection of that debt. Conservancy is concerned with preventing a taxpaying entity from dissipating their assets when they have a tax related liability. The provisions also treat Australian tax debts collected and remitted to Australia by a foreign tax authority as tax debts collected in Australia. In certain circumstances, any foreign tax liabilities of a non-resident Noteholder of the Class A2-R Notes the subject of the measures may be collected by Australia on behalf of another country.

(c) **Australian Noteholders**

- (i) *income tax* - Australian residents or non-Australian residents who hold the Class A2-R Notes in carrying on business at or through a permanent establishment in Australia (“**Australian Noteholders**”), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Class A2-R Notes. Whether income will be recognised on a cash receipts, accruals basis or subject to the taxation of financial arrangements provisions (set out at paragraph (d) below) will depend upon the tax status of the particular Noteholder and the terms and conditions of the Class A2-R Notes. Special rules apply to the taxation of Australian residents who hold the Class A2-R Notes in carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;
- (ii) *gains on disposal of Class A2-R Notes* - Australian Noteholders will be required to include any gain or loss on disposal of the Class A2-R Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Class A2-R Notes in the course of carrying on business at or through a permanent establishment outside Australia which

vary depending on the country in which that permanent establishment is located;

- (iii) *other withholding taxes on payments in respect of Class A2-R Notes* - Payments to Australian Noteholders of Class A2-R Notes in registered form may be subject to a withholding where the Noteholder does not quote a TFN or ABN or provide proof of an appropriate exemption (as appropriate). The rate of withholding tax is 49% for the 2015-16 and 2016-17 income years and, under current law, will be reduced to 47% following the 2016-17 income year; and
- (iv) *taxation of foreign exchange gains and losses* - Divisions 230, 775 and 960 of the Australian Tax Act, together with related regulations, contain rules to deal with the taxation consequences of foreign exchange transactions. As all payments under the Class A2-R Notes will be in Australian dollars, these rules should not apply to the Australian Noteholders.

(d) **Taxation of Financial Arrangements**

The Australian Tax Act contains tax-timing rules for certain taxpayers to bring to account gains and losses from “financial arrangements”. The rules do not alter the rules relating to the imposition of IWT nor override the IWT exemption available under section 128F of the Australian Tax Act.

In addition, the rules do not apply to certain taxpayers or in respect of certain short term “financial arrangements”. They should not, for example, generally apply to Noteholders which are individuals and certain other entities (eg certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their “financial arrangements”. Potential Noteholders of Class A2-R Notes should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made.

11.4 Other tax matters that are relevant to the Series Trust

(a) **Tax Consolidation Rules**

Under the tax consolidation rules, the Series Trust is a member of a consolidated group. Under consolidation, the transactions entered into by the members of the consolidated group are effectively ignored for certain income tax purposes and attributed to the head company. The head company has the liability to pay the income tax of the group. However, if the head company fails to make a relevant tax payment promptly, then there is (prima facie) joint and several liability on all group members to pay that tax. That joint and several liability can be avoided by allocating the relevant tax obligation to the group members on a reasonable basis under a tax sharing agreement. The Series Trust is party to a tax sharing agreement and such agreement is considered to be a “valid” tax sharing agreement for these purposes.

(b) **Goods and Services Tax**

The issue of the Class A2-R Notes will not give rise to a liability for GST in Australia on the basis that the supply of Class A2-R Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Series Trust, nor the disposal of the Class A2-R Notes, would give rise to any GST liability on the part of the Series Trust.

The supply of some services made to the Series Trust may give rise to a liability for GST on the part of the relevant service provider.

In relation to the acquisition of these taxable services by the Series Trust:

- (i) In the ordinary course of business, the service provider would charge the Series Trust an additional amount on account of GST unless the agreed fee is already GST-inclusive.
- (ii) The Series Trust would be entitled to full input tax credits to the extent that the acquisition relates to a GST-free supply (i.e. where the subscriber is an offshore non-resident) and assuming that the Series Trust exceeds the financial acquisitions threshold for the purposes of Division 189 of the GST Act, which is likely to be the case, the Series Trust would not be entitled to a full input tax credit from the ATO to the extent that the acquisition relates to the Series Trust's input taxed supply of issuing Class A2-R Notes (ie Class A2-R Notes issued to:
 - A. Australian residents; or
 - B. non-residents acting through a fixed place of business in Australia)

In the case of acquisitions which relate to the making of supplies where the Series Trust would not be entitled to full input tax credits, the Series Trust may still be entitled to a "reduced input tax credit" ("**RITC**") in relation to certain acquisitions prescribed in the GST regulations, but only where the Series Trust is the recipient of the taxable supply and the Series Trust either provides or is liable to provide the consideration for the taxable supply. A RITC is equivalent to 75% of the value of a full input tax credit, except in respect of the acquisition of certain services made by trustees, in which case the reduced input tax credit will be 55% if the trust concerned is a "recognised trust scheme". A trust is not a "recognised trust scheme" if it is a "securitisation entity". On the basis that the Series Trust satisfies the definition of being a "securitisation entity", the Series Trust will not be a "recognised trust scheme" and the reduced input tax credits available to the Series Trust in respect of the acquisition of services from the Trustee, the Security Trustee, the Manager and the Servicer will be 75% of the GST payable by the Trustee, Security Trustee, Manager and Servicer respectively. The availability of RITCs will reduce the expenses of the Trust. Further, RITCs will not be available in respect of any services provided by the Custodian as RITCs are not available in respect of the safe custody of money, documents and other things. However, the exclusion in relation to safe custody of money, documents and other things does not apply in relation to the fees payable to the Trustee and Security Trustee as it is an inherent part of the role of a trustee to hold trust property.

- (iii) Where services are provided to the Series Trust by an entity comprising an associate of the Series Trust for income tax purposes, those services are provided for nil or less than market value consideration, and the Series Trust would not be entitled to a full input tax credit, the relevant GST (and any input tax credit) would be calculated by reference to the market value of those services. The associate may be entitled to recover the GST calculated by reference to the market value of the services from the Series Trust. Depending on the nature of the services supplied the Series Trust, if the associate charges the Series Trust GST in relation to those services, the

Series Trust may be entitled to partly recover the GST charged to it as a “reduced input tax credit”.

- (iv) Where GST is payable on a taxable supply made to the Series Trust in respect of the Series but a full input tax credit is not available, this will mean that less money is available to pay interest on the Class A2-R Notes or other liabilities of the Series Trust.

In the case of supplies performed outside Australia for the purposes of the Series Trust’s business, these may attract a liability for Australian GST if they are supplies of a kind which would have been taxable if they occurred in Australia and if the Series Trust would not have been entitled to a full input tax credit if the supply had been performed in Australia. This is known as the “reverse charge” rule. Where the rule applies, the liability to pay GST to the ATO falls not on the supplier, but on the Series Trust.

Where services are performed offshore for the Series Trust and the supplies relate solely to the issue of Class A2-R Notes by the Series Trust to Australian non-residents who subscribe for the Class A2-R Notes through a fixed place of business outside Australia, the “reverse charge” rule should not apply to these offshore supplies. This is because the Series Trust would have been entitled to a full input tax credit for the acquisition of these supplies if the supplies had been performed in Australia, as the supplies would be GST-free and not taxable.

(c) **Proposed reforms to taxation of trusts**

On 16 December 2010, the Assistant Treasurer to the former Government issued Media Release No. 025 of 2010 in relation to the taxation of trusts. As a follow on from this release, a consultation paper was released on options for modernising the taxation of trusts on 21 November 2011 (refer to the Assistant Treasurer’s Media Release No. 155 of 2011). The consultation paper explored the impediments to the effective operation of the trust income tax provisions in Division 6 of Part III of the Australian Tax Act and highlighted options for reform.

In July 2012, the former Government announced that the proposed start date for the reform/rewrite of the trust taxation rules in Division 6 would be 1 July 2014 (rather than 1 July 2013).

The former Government released an options paper for the proposed reforms to the scope of the trust taxation rules on 24 October 2012. The options paper contained proposed models for how trust taxation will operate, and posed questions to stakeholders regarding how certain aspects of those models should operate. The options paper did not provide any further guidance with respect to the timing of the reforms.

On 6 November 2013, the current Government announced its approaches to a number of tax measures proposed by the former Government (see Media Release dated 6 November 2013, titled "Restoring integrity in the Australian tax system"). The announcement did not, however, specifically address any proposed measures identified above.

An update on the status of the tax measures provided by the Assistant Treasurer of the current Government in a media release dated 14 December 2013 also did not provide further guidance on the position of the proposed rewrite.

The Australian Government has also introduced into Parliament legislation (the "**Bill**") for the new tax regime for eligible managed investment trusts ("**MIT**"). The regime is proposed to commence from 1 July 2016, although eligible MITs will be able to elect to have the regime apply in the income year commencing 1 July 2015.

The Bill provides for an attribution taxation regime which will be available to eligible MITs by election. That regime will provide a different basis for the taxation of an eligible MIT and its unit holders and will provide certain tax concessions, such as deemed fixed trust treatment for those eligible MITs. Other aspects of the new taxation regime, such as the proposed integrity rules which will assess the trustee of a MIT on non-arm's length income (subject to certain exclusions), will apply to MITs generally, not just those eligible for the attribution regime.

As at the date of this opinion, the Bill has yet to pass Parliament.

The Bill and the proposals in relation to the reform of taxation of trusts to date are not expected to adversely affect the Trust, however, this should be confirmed at such time that these measures are enacted into law.

12 Ratings of the Class A2-R Notes

The issuance of the Class A2-R Notes will be conditioned on obtaining ratings of AAA(sf) by S&P and AAAsf by Fitch Ratings. You should independently evaluate the security ratings of the Class A2-R Notes from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities. A rating does not address the market price or suitability of the Class A2-R Notes for an investor. A rating may be subject to revision or withdrawal at any time by the Rating Agencies. The rating does not address the expected schedule of principal repayments other than to say that principal will be returned no later than the Final Maturity Date. None of the Rating Agencies have been involved in the preparation of this Supplemental Information Memorandum.

13 Selling Restrictions

13.1 Introduction

No action has been taken by the Trustee, the Lead Manager or the Co-Manager which would or is intended to permit a public offer of the Class A2-R Notes in any country or jurisdiction where action for that purpose is required. Neither this Supplemental Information Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction except under circumstances which will result in compliance with applicable laws and regulations.

13.2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Class A2-R Notes has been or will be lodged with ASIC or the ASX and:

- (a) no invitation or offer of the Class A2-R Notes has been or will be made for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) no Information Memorandum or any other offering material or advertisement relating to any Class A2-R Notes in Australia may be distributed or published, unless:
 - (i) the minimum aggregate consideration payable by each offeree or invitee on acceptance of the offer is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding monies lent by the offeror or its associates) or more, or the offer does not otherwise require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act;
 - (ii) the offer does not constitute an offer to a “retail client” for the purposes of Chapter 7 of the Corporations Act; and
 - (iii) such action complies with other applicable laws and directives and does not require any document to be lodged with ASIC.

13.3 United States of America

The Class A2-R Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Trustee has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (“**Investment Company Act**”). An interest in the Class A2-R Notes may not be offered or sold within the United States or to, or for the account or benefit of, a “U.S. person” (as defined in Regulation S under the Securities Act (“**Regulation S**”)) at any time except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

13.4 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) no person may make an offer of Class A2-R Notes to the public in that Relevant Member State other than:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Trustee for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Class A2-R Notes shall require the Trustee or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Class A2-R Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Class A2-R Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Class A2-R Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments hereto, including the 2010 PD Amending Directive, to the extent implemented in that Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU. The expression “**European Economic Area**” means the European Union. The expression “**Member State of the European Economic Area**” means any Member State of the European Union plus Iceland, Norway and Liechtenstein.

13.5 The Republic of Ireland

No person may:

- (a) offer or sell any Class A2-R Notes, except in accordance with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (“**Prospectus Regulations**”) and the provisions of the Irish Companies Act 1963-2005 (as amended) and any rules issued under section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland;
- (b) offer or sell any Class A2-R Notes other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EU) Regulations 2005 (Ireland) and any rules issued under section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland;
- (c) underwrite the issue of, or place, the Class A2-R Notes in the Republic of Ireland, otherwise than in conformity with the provisions of the Central Bank Acts 1942-2011 (Ireland) (as amended) and any codes of conduct made under Section 117(1) thereof; and
- (d) underwrite the issue or place the Class A2-R Notes otherwise than in accordance with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including without limitation section 9, 23 (including any advertising restrictions made under that section), 50 and 37 (including any codes of conduct issued under that section) and the provisions of the Irish Investor Compensation Act 1998, including without limitation, section 21.

13.6 The United Kingdom

Each person subscribing for the Class A2-R Notes:

- (a) may only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Class A2-R Notes in circumstances in which section 21(1) of the FSMA does not or would not, if the Trustee was not an authorised person, apply to the Series Trust; and
- (b) must comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Class A2-R Notes in, from or otherwise involving the United Kingdom.

13.7 Hong Kong

No person may:

- (a) offer or sell and in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Class A2-R Notes other than:
 - (i) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong as amended ("**SFO**") and any rules made under the SFO; or
 - (ii) in circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) ("**CWMO**") or which do not constitute an offer to the public within the meaning of the CWMO; and
- (b) unless permitted to do so under the laws of Hong Kong, issue or have in its possession for the purpose of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation, offering material or document relating to the Class A2-R Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong other than with respect to the Class A2-R Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under that Ordinance.

13.8 Japan

The Class A2-R Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended and reviewed) (the "**Financial Instruments and Exchange Act**") and, accordingly, no person may offer or sell any Class A2-R Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949), including any corporation having its principal office in or other entity organised under the laws of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident), or to others for re-offering or resale, directly or indirectly, in Japan, or for the benefit of, or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ordinances promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

13.9 New Zealand

On and from 1 December 2014, when both Part 3 and Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand (the “**FMCA**”) came into force, no person may offer for sale or transfer or directly or indirectly offer for sale or transfer any Class A2-R Notes in a manner that makes the Class A2-R Notes the subject of a regulated offer for the purposes of the FMCA and the minimum subscription requirements below have been or will be complied with in connection with any direct or indirect offer for sale or transfer of the Class A2-R Notes. In particular, the Class A2-R Notes have and will only be offered or transferred either:

- (a) to persons who are “wholesale investors” as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMCA, being a person who is:
 - (i) an “investment business”
 - (ii) “large”, or
 - (iii) a “government agency”

in each case as defined in Schedule 1 to the FMCA; or

- (b) (in other circumstances where there is no contravention of the FMCA, provided that (without limiting paragraph (a) above) Class A2-R Notes may not be offered or transferred to any “eligible investors” (as defined in the FMCA) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMCA.

No person must distribute this Supplemental Information Memorandum, the Base Information Memorandum, the Series Supplement or any other Transaction Document, terms or any information or other material that may constitute an advertisement (as defined in the FMCA) in relation to any offer of the Class A2-R Notes in New Zealand other than to any such persons as referred to in the applicable paragraphs above.

13.10 Switzerland

This Supplemental Information Memorandum does not constitute a prospectus within the meaning of Article 652A of the *Swiss Code of Obligations* and Article 1156 et seq. of the *Swiss Code of Obligations*. The Class A2-R Notes may not be publicly offered or distributed in or from Switzerland, and neither the Supplemental Information Memorandum nor any other offering materials relating to any of the Class A2-R Notes may be publicly distributed in connection with any such offering or distribution.

This Supplemental Information Memorandum does not constitute a public offering prospectus as that term is understood pursuant to Article 1156 et seq. of the Code of Obligations. The Trustee has not applied for a listing of the Class A2-R Notes on the SIX Swiss Exchange and as a result, the information set out in this Supplemental Information Memorandum does not necessarily comply with the information standards set out in the relevant listing rules. The Class A2-R Notes will not be publicly offered or sold in Switzerland. No person may publicly offer or distribute the Class A2-R Notes in or from Switzerland, and neither the Information Memorandum nor any other offering materials relating to any of the Class A2-R Notes may be publicly distributed in connection with any such offering or distribution.

13.11 Singapore

This Supplemental Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the “**Securities and Futures Act**”) and the Class A2-R Notes will be

offered pursuant to exemptions. The Class A2-R Notes must not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Supplemental Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Class A2-R Notes be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor pursuant to section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in section 275 of the Securities and Futures Act, or (c) otherwise than pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Class A2-R Notes are subscribed or purchased in reliance on an exemption under Section 274 or 275 of the Securities and Futures Act, the Class A2-R Notes must not be sold within the period of six months from the date of the initial acquisition of the Class A2-R Notes, except to any of the following persons:

- (a) an institutional investor (as defined in Section 4A of the Securities and Futures Act);
- (b) a relevant person (as defined in Section 275(2) of the Securities and Futures Act); or
- (c) any person pursuant to an offer referred to in Section 275(1A) of the Securities and Futures Act,

unless expressly specified otherwise in Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore

Each of the following relevant persons specified in section 275 of the Securities and Futures Act which has subscribed or purchased Class A2-R Notes from and through that person, namely a person who is:

- (a) a corporation (which is not an accredited investor as defined in section 4A of the Securities and Futures Act) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Class A2-R Notes under section 275 of the Securities and Futures Act except:

- (i) to an institutional investor (for corporations, under section 274 of the Securities and Futures Act) or to a relevant person as defined in section 275(2) of the Securities and Futures Act and in accordance with the conditions, specified in section 275 of the Securities and Futures Act;
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in section 276(3)(i)(B) of the Securities and Futures Act or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the Securities and Futures Act;

- (iii) where no consideration is or will be given for the transfer;
- (iv) where the transfer is by operation of law; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

13.12 Republic of China

The Class A2-R Notes may not be sold or offered in the Republic of China and may only be offered and sold to Republic of China resident investors from outside the Republic of China in such a manner as complies with securities laws and regulations applicable to such cross border activities in the Republic of China.

13.13 General

These selling restrictions may be modified with the agreement of each of the Lead Manager and the Co-Manager following a change in or clarification of a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in interpretation or administration.

14 Listing on a securities exchange

14.1 Application for Listing

Securitisation Advisory Services Pty Limited, as Manager, may, in its discretion, apply for listing of the Class A2-R Notes on a securities exchange and admission of the Class A2-R Notes to trading on any regulated or unregulated markets, although as at the Preparation Date it has no intention of doing so. There can be no assurance that such approval, if sought, will be granted and accordingly the issuance and settlement of the Class A2-R Notes on the Class A2 Refinancing Date is not conditional on the listing of the Class A2-R Notes on any securities exchange. If any such application for listing and/or trading is made, Perpetual Trustee Company Limited will not be taken to have authorised or made the application.

14.2 Additional Information

If and for so long as any of the Class A2-R Notes are listed on a securities exchange and the rules of that securities exchange so require, copies of notices to holders of the listed Class A2-R Notes must be forwarded in final form to the appropriate office of that securities exchange, no later than the day of dispatch and copies of any Transaction Documents required to be made publicly available will be made available during normal business hours at the registered office of the Manager or any listing agent appointed by the Manager for the purposes of listing on that securities exchange.

If any application is to be made for listing of Class A2-R Notes on a securities exchange, the Manager will undertake that, for as long as any of the Class A2-R Notes are listed on the securities exchange, it will if required under the rules of the relevant securities exchange, notify that stock exchange of any material amendment to any Transaction Document and if any party to any Transaction Document resigns or is replaced, together with details of any relevant replacement party.

The Series Trust was established on 6 April 2011 in the State of New South Wales, Australia by the Trustee, the Manager, Commonwealth Bank of Australia as the Servicer and the Seller, executing a series supplement and the Manager settling A\$100 on the Trustee. The Series Trust is governed by the laws of New South Wales, Australia. The Series Trust is a special purpose entity established to issue Notes and (in the case of the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B Notes only), to apply the proceeds to acquire the Mortgage Loans from the Seller and to hold the Mortgage Loans in accordance with the Transaction Documents.

As at the date of this Supplemental Information Memorandum, the Series Trust has no borrowings or financial indebtedness other than in respect of the Class A Notes, the Class AB Notes, the Class AC Notes and the Class B Notes as set out in Section 2.2 (“Summary of the Notes”) of this Supplemental Information Memorandum.

The Trustee is not involved in any litigation, arbitration or governmental proceedings which may have, or have had during the 12 months preceding the date of this Supplemental Information Memorandum, a significant effect on the Trustee’s financial position nor, as far as the Trustee is aware, are any such litigation, arbitration or governmental proceedings pending or threatened.

The Series Trust is not required by Australian law and does not intend to publish annual reports and accounts.

The Manager is the administrator of the Series Trust. The Manager can be contacted on +61 2 9118 7214. The Trustee can be contacted on + 61 2 9229 9000.

15 Transaction Documents

The documents referred to below are the Transaction Documents in respect of the Series Trust:

- (a) the Master Trust Deed between the Trustee and the Manager, dated 8 October 1997 (as amended);
- (b) the Series Supplement between the Trustee, the Manager, Commonwealth Bank of Australia (as the Seller and the Servicer), dated 6 April 2011 (as amended by an amending deed dated 12 December 2014);
- (c) the Security Trust Deed between the Trustee, the Manager, the Security Trustee, dated 6 April 2011;
- (d) the Liquidity Facility Agreement between the Trustee, the Manager and the Liquidity Facility Provider, dated 6 April 2011;
- (e) the GIC Account Agreement between the GIC Provider, the Manager, the Trustee and the Security Trustee, dated 6 April 2011;
- (f) the basis swaps and fixed rate swaps between the Trustee, the Manager, the Basis Swap Provider and the Fixed Rate Swap Provider dated 20 April 2011, entered into pursuant to the ISDA Master Agreement and related schedule between the Trustee, the Manager, the Basis Swap Provider, the Fixed Rate Swap Provider and the Class A2 Note Fixed Swap Provider dated as of 6 April 2011;
- (g) the Master Mortgage Insurance Policy between Commonwealth Bank of Australia, the Trustee, QBE Lenders' Mortgage Insurance Limited dated 27 April 2011;
- (h) the Dealer Agreement between the Trustee, the Manager, the Arranger and the Lead Manager dated 6 April 2011; and
- (i) the Dealer Agreement in relation to the Class A2-R Notes between the Trustee, the Manager, Macquarie as Co-Manager, and the Lead Manager dated 8 April 2016, which together with the Dealer Agreement described in paragraph (h) above, is a "**Dealer Agreement**" for the purposes of the Series Trust.

Directory

Trustee	Perpetual Trustee Company Limited Level 12, 123 Pitt Street Sydney NSW 2000
Security Trustee	P.T. Limited Level 12, 123 Pitt Street Sydney NSW 2000
Manager	Securitisation Advisory Services Pty. Limited Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Liquidity Facility Provider and Interest Rate Swap Provider	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Seller	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Servicer	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Lead Manager	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Arranger and Bookrunner	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000

Co-Manager

Macquarie Bank Limited
Level 1
50 Martin Place
Sydney NSW 2000

**Solicitors to Commonwealth Bank of
Australia and Securitisation Advisory
Services Pty. Limited**

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Appendix A

Mortgage Loan Information

Subsequent to the Closing Date, certain existing Mortgage Loans were split into multiple Mortgage Loans in order to accommodate Borrower requests, including in relation to fixing interest rates.

For the purposes of calculating the summary of the characteristics of the Mortgage Loan pool above:

- statistics in relation to:
 - the “*Total Security Valuation*” calculations in each table; and
 - the “*Weighted Average Current LTV (%)*” calculations in in the “*Pool Profile by Current Loan to Value Ratio (LTV)*” table,

are determined as if all Mortgage Loans from a single Borrower constitute one single consolidated loan secured by all properties securing those Mortgage Loans, with the security valuations for the relevant properties securing the original Mortgage Loan and the split Mortgage Loan being allocated to the original Mortgage Loan; and
- for all other purposes, each Mortgage Loan is treated as an individual loan with:
 - any Mortgage Loan split into multiple Mortgage Loans as separate loans;
 - the new Mortgage Loan is taken to be originated as at the date the original Mortgage Loan was split;
 - the original Mortgage Loan is taken to have been repaid by the amount of the balance of the newly created Mortgage Loan.

Pool Profile by Originator

<u>Originator</u>	<u>No. of Loans</u>	<u>Total Loan Balance (A\$)</u>	<u>% by Loan Balance (%)</u>	<u>Weighted Average Interest Rate (%)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Weighted Average Term to Maturity (in months)</u>
Commonwealth Bank	3,580	594,336,873	61.54%	4.97%	46.07%	264
Commonwealth Bank approved mortgage-broker originated (Colonial Brand)	1,737	371,366,236	38.46%	4.94%	51.54%	272
Total:	5,317	965,703,109	100.00%	4.96%	48.17%	267

Pool Profile by Year of Origination (Quarterly)

<u>Year of Origination</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
2002Q1	8	4,286,000	758,596	21.77%	94,824	0.08%
2002Q2	3	1,280,555	246,558	20.53%	82,186	0.03%
2002Q3	12	5,328,814	1,235,493	38.29%	102,958	0.13%
2002Q4	6	3,109,299	659,709	24.37%	109,952	0.07%
2003Q1	7	4,347,885	1,471,049	38.71%	210,150	0.15%
2003Q2	7	4,230,000	1,411,380	44.00%	201,626	0.15%
2003Q3	4	1,520,000	239,001	22.59%	59,750	0.02%
2003Q4	7	3,273,000	966,103	49.15%	138,015	0.10%
2004Q1	5	4,237,000	2,065,295	50.66%	413,059	0.21%
2004Q2	13	6,890,043	2,376,739	44.23%	182,826	0.25%
2004Q3	13	6,732,101	2,166,493	55.21%	166,653	0.22%
2004Q4	15	9,406,000	2,275,909	37.76%	151,727	0.24%
2005Q1	18	9,800,500	3,585,802	48.18%	199,211	0.37%
2005Q2	15	9,998,747	2,451,866	41.40%	163,458	0.25%
2005Q3	25	14,645,824	4,924,398	44.17%	196,976	0.51%
2005Q4	24	13,745,050	3,445,377	37.65%	143,557	0.36%
2006Q1	28	20,165,260	6,355,524	45.24%	226,983	0.66%
2006Q2	34	17,189,723	6,600,375	51.16%	194,129	0.68%
2006Q3	35	19,629,350	6,522,321	45.61%	186,352	0.68%
2006Q4	30	16,880,234	6,210,160	50.08%	207,005	0.64%
2007Q1	51	22,067,148	9,220,610	55.98%	180,796	0.95%
2007Q2	79	36,983,124	15,010,650	55.08%	190,008	1.55%
2007Q3	53	27,785,724	11,813,995	54.88%	222,906	1.22%
2007Q4	81	39,806,540	16,562,412	55.44%	204,474	1.72%
2008Q1	75	34,223,764	15,678,190	60.52%	209,043	1.62%
2008Q2	101	44,759,694	18,067,611	53.10%	178,887	1.87%
2008Q3	244	120,176,256	46,459,835	51.47%	190,409	4.81%

<u>Year of Origination</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
2008Q4	643	299,932,874	115,651,153	51.71%	179,862	11.98%
2009Q1	734	355,711,119	124,395,088	48.90%	169,476	12.88%
2009Q2	739	369,557,514	144,908,838	50.44%	196,088	15.01%
2009Q3	595	323,308,552	105,598,513	44.35%	177,476	10.93%
2009Q4	682	358,370,411	123,418,478	47.09%	180,966	12.78%
2010Q1	279	147,243,017	44,729,201	43.44%	160,320	4.63%
2010Q2	289	154,132,327	52,445,494	44.46%	181,472	5.43%
2010Q3	178	89,131,888	30,751,317	44.58%	172,760	3.18%
2011Q2	9	4,507,000	2,149,183	45.27%	238,798	0.22%
2011Q3	5	324,000	665,072	31.32%	133,014	0.07%
2011Q4	14	4,926,959	2,074,138	40.28%	148,153	0.21%
2012Q1	14	2,960,000	2,575,158	34.84%	183,940	0.27%
2012Q2	6	1,975,000	1,127,763	29.38%	187,960	0.12%
2012Q3	6	660,000	1,606,231	40.01%	267,705	0.17%
2012Q4	5	2,628,000	1,041,227	42.37%	208,245	0.11%
2013Q1	13	3,648,000	2,196,501	38.31%	168,962	0.23%
2013Q2	31	6,076,753	6,563,984	34.86%	211,741	0.68%
2013Q3	8	1,580,000	1,031,794	20.83%	128,974	0.11%
2013Q4	14	959,000	2,131,543	30.60%	152,253	0.22%
2014Q1	9	2,252,641	2,443,843	44.92%	271,538	0.25%
2014Q2	10	805,000	1,657,710	33.96%	165,771	0.17%
2014Q3	16	2,810,340	2,593,465	35.24%	162,092	0.27%
2014Q4	10	-	2,178,955	40.78%	217,895	0.23%
2015Q1	3	-	612,573	34.66%	204,191	0.06%
2015Q2	1	700,000	296,796	42.40%	296,796	0.03%
2015Q3	2	2,700,000	757,452	18.31%	378,726	0.08%
2015Q4	5	-	652,225	33.05%	130,445	0.07%

<u>Year of Origination</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
2016Q1	4	-	667,963	31.22%	166,991	0.07%
Total:	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Geographic Distribution

Region	No. of Loans	Total Security Valuations (A\$)	Total Loan Balance (A\$)	Weighted Average Current LTV (%)	Average Loan Balance (A\$)	% by Loan Balance
Australian Capital Territory						
Metro	60	29,206,884	11,491,247	50.62%	191,521	1.19%
New South Wales						
Inner City	12	4,880,290	2,262,179	57.09%	188,515	0.23%
Metro	1,320	823,086,535	276,776,689	45.29%	209,679	28.66%
Non Metro	623	249,892,076	96,488,567	50.01%	154,877	9.99%
Victoria						
Inner City	39	19,600,512	8,046,047	48.99%	206,309	0.83%
Metro	1,157	593,709,398	193,167,634	43.88%	166,956	20.00%
Non Metro	340	111,025,615	38,999,820	48.95%	114,705	4.04%
Queensland						
Metro	312	151,608,011	65,780,366	54.67%	210,835	6.81%
Non Metro	391	171,677,009	75,314,967	54.61%	192,621	7.80%
Western Australia						
Inner City	13	8,119,500	3,300,174	41.45%	253,860	0.34%
Metro	355	196,748,450	78,886,248	49.11%	222,215	8.17%
Non Metro	94	42,983,043	20,132,203	56.87%	214,172	2.09%
South Australia						
Inner City	13	5,235,500	2,412,168	54.13%	185,551	0.25%
Metro	271	119,717,435	47,258,365	49.10%	174,385	4.89%
Non Metro	59	20,119,051	8,642,498	51.87%	146,483	0.90%
Northern Territory						
Metro	30	15,596,404	6,898,752	55.37%	229,958	0.71%
Non Metro	11	5,662,850	2,280,881	43.79%	207,353	0.24%
Tasmania						
Inner City	7	3,042,000	1,247,824	54.17%	178,261	0.13%
Metro	96	34,790,299	13,291,379	51.14%	138,452	1.38%
Non Metro	114	32,697,168	13,025,101	51.87%	114,255	1.35%
Total for all Regions:						
	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Balance Outstanding

<u>Current Loan Balance (A\$)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
-50,000.00 < A\$ <= 0.00	7	2,443,000	-2,452	-0.24%	-350	0.00%
0.00 < A\$ <= 50,000.00	787	345,753,845	16,169,038	11.26%	20,545	1.67%
50,000.00 < A\$ <= 100,000.00	804	293,506,344	62,677,958	26.95%	77,958	6.49%
100,000.00 < A\$ <= 150,000.00	944	358,740,722	118,444,363	37.80%	125,471	12.27%
150,000.00 < A\$ <= 200,000.00	820	355,170,042	143,140,299	45.31%	174,561	14.82%
200,000.00 < A\$ <= 250,000.00	602	301,366,895	134,775,966	50.55%	223,880	13.96%
250,000.00 < A\$ <= 300,000.00	517	278,626,409	141,613,279	54.33%	273,913	14.67%
300,000.00 < A\$ <= 350,000.00	279	188,669,113	89,893,554	54.41%	322,199	9.31%
350,000.00 < A\$ <= 400,000.00	218	169,390,021	81,292,820	52.52%	372,903	8.42%
400,000.00 < A\$ <= 450,000.00	108	93,382,503	45,705,148	56.88%	423,196	4.73%
450,000.00 < A\$ <= 500,000.00	79	74,790,198	37,596,156	53.70%	475,901	3.89%
500,000.00 < A\$ <= 550,000.00	49	51,439,973	25,786,144	55.84%	526,248	2.67%
550,000.00 < A\$ <= 600,000.00	34	35,110,999	19,529,837	59.38%	574,407	2.02%
600,000.00 < A\$ <= 650,000.00	21	25,437,838	13,061,349	53.71%	621,969	1.35%
650,000.00 < A\$ <= 700,000.00	20	26,550,000	13,465,526	54.08%	673,276	1.39%
700,000.00 < A\$ <= 750,000.00	8	13,445,128	5,846,586	50.52%	730,823	0.61%
750,000.00 < A\$ <= 800,000.00	7	7,630,000	5,403,376	72.00%	771,911	0.56%
800,000.00 < A\$ <= 850,000.00	6	7,940,000	4,927,140	55.82%	821,190	0.51%
850,000.00 < A\$ <= 900,000.00	3	4,110,000	2,608,813	64.11%	869,604	0.27%

<u>Current Loan Balance (A\$)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
900,000.00 < A\$ <= 950,000.00	3	4,470,000	2,808,209	63.55%	936,070	0.29%
950,000.00 < A\$ <= 1,000,000.00	1	1,425,000	960,000	67.37%	960,000	0.10%
Total:	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Current Loan to Value Ratio (LTV)

<u>Current LTV (%)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
-5.00 < LVR <= 0.00	7	2,443,000	-2,452	-0.24%	-350	0.00%
0.00 < LVR <= 5.00	394	215,208,429	3,215,627	3.06%	8,161	0.33%
5.00 < LVR <= 10.00	189	100,373,981	7,673,071	7.94%	40,598	0.79%
10.00 < LVR <= 15.00	220	120,542,877	15,183,661	12.77%	69,017	1.57%
15.00 < LVR <= 20.00	284	162,227,642	28,677,832	17.81%	100,978	2.97%
20.00 < LTV <= 25.00	367	207,181,072	46,614,405	22.60%	127,015	4.83%
25.00 < LTV <= 30.00	470	267,387,663	73,662,582	27.63%	156,729	7.63%
30.00 < LTV <= 35.00	434	240,962,649	78,110,755	32.48%	179,979	8.09%
35.00 < LTV <= 40.00	411	210,465,150	78,614,553	37.41%	191,276	8.14%
40.00 < LTV <= 45.00	398	207,930,876	88,175,509	42.46%	221,547	9.13%
45.00 < LTV <= 50.00	381	180,871,922	85,478,267	47.44%	224,352	8.85%
50.00 < LTV <= 55.00	370	162,592,922	85,382,603	52.39%	230,764	8.84%
55.00 < LTV <= 60.00	336	150,503,852	86,498,242	57.51%	257,435	8.96%
60.00 < LTV <= 65.00	315	133,876,435	83,608,377	62.48%	265,423	8.66%
65.00 < LTV <= 70.00	262	98,729,779	66,537,555	67.42%	253,960	6.89%
70.00 < LTV <= 75.00	186	71,472,835	51,786,100	72.49%	278,420	5.36%
75.00 < LTV <= 80.00	167	67,710,660	52,923,549	78.20%	316,907	5.48%
80.00 < LTV <= 85.00	75	23,955,286	19,723,815	82.36%	262,984	2.04%
85.00 < LTV <= 90.00	33	10,954,000	9,537,023	87.09%	289,001	0.99%
90.00 < LTV <= 95.00	13	3,092,000	2,845,384	92.05%	218,876	0.29%
100.00 < LTV <= 105.00	1	260,000	271,321	104.35%	271,321	0.03%
115.00 < LTV <= 120.00	1	270,000	322,685	119.51%	322,685	0.03%
160.00 < LTV <= 165.00	1	100,000	163,568	163.57%	163,568	0.02%
165.00 < LTV <= 170.00	1	160,000	266,579	166.61%	266,579	0.03%
345.00 < LTV <= 350.00	1	125,000	432,498	346.00%	432,498	0.04%
Total:	5,317	2,639,398,030	965,703,109	48.87%	181,626	100.00%

Pool Profile by Year of Maturity

<u>Maturity Year</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
2016	4	1,835,000	412,944	60.15%	103,236	0.04%
2017	3	840,000	2,027	0.60%	676	0.00%
2018	6	2,869,000	217,386	15.53%	36,231	0.02%
2019	20	8,118,672	748,049	18.41%	37,402	0.08%
2020	18	9,326,000	998,888	27.86%	55,494	0.10%
2021	7	3,062,000	431,230	20.67%	61,604	0.05%
2022	12	5,030,000	598,193	21.88%	49,849	0.06%
2023	16	6,527,607	875,731	27.66%	54,733	0.09%
2024	44	16,594,500	3,657,867	34.93%	83,133	0.38%
2025	38	15,135,904	2,951,368	27.87%	77,668	0.31%
2026	18	6,920,160	1,680,924	34.66%	93,385	0.17%
2027	23	8,037,438	1,771,374	38.96%	77,016	0.18%
2028	29	11,831,016	3,361,510	41.12%	115,914	0.35%
2029	95	37,122,084	9,761,677	38.57%	102,754	1.01%
2030	82	37,334,877	8,086,507	32.07%	98,616	0.84%
2031	30	15,550,444	5,430,334	45.18%	181,011	0.56%
2032	44	22,370,426	6,616,910	37.84%	150,384	0.69%
2033	61	30,078,000	9,221,035	44.70%	151,165	0.96%
2034	175	89,156,453	28,986,862	44.67%	165,639	3.00%
2035	185	95,225,274	31,253,253	44.22%	168,937	3.24%
2036	163	90,885,004	31,404,123	45.93%	192,663	3.25%
2037	314	147,408,053	61,640,668	53.17%	196,308	6.38%
2038	761	354,324,664	147,342,426	52.35%	193,617	15.26%
2039	2,373	1,205,245,401	453,343,199	48.47%	191,042	46.94%
2040	749	390,688,036	144,297,289	46.61%	192,653	14.94%
2041	28	15,340,500	6,033,624	59.11%	215,487	0.63%

<u>Maturity Year</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
2042	18	9,841,517	4,067,711	51.58%	225,984	0.42%
2043	1	2,700,000	510,000	18.89%	510,000	0.05%
Total:	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Loan Purpose

<u>Loan Purpose</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Owner Occupied	4,155	1,994,104,281	715,309,475	47.39%	172,156	74.07%
Investment	1,162	645,293,749	250,393,634	50.41%	215,485	25.93%
Total:	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Amortisation

<u>Payment Type</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Principal and Interest	4,454	2,113,824,518	726,494,642	45.76%	163,111	75.23%
Interest Only	863	525,573,512	239,208,467	55.50%	277,182	24.77%
Total:	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Mortgage Insurer

<u>Mortgage Insurer</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
QBE LMI Pool	4,766	2,425,551,323	846,081,392	45.80%	177,524	87.61%
Genworth Primary LMI	551	213,846,707	119,621,717	64.94%	217,099	12.39%
Total:	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Loan Type

<u>Loan Type</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Variable Rate Loans	4,843	2,437,646,693	858,831,031	47.73%	177,335	88.93%
Fixed Rate Loans						
<12 Months Fixed	175	77,897,093	39,087,919	50.56%	223,360	4.05%
1yr Fixed	114	42,868,438	24,326,934	50.80%	213,394	2.52%
2yr Fixed	71	30,212,268	16,830,635	52.23%	237,051	1.74%
3yr Fixed	73	32,372,705	18,087,245	55.01%	247,770	1.87%
4yr Fixed	32	15,258,673	7,044,758	51.14%	220,149	0.73%
5yr Fixed	3	1,416,160	594,597	57.51%	198,199	0.06%
6yr Fixed	1	460,000	244,653	53.19%	244,652	0.03%
8yr Fixed	4	1,031,000	523,286	57.91%	130,822	0.06%
9yr Fixed	1	235,000	132,051	56.19%	132,051	0.01%
Total:	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Current Interest Rates

<u>Current Interest Rate (%)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
3.50 < rate <= 4.00	3	1,060,000	825,906	63.49%	275,302	0.09%
4.00 < rate <= 4.50	310	205,585,693	78,869,536	47.85%	254,418	8.17%
4.50 < rate <= 5.00	2,605	1,463,637,717	547,739,538	48.44%	210,265	56.72%
5.00 < rate <= 5.50	2,062	843,716,598	291,614,731	46.84%	141,423	30.20%
5.50 < rate <= 6.00	307	114,284,706	41,409,420	53.36%	134,884	4.29%
6.50 < rate <= 7.00	6	3,260,000	1,393,825	51.70%	232,304	0.14%
7.00 < rate <= 7.50	5	1,781,160	821,807	59.18%	164,361	0.08%

<u>Current Interest Rate (%)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
7.50 < rate <= 8.00	7	2,921,500	1,430,933	52.11%	204,419	0.15%
8.00 < rate <= 8.50	10	2,795,656	1,364,415	59.06%	136,441	0.14%
8.50 < rate <= 9.00	1	235,000	132,051	56.19%	132,051	0.01%
9.00 < rate <= 9.50	1	120,000	100,947	84.12%	100,947	0.01%
Total:	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Occupation

<u>Occupations</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Farmers, Fishermen, Miners	108	45,978,781	20,500,797	53.96%	189,822	2.12%
Independent means	152	69,668,659	26,205,884	51.08%	172,407	2.72%
PAYE Employees	2,677	1,265,787,663	474,765,217	49.63%	177,350	49.16%
Professional	1,970	1,066,496,935	374,885,307	45.73%	190,297	38.82%
Sales	348	153,673,460	56,597,351	48.69%	162,636	5.86%
Self-employed	62	37,792,532	12,748,553	48.16%	205,622	1.32%
Total:	5,317	2,639,398,030	965,703,109	48.17%	181,626	100.00%

Pool Profile by Days in Arrears

<u>Days in Arrears</u>	<u>No. of Loans</u>	<u>% by Loan Number</u>	<u>Total Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Current	5,273	99.17%	954,653,540	98.85%
31-60 days	20	0.38%	4,650,027	0.48%
61-90 days	6	0.11%	1,241,204	0.13%
91-120 days	2	0.04%	763,921	0.08%
121-150 days	3	0.06%	844,458	0.09%
151-180 days	4	0.07%	737,506	0.08%
181+ days	9	0.17%	2,812,453	0.29%
Total:	5,317	100.00%	965,703,109	100.00%

ANNEXURE – BASE INFORMATION MEMORANDUM

Medallion Trust

Medallion Trust Series 2011-1 Information Memorandum



\$3,000,000,000

**Mortgage Backed Secured Pass Through Floating Rate and Fixed Rate Notes
Comprising**

A\$2,253,000,000

**Class A1 Mortgage Backed Pass-Through
Floating Rate Securities due November 2042**

Provisional Rating

*“AAA(sf)” by Standard & Poor’s (Australia) Pty Ltd
“AAAsf” by Fitch Australia Pty Ltd*

A\$525,000,000

**Class A2 Mortgage Backed Fixed Rate Securities
due November 2042**

Provisional Rating

*“AAA(sf)” by Standard & Poor’s (Australia) Pty Ltd
“AAAsf” by Fitch Australia Pty Ltd*

A\$108,000,000

**Class AB Mortgage Backed Pass-Through
Floating Rate Securities due November 2042**

Provisional Rating

*“AAA(sf)” by Standard & Poor’s (Australia) Pty Ltd
“AAAsf” by Fitch Australia Pty Ltd*

A\$54,000,000

**Class AC Mortgage Backed Pass-Through
Floating Rate Securities due November 2042**

Provisional Rating

*“AAA(sf)” by Standard & Poor’s (Australia) Pty Ltd
“AAAsf” by Fitch Australia Pty Ltd*

A\$60,000,000

**Class B Mortgage Backed Pass-Through Floating
Rate Securities due November 2042**

Unrated

**Arranger, Bookrunner and Lead Manager
Commonwealth Bank of Australia**

ABN 48 123 123 124

**Structural Advisor
Commonwealth Bank of Australia**

19 April 2011

No Guarantee by Commonwealth Bank of Australia

The Class A1 Notes, the Class A2 Notes, the Class A2-R Notes, the Class AB Notes, the Class AC Notes, the Class B Notes and the Redraw Notes do not represent deposits or other liabilities of Commonwealth Bank of Australia (“**Commonwealth Bank of Australia**”) or any other member of the Commonwealth Bank of Australia group. None of Commonwealth Bank of Australia, Securitisation Advisory Services Pty Limited ABN 88 064 133 946 (the “**Manager**”), or any other member of the Commonwealth Bank of Australia group guarantees the payment or repayment or the return of any principal invested in, or any particular rate of return on, the Class A1 Notes, the Class A2 Notes, the Class A2-R Notes, the Class AB Notes, the Class AC Notes, the Class B Notes and the Redraw Notes or the performance of the Assets of the Series Trust. In addition, none of the obligations of the Manager are guaranteed in any way by Commonwealth Bank of Australia or any other member of the Commonwealth Bank of Australia group.

Listing on the Irish Stock Exchange

This Information Memorandum constitutes a prospectus for the purposes of Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 (the “**Prospectus Directive**”), subject to approval by the Central Bank of Ireland (“**Central Bank**”). Securitisation Advisory Services Pty Limited, as Manager, may make an application to the Central Bank, as competent authority under the Prospectus Directive, for this Information Memorandum to be approved as a prospectus in relation to the Class A1 Notes. Securitisation Advisory Services Pty Limited, as Manager, may also make an application to the Irish Stock Exchange for the Class A1 Notes to be admitted to the Official List and trading on its regulated market. Such approval, if sought and obtained, would relate only to the Class A1 Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area.

As at the Closing Date, the Manager has no intention to apply to the Central Bank for approval of this Information Memorandum as a prospectus or to make an application to the Irish Stock Exchange for the admission to listing or trading of Class A1 Notes, although it reserves the right to do so in the future. Accordingly the issuance and settlement of the Notes on the Closing Date is not conditional on the listing of the Class A1 Notes on the Irish Stock Exchange. Perpetual Trustee Company Limited has not made or authorised any application for admission to listing and/or trading of the Class A1 Notes.

Any reference to this Information Memorandum constituting a prospectus is for the purposes only of the Prospectus Directive and for the avoidance of doubt, this Information Memorandum does not constitute a prospectus or other disclosure document for the purposes of the Corporations Act 2001 of Australia.

The Notes are subject to Investment Risk

The holding of the Notes is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

US Selling Restrictions

The Notes have not been and will not be registered under the Securities Act and unless so registered may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes are being offered and sold only to persons (other than United States persons) outside the United States pursuant to Regulation S and the Securities Act. For a description of certain further restrictions on offers, transfers and sales of the Notes and the distribution of this Information Memorandum, see Section 1 (“*Important Notice*”), Section 2.14(a) (“*Miscellaneous*”) and Section 14 (“*Selling Restrictions*”) below.

Table of Contents

1	Important notice	7
1.1	Terms	7
1.2	Purpose	7
1.3	Information Memorandum is a “Prospectus” for Class A1 Notes	7
1.4	Summary Only	7
1.5	Limited Responsibility for Information	8
1.6	Date of this Information Memorandum	8
1.7	Independent Investment Decisions	9
1.8	Authorised Material	9
1.9	Distribution to Professional Investors Only	9
1.10	Distribution	9
1.11	Issue Not Requiring Disclosure to Investors under the Corporations Act	10
1.12	Offshore Associates Not To Acquire Notes	10
1.13	Disclosure of Interests	10
1.14	Limited Recovery	11
1.15	Australian Financial Services Licence of Perpetual Trustee Company Limited	11
1.16	European Union Capital Requirements Directive - Securitisation Rules	11
1.17	References to Rating	12
2	Summary	13
2.1	Parties to the Transaction	13
2.2	Summary of the Notes	14
2.3	Structural Overview	17
2.4	Credit Enhancements	18
2.5	Liquidity Enhancement	20
2.6	Other Structural Enhancements	21
2.7	Hedging Arrangements	23
2.8	Optional Redemption	23
2.9	The Housing Loan Pool	24
2.10	Collections	25
2.11	Interest on the Notes	26
2.12	Principal on the Notes	27
2.13	Allocation of Cash Flows	29
2.14	Miscellaneous	36
3	Some risk factors	38
3.1	Limited Liability Under the Notes	38
3.2	Secondary Market Risk	38
3.3	Timing of Principal Payments	39
3.4	Prepayment then Non-Payment	40
3.5	Delinquency and Default Risk	41
3.6	Servicer Risk	41
3.7	Risks of Equitable Assignment	42
3.8	Set-Off	42
3.9	Ability of the Trustee to Redeem the Notes	43
3.10	Breach of Representation and Warranty	43
3.11	The Mortgage Insurance Policies	44
3.12	Consumer credit legislation	44

3.13	Independent Ratings Evaluation	46
3.14	Investor Suitability	46
3.15	Changes in the Features of Housing Loans	47
3.16	Australian Economic Conditions	47
3.17	Geographic Concentration of Housing Loans	47
3.18	Privacy	47
3.19	Priority of Principal on the Redraw Notes	48
3.20	Credit Support Notes provide only limited protection	48
3.21	Termination of Swaps	48
3.22	Unreimbursed redraws and further advances	49
3.23	Recharacterisation of Mortgage Loans	49
3.24	Commingling of collections on the Mortgage Loans with other assets	49
3.25	Limitations of liquidity and other structural enhancements	49
3.26	Principal Collections to cover liquidity shortfalls	49
3.27	Servicer waiving fees	50
3.28	Withholding tax	50
3.29	European Union directive on the taxation of savings income	50
3.30	Australian Anti-Money Laundering and Counter-Terrorism Financing Regime	50
3.31	Personal Property Security regime	51
3.32	European Union Capital Requirements Directive - CRD2 Rules	52
4	The Trustee, Commonwealth Bank of Australia, the Manager and the Security Trustee	53
4.1	The Trustee	53
4.2	The Seller	53
4.3	The Manager	54
4.4	The Security Trustee	54
5	Description of the Series Trust	55
5.1	Commonwealth Bank of Australia Securitisation Trust Programme	55
5.2	Series Trust	55
5.3	Transfer of assets between Trusts	55
5.4	Security Trust	56
6	Description of the assets of the Series Trust	57
6.1	Assets of the Series Trust	57
6.2	The Housing Loans	57
6.3	Other Features of the Housing Loans	58
6.4	Transfer and Assignment of the Mortgage Loans	58
6.5	Representations, Warranties and Eligibility Criteria	59
6.6	Breach of Representations and Warranties	61
6.7	Undertakings by the Seller	61
6.8	Details of the Housing Loan Pool	62
7	Commonwealth Bank of Australia Residential Loan Program	63
7.1	Origination Process	63
7.2	Approval and Underwriting Process	63
7.3	Commonwealth Bank of Australia's Product Types	65
7.4	Special Features of the Mortgage Loans	66
7.5	Additional Features	68
8	Description of the Notes	69
8.1	General	69

8.2	Form of the Notes	69
8.3	Payments on the Notes	72
8.4	Key Dates and Periods	73
8.5	Determination of the Available Income Amount	74
8.6	Principal Draw	76
8.7	Liquidity Facility Advance	76
8.8	Income Reserve	77
8.9	Extraordinary Expense Reserve	77
8.10	Payment of the Available Income Amount on a Distribution Date	78
8.11	Interest on the Notes	80
8.12	Determination of the Available Principal Amount	82
8.13	Payment of the Available Principal Amount on a Distribution Date	84
8.14	Class A Principal Allocation	85
8.15	Repayment of Class A2 Notes on Class A2 Refinancing Date	85
8.16	Stepdown Conditions	86
8.17	Payments from Collections Account and GIC Account	86
8.18	Receipt of Funds	86
8.19	Class A2-R Notes	87
8.20	Redraws and Further Advances	88
8.21	Principal Chargeoffs	88
8.22	Partial Redemption of the Notes on Distribution Dates	90
8.23	Withholding or Tax Deductions	90
8.24	Redemption of the Notes upon an Event of Default	90
8.25	Optional Redemption of the Notes	90
8.26	Final Maturity Date	91
8.27	Redemption upon Final Payment	91
8.28	No Payments of Principal in Excess of Invested Amount	91
9	Termination of the Trust	92
9.1	Termination of the Trust	92
10	Description of the Transaction Documents	94
10.1	Collections Account and Authorised Short Term Investments	94
10.2	Modifications of the Master Trust Deed and Series Supplement	94
10.3	The Trustee	95
10.4	The Manager	100
10.5	Limits on Rights of Noteholders	101
10.6	The Security Trust Deed	102
10.7	Principal Draws	111
10.8	The Liquidity Facility	112
10.9	GIC Account	116
10.10	The Mortgage Insurance Policies	117
10.11	The Master Mortgage Insurance Policy	124
10.12	Description of the Mortgage Insurers	127
10.13	The Interest Rate Swaps	128
10.14	Clean-Up	133
10.15	Changes to Transaction Documents	134
11	The Servicer	135
11.1	Servicing of the Housing Loans	135
11.2	Custody of the Mortgage Loan Documents	140
11.3	Commonwealth Bank of Australia - Collection and Enforcement Procedures	142
11.4	Collection and Enforcement Process	143

12	Taxation considerations	145
12.1	Tax Issues for the Series Trust	145
12.2	Interest Withholding Tax	145
12.3	Other tax matters that are relevant to Noteholders	148
12.4	Other tax matters that are relevant to the Series Trust	150
13	Ratings of the Notes	153
14	Selling Restrictions	154
14.1	Introduction	154
14.2	US Selling Restrictions	154
14.3	Australia	154
14.4	European Economic Area	154
14.5	The Republic of Ireland	155
14.6	The United Kingdom	156
14.7	Hong Kong	156
14.8	Japan	156
14.9	New Zealand	157
14.10	Switzerland	157
14.11	Singapore	157
14.12	Republic of China	158
14.13	General	158
15	Listing on the Irish Stock Exchange	159
15.1	Application for Listing	159
15.2	Additional Information	159
16	Transaction Documents	161
17	Glossary	162

1 Important notice

1.1 Terms

References in this Information Memorandum to various documents are explained in Section 16 (“*Transaction Documents*”). Unless defined elsewhere, all other terms are defined in the Glossary in Section 17 (“*Glossary*”). Section 16 (“*Transaction Documents*”) and Section 17 (“*Glossary*”) should be referred to in conjunction with any review of this Information Memorandum.

1.2 Purpose

This Information Memorandum relates solely to a proposed issue of the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B Notes by Perpetual Trustee Company Limited ABN 42 000 001 007 (the “**Trustee**”) in its capacity as trustee of the Medallion Trust Series 2011-1 (the “**Series Trust**”). This Information Memorandum does not relate to, and is not relevant for, any other purpose. Without limitation, while this Information Memorandum contains information relating to the Redraw Notes and the Class A2-R Notes, the Redraw Notes and the Class A2-R Notes are not being offered for issue, nor are applications for the issue of the Redraw Notes or the Class A2-R Notes being invited, by this Information Memorandum.

1.3 Information Memorandum is a “Prospectus” for Class A1 Notes

For the purposes of the Prospectus Directive only, this Information Memorandum is a Prospectus for the Class A1 Notes.

The following information is an overview of the principal features of the issue of the Class A1 Notes. This overview does not purport to be complete and is taken from, and is qualified in its entirety by reference to, the detailed information appearing elsewhere in this Information Memorandum, the terms of the Transaction Documents and, in relation to the terms and conditions of the Class A1 Notes (see Section 8 (“*Description of the Notes*”). Prospective purchasers of the Class A1 Notes are advised to read carefully the detailed information appearing elsewhere in this Prospectus and not rely solely on this overview in making any decision whether or not to invest in any Class A1 Notes. Capitalised terms used, but not defined, in this Section 1.3 can be found elsewhere in this Information Memorandum, unless otherwise stated. A glossary of defined terms is set out in Section 17 (“*Glossary*”) of this Information Memorandum.

This overview constitutes a general description of the Class A1 Notes for the purpose of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

1.4 Summary Only

This Information Memorandum is only a summary of the terms and conditions of the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B Notes and the Series Trust and is to assist each recipient to decide whether it will undertake its own further independent investigation of those Notes. This Information Memorandum does not purport to contain all the information a person considering subscribing for or purchasing the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B Notes may require. Accordingly, this Information Memorandum should not be relied upon by intending subscribers or purchasers of the Notes. Intending subscribers or purchasers of the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B

Notes should review the Transaction Documents which contain the definitive terms relating to the Series Trust and the transactions connected therewith. If there is any inconsistency between this Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information.

This Information Memorandum should not be construed as an offer or invitation to any person to subscribe for or buy the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B Notes and must not be relied upon by intending subscribers or purchasers of Notes.

It should not be assumed that the information contained in this Information Memorandum is necessarily accurate or complete in the context of any offer to subscribe for or an invitation to subscribe for or buy any Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes and Class B Notes even if this Information Memorandum is circulated in conjunction with such an offer or invitation.

1.5 Limited Responsibility for Information

The Manager has prepared and authorised the distribution of this Information Memorandum, has accepted sole responsibility for the information contained in it and to the best of its knowledge and belief the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of Commonwealth Bank of Australia, the Trustee or P.T. Limited ABN 67 004 454 666 (the “**Security Trustee**”) have authorised, caused the issue of, or have (and expressly disclaim) any responsibility for, or made any statement in, any part of this Information Memorandum. Furthermore, neither the Trustee nor the Security Trustee has had any involvement in the preparation of any part of this Information Memorandum (other than where parts of this Information Memorandum contain particular references to Perpetual Trustee Company Limited or P.T. Limited in their corporate capacity). Whilst the Manager believes the statements made in this Information Memorandum are accurate, neither it nor Commonwealth Bank of Australia, the Trustee, the Security Trustee nor any external adviser to any of the foregoing makes any representation or warranty, express or implied, as to, nor assumes any responsibility or liability for, the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum or in any previous, accompanying or subsequent material or presentation.

No recipient of this Information Memorandum can assume that any person referred to in it has conducted any investigation or due diligence concerning, or has carried out or will carry out any independent audit of, or has independently verified or will verify, the information contained in this Information Memorandum.

1.6 Date of this Information Memorandum

This Information Memorandum has been prepared as at 19 April 2011 (the “**Preparation Date**”), based on information available and facts and circumstances known to the Manager at that time.

Neither the delivery of this Information Memorandum, nor any offer or issue of any Notes, at any time after the Preparation Date implies, or should be relied upon as a representation or warranty, that:

- (a) there has been no change since the Preparation Date in the affairs or financial condition of the Series Trust, the Trustee, Commonwealth Bank of Australia, the Manager or any other party named in this Information Memorandum; or
- (b) the information contained in this Information Memorandum is correct at such later time.

No person undertakes to review the financial condition or affairs of the Trustee or the Series Trust at any time or to keep a recipient of this Information Memorandum or the holder of any Note (the “**Noteholder**”) informed of changes in, or matters arising or coming to their attention which may affect, anything referred to in this Information Memorandum.

Neither the Manager, Commonwealth Bank of Australia nor any other person accepts any responsibility to Noteholders or prospective Noteholders to update this Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

1.7 Independent Investment Decisions

This Information Memorandum is not intended to be, and does not constitute, a recommendation by the Manager, the Trustee, Commonwealth Bank of Australia or the Security Trustee that any person subscribe for or purchase any Note. Accordingly, any person contemplating the subscription or purchase of any Note must:

- (a) make their own independent investigation of the terms of the Notes (including reviewing the Transaction Documents) and the financial condition, affairs and creditworthiness of the Series Trust, after taking all appropriate advice from qualified professional persons; and
- (b) base any investment decision on the investigation and advice referred to in paragraph (a) and not on this Information Memorandum.

1.8 Authorised Material

No person is authorised to give any information or to make any representation which is not contained in this Information Memorandum and any information or representation not contained in this Information Memorandum must not be relied upon as having been authorised by or on behalf of Commonwealth Bank of Australia or the Manager.

1.9 Distribution to Professional Investors Only

Prior to approval of this Information Memorandum by the Central Bank (if the Manager makes an application to the Central Bank for such approval), this Information Memorandum will have been prepared on a confidential basis for distribution only to professional investors whose ordinary business includes the buying or selling of securities such as the Notes. This Information Memorandum is not intended for, should not be distributed to, and should not be construed as an offer or invitation to, any other person. After this Information Memorandum has been approved by the Central Bank, it will no longer be confidential and will be a publicly available document.

1.10 Distribution

The distribution of this Information Memorandum and the offering or invitation to subscribe for or buy the Notes in certain jurisdictions may be restricted by law. No action has been taken or will be taken which would permit the distribution of this Information Memorandum

or the offer or invitation to subscribe for or buy the Notes in any jurisdiction where action for that purpose is required.

1.11 Issue Not Requiring Disclosure to Investors under the Corporations Act

This Information Memorandum is not a “Product Disclosure Statement” for the purposes of Chapter 7 of the Corporations Act and is not required to be lodged with the Australian Securities and Investments Commission under the Corporations Act as each offer for the issue, any invitation to apply for the issue, and any offer for sale of, and any invitation for offers to purchase, the Notes to a person under this Information Memorandum:

- (a) will be for a minimum amount payable (after disregarding any amount lent by the person offering the Notes (as determined under section 700(3) of the Corporations Act) or any of their associates (as determined under sections 10 to 17 of the Corporations Act)) on acceptance if the offer or application (as the case may be) is at least \$500,000 (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001); or
- (b) does not otherwise require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a Retail Client.

A person may not (directly or indirectly) offer for issue or sale, or make any invitation to apply for the issue or to purchase, the Notes nor distribute this Information Memorandum except if the offer or invitation:

- (a) does not need disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) is not made to a Retail Client; and
- (c) complies with any other applicable laws in all jurisdictions in which the offer or invitation is made.

1.12 Offshore Associates Not To Acquire Notes

Under present law, interest and other amounts paid on the Notes will not be subject to Australian interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Income Tax Assessment Act 1936 (Cth) and they are not acquired directly or indirectly by certain offshore associates of the Trustee or Commonwealth Bank of Australia, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme. The Lead Manager has undertaken not to offer a Note if the Lead Manager knew, or has reasonable grounds to suspect, that the Note or an interest in the Note was being or would be acquired by such an offshore associate of the Trustee or Commonwealth Bank of Australia.

1.13 Disclosure of Interests

Each of Commonwealth Bank of Australia, the Manager and their respective subsidiaries:

- (a) may have a pecuniary or other interest in the Notes; and
- (b) may receive fees, brokerage and commissions, and may act as principal, in any dealings in the Notes.

1.14 Limited Recovery

Any obligation or liability of the Trustee arising under or in any way connected with the Notes, the Master Trust Deed, the Series Supplement, the Security Trust Deed or any other Transaction Document to which the Trustee is a party is limited, except in the case of fraud, negligence or wilful default on the part of the Trustee or its officers, employees or agents or any other person whose acts or omissions the Trustee is liable for under the Transaction Documents, to the extent to which it can be satisfied out of the Assets of the Series Trust out of which the Trustee is actually indemnified for the obligation or liability. Other than in the exception previously mentioned, the personal assets of the Trustee, the Security Trustee or any other member of the Perpetual Trustee group are not available to meet payments of interest or repayments of principal on the Notes.

None of Commonwealth Bank of Australia, the Manager, the Trustee or the Security Trustee guarantees the success of the Notes issued by the Trustee or the repayment of capital or any particular rate of capital or income return in respect of the investment by Noteholders in the Notes, nor do they make any statement (including, without limitation, any representation) with respect to income tax or other taxation consequences of any subscription, purchase or holding of the Notes or the receipt of any amounts thereunder.

1.15 Australian Financial Services Licence of Perpetual Trustee Company Limited

Perpetual Trustee Company Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643). Perpetual Trustee Company Limited has appointed P.T. Limited to act as its authorised representative under that licence (Authorised Representative No. 266797).

1.16 European Union Capital Requirements Directive - Securitisation Rules

The Capital Requirements Directive of the European Parliament (which comprises Directive 2006/48/EC and Directive 2006/49/EC) was recently amended by Directive 2009/111/EC to introduce new rules regarding investment and other forms of participation in securitisation transactions by European Union-regulated credit institutions on and after 1 January 2011 (the “**CRD2 Rules**”).

Commonwealth Bank of Australia (as the originator of the mortgage loans to be securitised and included in the Series Trust) will undertake to the Trustee to hold, in accordance with Article 122a of the CRD2 Rules, a net economic interest in this securitisation transaction. As at the Closing Date, such interest will be comprised of an interest in randomly selected exposures equivalent to no less than 5% of the aggregate principal balance of the securitised exposures in accordance with Article 122a paragraph (1) sub-paragraph (c). The Manager will include information in any reports provided to Noteholders:

- (a) confirming Commonwealth Bank of Australia’s continued retention of the interest described above; and
- (b) any change to the manner in which the interest will be comprised if there are exceptional circumstances which cause the manner in which the interest is held to change.

Each prospective investor that is required to comply with Article 122a of the CRD2 Rules (as implemented in each Member State of the European Economic Area) is required to independently assess and determine the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with Article 122a and none of the Trustee, Commonwealth Bank of Australia and each other party to a Transaction Document makes any representation that the information described above or in this

Information Memorandum is sufficient in all circumstances for such purposes. Prospective investors who are uncertain as to the requirements under Article 122a which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

See Section 3.32 (“*European Union Capital Requirements Directive - CRD2 Rules*”) for further details.

1.17 References to Rating

There are various references in this Information Memorandum to the credit ratings of Notes and of particular parties. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant Rating Agency. In addition, the provisional ratings of Notes do not address the expected timing of principal repayments under those Notes. None of the Rating Agencies has been involved in the preparation of this Information Memorandum. Each Rating Agency is not established in the European Community but rather is incorporated in the Commonwealth of Australia. Consequently, each Rating Agency is not required to be registered under Regulation (EC) 1060/2009.

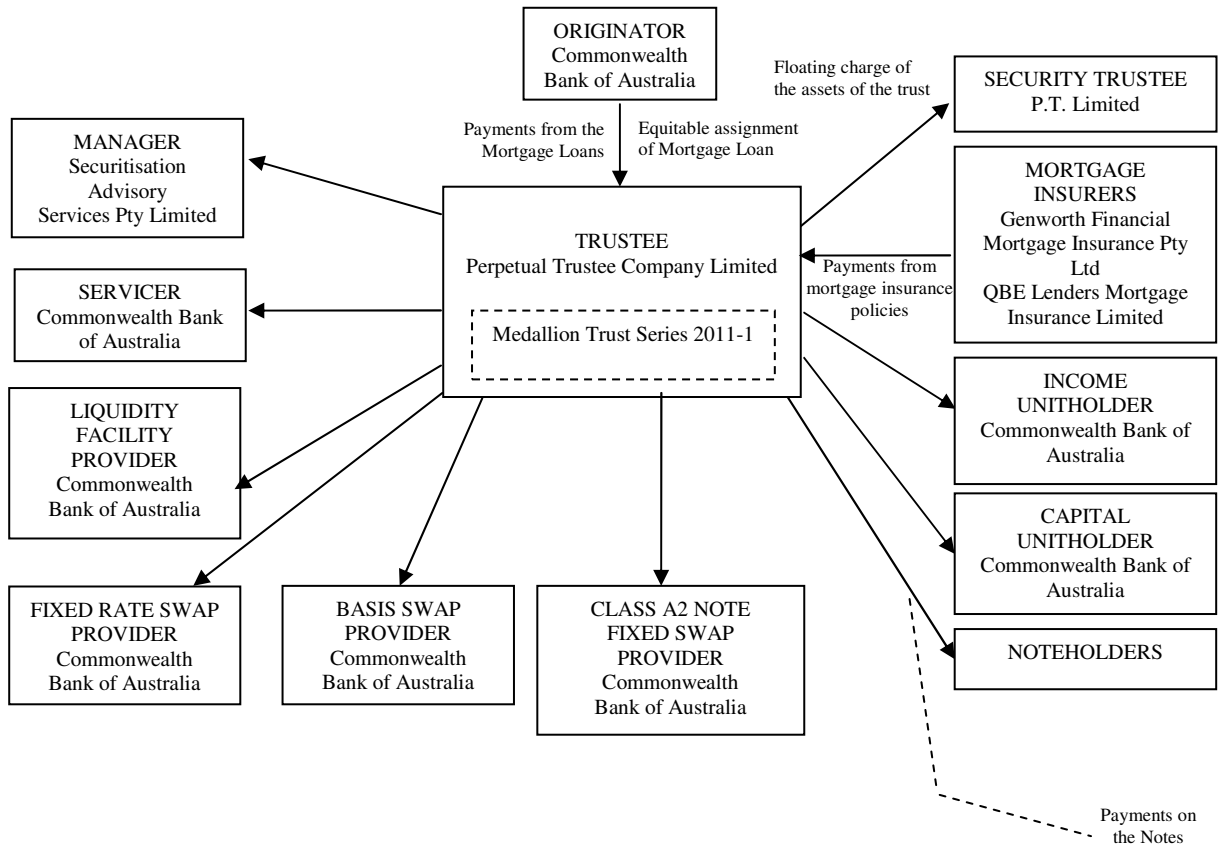
2 Summary

This summary highlights selected information from this document and does not contain all of the information that you need to consider in making your investment decision. This summary contains an overview of some of the concepts and other information to aid your understanding. All of the information contained in this summary is qualified by the more detailed explanations in other parts of this Information Memorandum.

2.1 Parties to the Transaction

Trustee:	Perpetual Trustee Company Limited in its capacity as trustee of the Series Trust
Manager:	Securitisation Advisory Services Pty Limited, Ground Floor, Darling Park Tower 1, 201 Sussex Street, Sydney, NSW 2000 Ph: +612 9118 7214
Security Trustee:	P.T. Limited
Seller:	Commonwealth Bank of Australia
Servicer:	Commonwealth Bank of Australia
Income Unitholder:	Commonwealth Bank of Australia
Capital Unitholder:	Commonwealth Bank of Australia
Lead Manager:	Commonwealth Bank of Australia
Liquidity Facility Provider:	Commonwealth Bank of Australia
Mortgage Insurers:	Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305) QBE Lenders' Mortgage Insurance Limited (ABN 70 000 511 071)
Fixed Rate Swap Provider:	Commonwealth Bank of Australia
Basis Swap Provider:	Commonwealth Bank of Australia
Class A2 Note Fixed Swap Provider	Commonwealth Bank of Australia
Rating Agencies:	Standard & Poor's (Australia) Pty Ltd Fitch Australia Pty Ltd

Structural Diagram



2.2 Summary of the Notes

The Trustee will issue Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes, Class B Notes and, in certain circumstances after the Closing Date, Class A2-R Notes and Redraw Notes (together, the “Notes”) collateralised by the same pool of Mortgage Loans. The Notes have not been, and will not be, registered in the United States. The Manager may make an application to the Irish Stock Exchange for the Class A1 Notes (see Section 15 (“*Listing on the Irish Stock Exchange*”)) to be admitted to the Official List. The Class A2 Notes, the Class A2-R Notes, the Class AB Notes, the Class AC Notes, the Class B Notes and the Redraw Notes (if any) have not been, and will not be, admitted to listing or to trading on the Irish Stock Exchange. The Redraw Notes and the Class A2-R Notes are not being offered for issue, nor are applications for the issue of the Redraw Notes or the Class A2-R Notes being invited, by this Information Memorandum.

	Class A1 Notes	Class A2 Notes
Initial Principal Balance	A\$2,253,000,000	A\$525,000,000
% of Total	75.1%	17.5%
Anticipated Ratings: Standard & Poor's (Australia) Pty Ltd Fitch Australia Pty Limited	AAA(sf) AAAAsf	AAA(sf) AAAAsf
Interest rate up to but excluding the Call Date	BBSW plus 0.95%	6.50% fixed
Interest rate following the Call Date	BBSW plus 0.95% + 0.25% provided that, if on or after the Call Date the Trustee, at the direction of the Manager, proposes to redeem the Class A1 Notes at their Stated Amount (together with all accrued but unpaid interest) on a Distribution Date, but is unable to do so because, following a meeting of the Class A1 Noteholders convened under the provisions of the Security Trust Deed by the Manager for this purpose, the Class A1 Noteholders have not approved by an Extraordinary Resolution, the redemption of the Class A1 Notes at their Stated Amount, then BBSW plus 0.95%.	A fixed rate of 6.50% (however the Class A2 Notes outstanding on the Class A2 Refinancing Date will convert into Class A2-R Notes)
Interest Accrual Method	actual /365	RBA Bond Basis (based initially on the period from 22 April 2011 to (but excluding) 22 October 2011, then subsequently the period between Fixed Interest Payment Dates, except as described in Section 8.4 ("Key Dates and Periods"))
Payment dates ("Distribution Dates")	22nd day of each calendar month commencing on 22 June 2011 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.	22nd day of April and October in each year commencing on 22 October 2011 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day (" Fixed Interest Payment Date "). No amounts of principal are due on the Class A2 Notes prior to the Distribution Date falling in 22 April 2016 (" Class A2 Refinancing Date ")
Interest payable	On each Distribution Date as specified above	On each Fixed Interest Payment Date as specified above
Clearance/Settlement	Austraclear/ Euroclear/ Clearstream	Austraclear/ Euroclear/Clearstream
ISIN	AU3FN0012944	AU3CB0173953

	Class AB Notes	Class AC Notes	Class B Notes
Initial Principal Balance	A\$108,000,000	A\$54,000,000	A\$60,000,000
% of Total	3.6%	1.8%	2.0%
Anticipated Ratings:			
Standard & Poor's (Australia) Pty Ltd	AAA(sf)	AAA(sf)	Not rated
Fitch Australia Pty Limited	AAAsf	AAAsf	Not rated
Interest rate up to but excluding the Call Date	BBSW plus 1.70%	BBSW plus 2.05%	BBSW plus an undisclosed margin.
Interest rate following the Call Date	BBSW plus 1.70% + 0.25% provided that, if on or after the Call Date the Trustee, at the direction of the Manager, proposes to redeem the Class AB Notes at their Stated Amount (together with all accrued but unpaid interest) on a Distribution Date, but is unable to do so because, following a meeting of the Class AB Noteholders convened under the provisions of the Security Trust Deed by the Manager for this purpose, the Class AB Noteholders have not approved by an Extraordinary Resolution, the redemption of the Class AB Notes at their Stated Amount then BBSW plus 1.70%.	BBSW plus 2.05% + 0.25% provided that, if on or after the Call Date the Trustee, at the direction of the Manager, proposes to redeem the Class AC Notes at their Stated Amount (together with all accrued but unpaid interest) on a Distribution Date, but is unable to do so because, following a meeting of the Class AC Noteholders convened under the provisions of the Security Trust Deed by the Manager for this purpose, the Class AC Noteholders have not approved by an Extraordinary Resolution, the redemption of the Class AC Notes at their Stated Amount then BBSW plus 2.05%.	BBSW plus the initial undisclosed margin.
Interest Accrual Method	actual /365	actual/365	actual /365
Payment dates ("Distribution Dates")	22nd day of each calendar month commencing on 22 June 2011 or, if such day is not a Business Day, the next Business Day, unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.	22nd day of each calendar month commencing on 22 June 2011 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.	22nd day of each calendar month commencing on 22 June 2011 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.
Interest payable	On each Distribution Date specified above	On each Distribution Date specified above	On each Distribution Date specified above
Clearance/Settlement	Austraclear/ Euroclear/ Clearstream	Austraclear/ Euroclear/ Clearstream	Austraclear/ Euroclear/ Clearstream
ISIN	AU3FN0012951	AU3FN0012969	AU3FN0012977

Cut-Off Date	Commencement of business 7 April 2011
Closing Date	2 May 2011
Final Maturity Date	The Distribution Date occurring in November 2042

On the Class A2 Refinancing Date, the Trustee may issue, and any existing Class A2 Notes will convert into, Class A2-R Notes as discussed in Section 8.19 (“*Class A2-R Notes*”).

2.3 Structural Overview

Commonwealth Bank of Australia established the Medallion Trust Programme pursuant to a master trust deed dated 8 October 1997 between Securitisation Advisory Services Pty Limited, as Manager, and the Trustee as amended from time to time (the “**Master Trust Deed**”). The Master Trust Deed provides the general terms and structure for securitisations under the program. A series supplement between the Trustee, the Manager, Commonwealth Bank of Australia as the Seller and the Servicer (the “**Series Supplement**”), sets out the specific details of the Series Trust, which may vary from the terms set forth in the Master Trust Deed. Each securitisation under the Medallion Trust Programme is a separate transaction with a separate trust. The Assets of the Series Trust will not be available to pay the obligations of any other trust, and the assets of other trusts will not be available to pay the obligations of the Series Trust. See Section 5 (“*Description of the Series Trust*”).

The Series Trust involves the securitisation of Mortgage Loans originated by Commonwealth Bank of Australia secured by mortgages on residential property located in Australia. Commonwealth Bank of Australia will equitably assign the Mortgage Loans to the Series Trust, which will in turn issue the Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes and Class B Notes to fund the acquisition of the Mortgage Loans.

The Trustee will grant the Charge under the Security Trust Deed in favour of P.T. Limited, as Security Trustee, to secure the Series Trust’s payment obligations on the Notes and to its other Secured Creditors. The Charge will be a floating charge over all of the Assets of the Series Trust and will be a first ranking charge subject only to a Prior Interest in favour of the Trustee to secure payment of certain expenses of the Series Trust. A floating charge is a security interest on a class of assets, but does not attach to specific assets unless or until it crystallises, which means it becomes a fixed charge. The Charge will crystallise if an Event of Default occurs under the Security Trust Deed (but in some cases will crystallise only over the Assets affected by the Event of Default). While the Charge is a floating charge, the Trustee may deal with the Assets of the Series Trust in accordance with the Transaction Documents and, if it acts contrary to its duties, may be able to deal with the Assets of the Series Trust in such a way as to prejudice the Security Trustee’s interest in the Assets in breach of the Transaction Documents. Once the floating charge crystallises, the Trustee will no longer be able to dispose of or create interests in the Assets of the Series Trust except in accordance with the Transaction Documents. For a description of floating charges and crystallisation see Section 10.6(b) (“*Nature of the Charge*”).

Payments of interest and principal on the Notes will come only from the Mortgage Loans and other Assets of the Series Trust. The assets of the parties to the transaction are not available to meet the payments of interest and principal on the Notes. If there are losses on the Mortgage Loans, the Series Trust may not have sufficient Assets to repay the Notes.

2.4 Credit Enhancements

Credit enhancement is intended to enhance the likelihood of full payment of principal and interest due on the Notes and to decrease the likelihood that Noteholders will experience losses. The credit enhancement for the Notes will not provide protection against all risks of loss and will not guarantee repayment of the entire principal balance and accrued interest. If losses occur which exceed the amount covered by any credit enhancement or which are not covered by any credit enhancement, Noteholders will bear their allocated share of losses.

Payments of interest and principal on the Notes will be supported by the following forms of credit enhancement:

(a) Subordination of interest payments

Prior to enforcement of the Charge:

- (i) the Class AB Notes, the Class AC Notes and the Class B Notes will always be subordinated to the Class A Notes and the Redraw Notes;
- (ii) the Class AC Notes and the Class B Notes will always be subordinated to the Class AB Notes, the Class A Notes and the Redraw Notes; and
- (iii) the Class B Notes will always be subordinated to the Class AC Notes, the Class AB Notes, the Class A Notes and the Redraw Notes,

in their respective rights to receive interest payments.

(b) Subordination of principal repayments

Prior to enforcement of the Charge:

- (i) the Class AB Notes, the Class AC Notes and the Class B Notes will be subordinated to the Class A Notes and the Redraw Notes; and
- (ii) the Class AC Notes and the Class B Notes will be subordinated to the Class AB Notes, the Class A Notes and the Redraw Notes; and
- (iii) the Class A Notes will be subordinated to the Redraw Notes,

in their right to receive principal payments on a Distribution Date unless the Stepdown Conditions are satisfied on the immediately preceding Determination Date, in which event the Class AB Notes and the Class AC Notes will be entitled to receive principal payments rateably with the Class A Notes (but below the Redraw Notes) to the extent described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”), and Section 8.14 (“*Class A Principal Allocation*”).

Prior to enforcement of the Charge, the Class B Notes will always be subordinated to the Class AC Notes, the Class AB Notes, the Class A Notes and the Redraw Notes in their right to receive principal payments.

(c) Subordination of payments following enforcement of the Charge

Following enforcement of the Charge:

- (i) the Class AB Notes, the Class AC Notes and the Class B Notes will be fully subordinated to the Class A Notes and the Redraw Notes in their right to receive interest payments and principal repayments;
- (ii) the Class AC Notes and the Class B Notes will be fully subordinated to the Class AB Notes, the Class A Notes and the Redraw Notes in their right to receive interest payments and principal repayments; and
- (iii) the Class B Notes will be fully subordinated to the Class AC Notes, the Class AB Notes, the Class A Notes and the Redraw Notes in their right to receive interest payments and principal repayments.

The Class A Notes and the Redraw Notes rank pari passu and rateably following enforcement of the Charge.

(d) **Allocation of losses**

The Class AB Notes, the Class AC Notes and the Class B Notes will bear all losses on the Mortgage Loans before the Class A Notes and the Redraw Notes.

Any losses allocated to the Class A Notes will be allocated rateably with the Redraw Notes and pari passu and rateably as between the Class A Notes, as described in Section 8.21(a) (“*Principal Chargeoffs*”).

The Class AC Notes and the Class B Notes will bear all losses on the Mortgage Loans before the Class AB Notes, the Class A Notes and the Redraw Notes.

The Class B Notes will bear all losses on the Mortgage Loans before the Class AC Notes, the Class AB Notes, the Class A Notes and the Redraw Notes.

The support provided by the relevant subordinated Classes of Notes is intended to enhance the likelihood that the Class A Notes, the Class AB Notes and the Class AC Notes (as applicable) will receive expected payments of interest and expected repayments of principal. The following chart describes the initial support provided by the relevant Classes of Notes:

<u>Class</u>	<u>Credit Support</u> <u>(“Credit Support Notes”)</u>	<u>Initial Support Percentage</u>
Class A Notes	Class AB Notes, Class AC Notes and Class B Notes	7.4%
Class AB Notes	Class AC Notes and Class B Notes	3.8%
Class AC Notes	Class B Notes	2.0%

The initial support percentage in the above table is the initial aggregate Invested Amount of the relevant Credit Support Notes, as a percentage of the aggregate Invested Amount of all Notes to be issued on the Closing Date.

The Trustee may issue Redraw Notes in the circumstances described in Section 8.20 (“*Redraws and Further Advances*”). If issued, Redraw Notes will, as indicated in the preceding paragraphs, prior to enforcement of the Charge, rank equally with the Class

A Notes in their right to receive interest payments and will rank in priority to the Class A Notes in their right to receive principal payments. Any losses on the Mortgage Loans will be allocated to the Redraw Notes pari passu and rateably with the Class A Notes (and after allocation to the Class B Notes, the Class AC Notes and the Class AB Notes) as described in Section 8.21(a) (“*Principal Chargeoffs*”). Following enforcement of the Charge, the Redraw Notes will rank equally with the Class A Notes in their right to receive both interest and principal payments.

(e) **Mortgage Insurance Policies**

A High LTV master mortgage insurance policy issued by Genworth Financial Mortgage Insurance Pty Limited will provide full coverage for all principal due on certain of the Mortgage Loans which are generally those which had a loan to value ratio greater than 80% at the time of origination.

A Master Mortgage Insurance Policy issued by QBE Lenders’ Mortgage Insurance Limited will provide full coverage for all principal due on the balance of the Mortgage Loans.

(f) **Excess Available Income**

Any interest collections on the Mortgage Loans and Other Income Amounts of the Series Trust remaining after payments of interest on the Notes (other than the Class B Notes) and the Series Trust’s expenses and the reimbursement of any unreimbursed Principal Draws will be available to cover any losses on the Mortgage Loans that are not covered by the mortgage insurance policies.

2.5 Liquidity Enhancement

Payments of interest on the Notes will be supported by the following forms of liquidity enhancements.

(a) **Principal Draws**

To cover possible liquidity shortfalls in the payments of interest on the Notes (other than the Class B Notes) and the other senior expenses of the Series Trust, the Manager will direct the Trustee to allocate available Principal Collections on the Mortgage Loans and other principal receipts of the Series Trust towards meeting the shortfall as described in Section 8.6 (“*Principal Draw*”) and Section 10.7 (“*Principal Draws*”).

(b) **Liquidity Facility**

To cover possible liquidity shortfalls in the payments of interest on the Notes (other than the Class B Notes) and other senior expenses of the Series Trust, where Principal Draws have been exhausted, the Trustee will, in certain circumstances, be able to borrow funds under a Liquidity Facility to be provided by Commonwealth Bank of Australia as described in Section 8.7 (“*Liquidity Facility Advance*”) and Section 10.8 (“*The Liquidity Facility*”).

(c) **Redraws and Further Advances**

Under the terms of each variable rate Mortgage Loan, a borrower may, subject to certain conditions, redraw previously prepaid principal. A borrower may redraw an amount equal to the difference between the scheduled principal balance, being its principal balance if no amount had been prepaid, of his or her loan and the current

principal balance of the loan. Commonwealth Bank of Australia may also agree to make further advances to a borrower in excess of the scheduled principal balance of his or her loan. Commonwealth Bank of Australia will be reimbursed for any redraws, and for any further advances which exceed the scheduled principal balance of a Mortgage Loan by no more than one scheduled monthly instalment on the Mortgage Loan, that it advances to borrowers from Principal Collections on the Mortgage Loans. Thus, the Series Trust will have less funds available to pay principal to the Notes on the next Distribution Date, but will have a corresponding greater amount of Assets with which to make future payments.

Where Commonwealth Bank of Australia makes further advances which exceed the scheduled principal balance of a Mortgage Loan by more than one scheduled monthly instalment, then Commonwealth Bank of Australia will repurchase the loan from the pool. See Sections 7 (“*Commonwealth Bank of Australia Residential Loan Program*”), 8.20 (“*Redraws and Further Advances*”) and 10.12 (“*Description of the Mortgage Insurers*”).

2.6 Other Structural Enhancements

(a) GIC Account

The Trustee will establish the GIC Account on or before the Closing Date and will set aside in the GIC Account on each Distribution Date, to the extent that there are sufficient Principal Collections, amounts that would otherwise be applied to reduce the Invested Amount of the Class A2 Notes. On the Class A2 Refinancing Date, the balance of the GIC Account (if any) will, together with the issue proceeds of any Class A2-R Notes, be applied towards redeeming the Class A2 Notes (with any remaining GIC Account funds to be included in the Available Principal Amount for distribution on the Distribution Date immediately following the Class A2 Refinancing Date). No amounts of principal are due on the Class A2 Notes prior to the Class A2 Refinancing Date.

The GIC Account must be maintained with a financial institution which has a short term credit rating of at least A-1+ by S&P and F1 by Fitch Ratings and a long term credit rating of at least AA by S&P and A by Fitch Ratings (or A+ by Fitch Ratings, if Fitch Ratings has placed the relevant financial institution on ratings watch negative). The GIC Account will be opened with Commonwealth Bank of Australia.

If the Manager (acting reasonably) forms the opinion that the balance of the GIC Account at any time will result in a reduction, qualification or withdrawal of the ratings then assigned by either Rating Agency to the Class A2 Notes, the Manager may direct the Trustee to withdraw an amount from the GIC Account and invest that amount in GIC Authorised Investments which have a maturity prior to the Class A2 Refinancing Date, provided that the Manager has provided a Rating Affirmation Notice in respect of the acquisition of those GIC Authorised Investments. The Manager has agreed to direct the Trustee to realise the GIC Authorised Investments on or before the Class A2 Refinancing Date and deposit the realisation proceeds into the GIC Account.

For further details on the GIC Account, see Section 10.9 (“*GIC Account*”).

(b) Income Reserve

To assist with funding interest payments on the Class A2 Notes and otherwise to assist in meeting possible shortfalls in the payment of interest on the Notes and senior

expenses, the Seller has agreed to lend to the Trustee an amount equal to the Income Reserve Required Amount on the Closing Date and the Trustee has agreed (at the direction of the Manager) to deposit that amount received from the Seller into the Collections Account as a sub-ledger known as the “Income Reserve”.

On each Determination Date an amount equal to the lesser of:

- (i) an amount equal to:
 - A. the GIC Balance as at the immediately preceding Distribution Date; multiplied by
 - B. the Class A2 Swap Margin; multiplied by
 - C. the number of days in the immediately preceding Accrual Period; divided by
 - D. 365; and
- (ii) the balance of the Income Reserve,

will be applied from the Income Reserve on the following Distribution Date (“**Income Reserve Draw**”) by the Trustee, at the direction of the Manager and will form part of the Available Income Amount for allocation on that Distribution Date as described in Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”).

On the Class A2 Refinancing Date, any amounts standing to the balance of the Income Reserve after any Income Reserve Draw has been made on that day will be released from the Income Reserve and repaid to the Seller.

For further details on the Income Reserve, see Section 8.8 (“*Income Reserve*”).

(c) **Extraordinary Expense Reserve**

To assist in meeting possible shortfalls in the payment of interest on the Notes (other than the Class B Notes) and senior expenses where the Principal Draws have been exhausted, the Liquidity Facility has been fully utilised and any Income Reserve Draws have been applied, the Seller has agreed to lend to the Trustee an amount equal to the Extraordinary Expense Reserve Amount on the Closing Date and the Trustee has agreed to (at the direction of the Manager) deposit that amount received from the Seller into the Collections Account as a sub-ledger known as the “Extraordinary Expense Reserve”

If, on any Determination Date, the Manager determines that the Net Income Shortfall exceeds the Liquidity Facility Advance (plus any Income Reserve Draw) in relation to that Determination Date, then an amount equal to the lesser of:

- (i) that excess; and
- (ii) the balance of the Extraordinary Expense Reserve,

will be applied from the Extraordinary Expense Reserve on the following Distribution Date by the Trustee, at the direction of the Manager, to meet that shortfall (“**Extraordinary Expense Reserve Draw**”).

For further details on the Extraordinary Expense Reserve, see Section 8.9 (“*Extraordinary Expense Reserve*”).

2.7 Hedging Arrangements

The Trustee will enter into swaps to hedge the following risks:

- (a) the basis risk between the interest rate on the Mortgage Loans which accrue interest at a discretionary variable rate of interest and the floating rate obligations of the Series Trust under the Notes (other than the Class A2 Notes);
- (b) the basis risk between the interest rate on the Mortgage Loans which accrue interest at a fixed rate of interest and the floating rate obligations of the Series Trust under the Notes (other than the Class A2 Notes); and
- (c) the interest rate risk between the interest rate on the Mortgage Loans which accrue interest at a discretionary variable rate of interest or a fixed rate of interest and the fixed rate obligations of the Series Trust under the Class A2 Notes.

2.8 Optional Redemption

The Trustee will, if the Manager directs it to do so, at the Manager’s option, redeem all (but not some) of the Notes at their then Invested Amounts, subject to the following, together with accrued but unpaid interest to, but excluding the date of redemption, on any Distribution Date occurring on or after the Call Date.

If the Trustee is to exercise its option to redeem all the Notes on any Distribution Date or after the Call Date, it may do so by redeeming each Class of Notes at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption, if so approved by an Extraordinary Resolution of the Noteholders of the relevant Class. However, no Noteholder approval is required for the Trustee to redeem the outstanding Class B Notes at their Stated Amounts, instead of their Invested Amounts, and without payment of any accrued but unpaid interest in respect of the Class B Notes. The Trustee will not and the Manager will not direct the Trustee to redeem the Notes unless the Trustee is in a position on the relevant Distribution Date to repay the then Invested Amounts or the Stated Amounts, as required, of the Notes together with, in the case of all Notes other than the Class B Notes, all accrued but unpaid interest to but excluding the date of redemption and to discharge all its liabilities in respect of amounts which are required under the to be paid in priority to or equally with the Notes as set out in Sections 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”) and 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”).

With effect on and from the Call Date, the interest rate on the Class A1 Notes, the Class AB Notes and the Class AC Notes will increase to the one-month Bank Bill Rate plus 1.20% for the Class A1 Notes, one-month Bank Bill Rate plus 1.95% for the Class AB Notes and one-month BBSW plus 2.30% for the Class AC Notes. However, if the Trustee, at the direction of the Manager, has proposed to exercise its option to redeem the Notes on a Distribution Date on or after the Call Date at their respective Stated Amounts as described in the preceding paragraphs but is unable to obtain the approval of an Extraordinary Resolution of Noteholders of the relevant Class to do so, then the interest rate on the Class A Notes will remain at, or return to, as applicable, one-month Bank Bill Rate plus 0.95% for the Class A1 Notes, one-month Bank Bill Rate plus 1.70% for the Class AB Notes and one-month BBSW plus 2.05% for the Class AC Notes (as applicable). Any Class A2-R Notes outstanding as at the Call Date, or any Distribution Date after the Call Date, will continue to have the margins

applicable to them as at their date of issue or conversion from Class A2 Notes on the Class A2 Refinancing Date (as applicable) as described in Section 8.20 (“Class A2-R Notes”).

2.9 The Housing Loan Pool

The Mortgage Loan pool will consist of fixed rate and variable rate residential Mortgage Loans secured by mortgages on owner occupied and non-owner occupied residential properties. The Mortgage Loans will have terms to stated maturity as of the Cut-Off Date of no more than 30 years. Commonwealth Bank of Australia expects the pool of Mortgage Loans to have characteristics similar to the following:

Selected Housing Loan Pool Data as of the commencement of business on 7 April 2011

Number of Housing Loans.....	12,137
Housing Loan Pool Size	A\$2,999,846,757.29
Average Housing Loan Balance	A\$247,165.42
Maximum Housing Loan Balance	A\$1,000,000.00
Minimum Housing Loan Balance.....	A\$50,116.83
Total Valuation of the Properties.....	A\$5,764,240,650.00
Maximum Remaining Term to Maturity in Months	357
Maximum Current Loan-to-Value Ratio	94.72%
Weighted Average Seasoning in Months.....	23
Weighted Average Remaining Term to Maturity in Months....	324
Weighted Average Original Loan-to-Value Ratio	66.13%
Weighted Average Current Loan-to-Value Ratio	57.67%
Weighted Average Mortgage Rate.....	7.19%

The original loan-to-value ratio of a Mortgage Loan is calculated by comparing the initial principal amount of the Mortgage Loan to the valuation of the property that is currently securing the Mortgage Loan at the time the Mortgage Loan was originated unless the property has been revaluated in the limited circumstances described below. There will be no revaluation of the properties specifically for the purposes of the issue of the Notes. Revaluations are only conducted in circumstances where a borrower under a Mortgage Loan seeks additional funding, or seeks to partially discharge an existing security, or where a borrower is in default and Commonwealth Bank of Australia is considering enforcement action. Thus, if collateral has been released from the mortgage securing a Mortgage Loan or if the property securing the Mortgage Loan has reduced in value, the original loan-to-value ratio at the Cut-Off Date may not reflect the loan-to-value ratio at the origination of that Mortgage Loan.

Before the issuance of the Notes, Mortgage Loans may be added to or removed from the Mortgage Loan pool. This addition or removal of Mortgage Loans may result in changes in the Mortgage Loan pool characteristics shown in the preceding table and could affect the weighted average lives and yields of the Notes.

Commonwealth Bank of Australia will select Mortgage Loans from its pool of eligible loans based on its selection criteria.

Mortgage Loans will be selected from Commonwealth Bank of Australia’s general portfolio consistent with the representations and warranties set out in Section 6.5 (“*Representations, Warranties and Eligibility Criteria*”). The portfolio will be selected from general home loan portfolio, taking into consideration geographic distribution and loan-to-value ratio distribution.

2.10 Collections

The Trustee will receive for each Collection Period amounts, which are known as collections, which include:

- (a) payments of interest, principal, fees and other amounts under the Mortgage Loans, excluding any insurance premiums and related charges payable to Commonwealth Bank of Australia;
- (b) proceeds from the enforcement of the Mortgage Loans and mortgages and other securities relating to those Mortgage Loans;
- (c) amounts received under mortgage insurance policies;
- (d) amounts received from Commonwealth Bank of Australia, either as Seller or Servicer, for breaches of representations or undertakings; and
- (e) interest on amounts in the Collections Account (including the Income Reserve and the Extraordinary Expense Reserve) and the GIC Account, other than certain excluded amounts, and income received on Authorised Short-Term Investments of the Series Trust and GIC Authorised Investments.

Collections will be allocated between income and principal. Collections attributable to interest, plus some other amounts, are known as the Available Income Amount (see Section 8.5 (“*Determination of the Available Income Amount*”). The collections attributable to principal, plus some other amounts, are known as the Available Principal Amount (see Section 8.12 (“*Determination of the Available Principal Amount*”).

The Available Income Amount is used to pay or provide for certain fees and expenses of the Series Trust and interest on the Notes. The Available Principal Amount is used to pay, among other things, principal on the Notes. If there is an excess of Available Income Amount after the payment of such fees and expenses and interest on the Notes (other than interest on the Class B Notes), the excess income will be used to:

- (f) first, reimburse any Principal Draws;
- (g) next, reduce any Principal Chargeoffs on the Notes in the order described in Section 8.21(b) (“*Principal Chargeoffs*”);
- (h) next, allocate amounts to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve reaches the Extraordinary Expense Reserve Required Amount;
- (i) next, pay any other amounts owing under the Liquidity Facility Agreement;
- (j) next, pay any Subordinated Termination Payments owing under the Interest Rate Swap Agreement; and
- (k) next, pay interest on the Class B Notes.

Any remaining excess will be used to pay the Manager’s arranging fee with the balance distributed to the Income Unitholder.

2.11 Interest on the Notes

Interest on the Notes (other than the Class A2 Notes) is payable monthly in arrears on each Distribution Date. Interest on the Class A2 Notes is payable at six-monthly intervals on Distribution Dates that are also Fixed Interest Payment Dates.

On each Distribution Date, the Available Income Amount will be allocated to pay interest on the Notes in the order of priority set out in Section 8.10 (*“Payment of Available Income Amount on a Distribution Date”*).

On each Distribution Date:

- (a) the following interest payments will be made pari passu and rateably:
 - (i) the Class A1 Interest Amount will be payable by the Trustee to the Class A1 Noteholders;
 - (ii) if that Distribution Date is also a Fixed Interest Payment Date, the Class A2 Interest Amount will be payable by the Trustee to the Class A2 Noteholders;
 - (iii) the Class A2-R Interest Amount will be payable by the Trustee to the Class A2-R Noteholders; and
 - (iv) the Redraw Interest Amount will be payable by the Trustee to the Redraw Noteholders;
- (b) the Class AB Interest Amount will be payable by the Trustee to the Class AB Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the Class A1 Interest Amount, the Class A2 Interest Amount, the Class A2-R Interest Amount and the Redraw Interest Amount to the relevant Class A Noteholders and the Redraw Noteholders (as applicable);
- (c) the Class AC Interest Amount will be payable by the Trustee to the Class AC Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the Class A1 Interest Amount, the Class A2 Interest Amount, the Class A2-R Interest Amount, the Redraw Interest Amount and the Class AB Interest Amount to the relevant Class A Noteholders, the Redraw Noteholders and the Class AB Noteholders (as applicable); and
- (d) the Class B Interest Amount will be payable by the Trustee to the Class B Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the Class A1 Interest Amount, the Class A2 Interest Amount, the Class A2-R Interest Amount, the Redraw Interest Amount, the Class AB Interest Amount and the Class AC Interest Amount to the relevant Class A Noteholders, the Redraw Noteholders, the Class AB Noteholders and the Class AC Noteholders (as applicable).

Interest on the Notes (other than the Class A2 Notes) is payable in arrears on each Distribution Date and is calculated for each Accrual Period in respect of those Notes as the product of:

- (a) the Invested Amount of that Note as of the first day of that Accrual Period, after giving effect to any payments of principal made with respect to such Note on such day;
- (b) the interest rate for such Note for that Accrual Period; and

- (c) a fraction on the numerator of which is the actual number of days in that Accrual Period and the denominator of which is 365 days.

Interest on the Class A2 Notes is payable in arrears on each Fixed Interest Payment Date and is calculated for each Accrual Period for the Class A2 Notes as the product of:

- (d) the Invested Amount of that Class A2 Note as of the first day of that Accrual Period;
- (e) the Class A2 Interest Rate; and
- (f) the RBA Bond Basis (which will be calculated according to the period from 22 April 2011 up to (but excluding) 22 October 2011 (in the case of the first Accrual Period) and then the number of Fixed Interest Payment Dates in each year (in the case of each following Accrual Period)).

If the Class A2 Notes are not repaid in full on the Class A2 Refinancing Date or the Class A2 Notes are not refinanced on that day, each Class A2 Note outstanding on the Class A2 Refinancing Date will, with effect from the Class A2 Refinancing Date, be converted to a Class A2-R Note. In these circumstances, the Class A2-R Interest Rate for each Interest Period from (and including) the Class A2 Refinancing Date is the aggregate of Bank Bill Rate for that Accrual Period and the Class A2 Stepped up Margin.

If the Class A2 Notes are repaid in full at the Class A2 Refinancing Date, the interest rate applicable to any Class A2-R Notes for each Accrual Period from (and including) the Class A2 Refinancing Date is the aggregate of Bank Bill Rate for that Interest Period and the Class A2-R Margin as determined in accordance with Section 8.19 (*"Class A2-R Notes"*).

2.12 Principal on the Notes

On each Distribution Date, the Available Principal Amount will be allocated to repay (or provide for repayment of) principal on the Notes and certain other amounts in the order of priority set out in Section 8.13 (*"Payment of Available Principal Amount on a Distribution Date"*).

On each Distribution Date, the Available Principal Amount will be applied between the Notes as follows:

- (a) repayments of principal will be payable by the Trustee to the Redraw Noteholders with priority given to Redraw Notes with earlier issue dates until the Invested Amount of the Redraw Notes is reduced to zero;
- (b) the following principal repayments will be made *pari passu* and rateably:
 - (i) an amount equal to the Class A Principal Allocation will be applied sequentially towards repayment of (or, in the case of the Class A2 Notes, provision for repayment of) principal on the Class A1 Notes, and then the Class A2 Notes and Class A2-R Notes until the Invested Amount of the Class A1 Notes, the Class A2 Notes and the Class A2-R Notes are reduced to zero as described in Section 8.14 (*"Class A Principal Allocation"*);
 - (ii) an amount equal to the Class AB Principal Allocation will be applied towards repayment of principal in respect of the Class AB Notes until the Invested Amount of the Class AB Notes is reduced to zero; and

- (iii) an amount equal to the Class AC Principal Allocation will be applied towards repayment of principal in respect of the Class AC Notes until the Invested Amount of the Class AC Notes is reduced to zero,

only if there are sufficient funds available to make the repayments of principal on the Redraw Notes to the Redraw Noteholders;

- (c) repayments of principal will be payable by the Trustee to the Class AB Noteholders until the Invested Amount of the Class AB Notes is reduced to zero only if there are sufficient funds available to make the repayments of principal on the Redraw Notes, the Class A Notes, the Class AB Notes and the Class AC Notes to the Redraw Noteholders, the Class A Noteholders, the Class AB Noteholders and the Class AC Noteholders in the circumstances and to the extent set out in paragraphs (a) and (b) above;
- (d) repayments of principal will be payable by the Trustee to the Class AC Noteholders until the Invested Amount of the Class AC Notes is reduced to zero only if there are sufficient funds available to make the repayments of principal on the Redraw Notes, the Class A Notes, the Class AB Notes and the Class AC Notes to the Redraw Noteholders, the Class A Noteholders, the Class AB Noteholders and the Class AC Noteholders in the circumstances and to the extent set out in paragraphs (a), (b) and (c) above; and
- (e) repayments of principal will be payable by the Trustee to the Class B Noteholders until the Invested Amount of the Class B Notes is reduced to zero only if there are sufficient funds available to make the repayments of principal on the Redraw Notes, the Class A Notes, the Class AB Notes and the Class AC Notes to the Redraw Noteholders, the Class A Noteholders, the Class AB Noteholders and the Class AC Noteholders as set out in paragraphs (a) to (d) (inclusive) above.

The amount to be applied to make repayments of principal on the Notes as described above will vary in accordance with the Stepdown Conditions, with the result that, in some circumstances (if the Stepdown Conditions are satisfied on the relevant Determination Date), and to a limited extent, the Class AB Notes and the Class AC Notes will receive principal payments rateably with the Class A Notes pursuant paragraph (b) above. If the Stepdown Conditions are not satisfied on the relevant Determination Date, the amount allocated to the Class AB Notes and the Class AC Notes pursuant to paragraph (b) above will be zero (see Section 8.16 (“*Stepdown Conditions*” for more information).

On each Distribution Date, the outstanding principal balance of each Note will be reduced by the amount of the principal payment made on that date on that Note. No principal payments are due on the Class A2 Notes prior to the Class A2 Refinancing Date.

The outstanding principal balance of each Note will also be reduced by the amount of Principal Chargeoffs on the Mortgage Loans allocated to that Note in the following order:

- (a) first, pari passu and rateably in reduction of the Stated Amount of the Class B Notes until the Stated Amount of the Class B Notes is reduced to zero;
- (b) next, once the Stated Amount of the Class B Notes has been reduced to zero, pari passu and rateably in reduction of the Stated Amount of the Class AC Notes until the Stated Amount of the Class AC Notes is reduced to zero;

- (c) next, once the Stated Amount of the Class AC Notes has been reduced to zero, pari passu and rateably in reduction of the Stated Amount of the Class AB Notes until the Stated Amount of the Class AB Notes is reduced to zero; and
- (d) next, once the Stated Amount of the Class AB Notes has been reduced to zero, as follows:
 - (i) an amount equal to the Class A Chargeoff Percentage in reduction of the Stated Amount of the Class A Notes (pari passu and rateably); and
 - (ii) an amount equal to the Redraw Note Chargeoff Percentage in reduction of the Stated Amount of the Redraw Notes (pari passu and rateably),
 until the Stated Amounts of the Class A Notes and the Redraw Notes (as applicable) are reduced to zero.

If an Event of Default occurs and the charge is enforced under the Security Trust Deed, the proceeds from the enforcement will be distributed in the order of priority set out in Section 10.6(k) (“*Priorities under the Security Trust Deed*”).

2.13 Allocation of Cash Flows

On each Distribution Date the Trustee will allocate interest and principal to each Noteholder to the extent of the Available Income Amount and Available Principal Amount on that Distribution Date available to be applied for these purposes. The charts on the succeeding pages summarise the flow of payments.

Determination of Available Income Amount in relation to each Distribution Date

<p>Finance Charge Collections</p> <p>Amounts received by the Trustee during the preceding Collection Period under the Mortgage Loans in respect of interest, fees and certain other charges.</p>
+
<p>Mortgage Insurance Income Proceeds</p> <p>Amounts received pursuant to a mortgage insurance policy which the Manager determines should be accounted for in respect of a finance charge loss.</p>
+
<p>Other Income Amounts</p> <p>Certain other amounts and certain other receipts in the nature of income (as determined by the Manager) received by the Trustee during the Collection Period ending on that preceding Determination Date.</p>
+
<p>Principal Draw</p> <p>Any amount of the Available Principal Amount to be allocated to the Available Income Amount as a Principal Draw on that Distribution Date.</p>

+

Liquidity Facility Advance

Any advance to be made under the Liquidity Facility on that Distribution Date.

+

Income Reserve Draw

Any Income Reserve Draw to be allocated to the Available Income Amount on that Distribution Date.

+

Extraordinary Expense Reserve Draw

Any Extraordinary Expense Reserve Draw to be allocated to the Available Income Amount on that Distribution Date

+

Other Amounts under Support Facilities

Other amounts received from a Support Facility Provider which the Manager determines should be included in the Available Income Amount.

=

Available Income Amount

Payment of Available Income Amount on a Distribution Date

At the Manager's discretion, pay \$1 to the Income Unitholder to be dealt with, and held by, the Income Unitholder absolutely.



On the first Distribution Date, pay the Accrued Interest Adjustment to Commonwealth Bank of Australia.



Pay or make provision for taxes of the Trust, if any.



Pay to the Trustee its monthly fee.



Pay to the Security Trustee its monthly fee.



Pay to the Manager its monthly management fee.



Pay to the Servicer its monthly fee.



Pay to the Liquidity Facility Provider the Liquidity Facility Commitment Fee due on that Distribution Date.



Pari passu and rateably:

- pay any net amounts due to the Interest Rate Swap Provider under the Interest Rate Swap Agreement on that Distribution Date other than any Subordinated Termination Payment;
- on each Distribution Date which is not a Fixed Interest Payment Date, apply amounts towards retaining in Authorised Short-Term Investments (with a rate of return at least equal to the Bank Bill Rate) an amount equal to the portion of the Trustee's payment on the Class A2 Note Fixed Swap that is due on the following Fixed Interest Payment Date that has accrued since the immediately preceding Distribution Date; and
- pay the Liquidity Facility Interest (if any) due on that Determination Date plus any Liquidity Facility Interest remaining unpaid from prior Distribution Dates.



Pay all expenses due in the relevant Accrual Period other than those referred to elsewhere in this diagram.



Pay any outstanding Liquidity Facility Advance made on or prior to the previous Distribution Date to the Liquidity Facility Provider.



Pay pari passu and rateably:

- to the Class A1 Noteholders, the interest due on the Class A1 Notes for that Distribution Date together with any unpaid interest in relation to the Class A1 Notes for previous Distribution Dates;
- if that Distribution Date is also a Fixed Interest Payment Date, to the Class A2 Noteholders, the interest due on the Class A2 Notes for that Fixed Interest Payment Date together with any unpaid interest in relation to the Class A2 Notes for previous Fixed Interest Payment Dates;
- to the Class A2-R Noteholders, the interest due on the Class A2-R Notes for that Distribution Date together with any unpaid interest in relation to the Class A2-R Notes for previous Distribution Dates;
- to the Redraw Noteholders, the interest due on the Redraw Notes for that Distribution Date together with any unpaid interest in relation to the Redraw Notes for previous Distribution Dates.



Pay to the Class AB Noteholders the interest due on the Class AB Notes for that Distribution Date together with any unpaid interest in relation to the Class AB Notes for previous Distribution Dates.



Pay to the Class AC Noteholders the interest due on the Class AC Notes for that Distribution Date together with any unpaid interest in relation to the Class AC Notes for previous Distribution Dates.



Allocate the amount of any unreimbursed Principal Draws to the Available Principal Amount for payment on that Distribution Date.



Allocate the amount of any unreimbursed Principal Chargeoffs to the Available Principal Amount for payment.



Allocate an amount to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve is equal to the Extraordinary Expense Reserve Required Amount.



Pay to the Liquidity Facility Provider any other amounts owing under the Liquidity Facility Agreement.



Pay pari passu and rateably any Subordinated Termination Payments payable to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Agreement.



Pay to the Class B Noteholders the interest due on the Class B Notes for that Distribution Date together with any unpaid interest in relation to the Class B Notes for previous Distribution Dates.



Pay to the Manager its arranging fee and any unpaid arranging fee from prior Distribution Dates.



Pay any remaining amounts to the Income Unitholder.

Determination of Available Principal Amount in relation to each Distribution Date

Principal Collections

Amounts received by the Trustee during the preceding Collection Period under the Mortgage Loans in respect of principal other than as described below.

+

Other Principal Amounts

Prepayments of principal on the Mortgage Loans received by the Trustee during the preceding Collection Period, amounts received pursuant to a Mortgage Insurance Policy which the Manager determines should be accounted for on the preceding Determination Date in respect of a principal loss, certain other amounts received by the Trustee during the preceding Collection Period, certain other receipts in the nature of principal, as determined by the Manager, received by the preceding Determination Date and, for the first Distribution Date, the amount, if any, by which the proceeds of issue of the Notes (together with any net payment received by the Trustee on the Closing Date under the Class A2 Note Fixed Swap) exceeds the consideration for the Mortgage Loans acquired by the Series Trust and, for the first Determination Date after the Class A2 Refinancing Date, the amount of any surplus funds in the GIC Account after redemption of the Class A2 Notes.

+

Principal Chargeoff Reimbursement

The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed Principal Chargeoffs.

+

Redraw Note Amount

The proceeds of issue of any Redraw Notes on that Determination Date or during the Collection Period ending on that Determination Date but excluding the immediately preceding Determination Date.

+

Principal Draw Reimbursement

The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed Principal Draws.

=

Available Principal Amount

Payment of Available Principal Amount on a Distribution Date

Redraws and Further Advances

Repay to the Seller any redraws and further advances under the Mortgage Loans, other than further advances which cause the related housing loan to be removed from the Series Trust, made by the Seller during or prior to the preceding Collection Period just ended and which have not been previously repaid.



Principal Draws

Allocate an amount to be applied as a Principal Draw for the immediately preceding Determination Date to the Available Income Amount to meet any Gross Income Shortfall.



Redraw Notes

Repay pari passu and rateably to the Redraw Noteholders principal on the Redraw Notes in order of their issue until the Invested Amount of the Redraw Notes is reduced to zero.



Class A Noteholders

Apply the remaining Available Principal Amount between the Class A Noteholders as follows:

- first, to repay pari passu and rateably to the Class A1 Noteholders principal on the Class A1 Notes until the Invested Amount of the Class A1 Notes is reduced to zero;
- next, either as an allocation to the GIC Account until the balance of the GIC Account reaches the aggregate Invested Amount of the Class A2 Notes (if the Class A2 Refinancing Date has not yet occurred) or to repay pari passu and rateably to the Class A2-R Noteholders principal on the Class A2-R Notes until the Invested Amount of the Class A2-R Notes is reduced to zero (if the Class A2 Refinancing Date has occurred).

However, if the Stepdown Conditions are satisfied, principal on the Class A Notes will be paid rateably with the Class AB Notes and the Class AC Notes to the extent described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”).



Class AB Noteholders

Repay pari passu and rateably to the Class AB Noteholders principal on the Class AB Notes until the Invested Amount of the Class AB Notes is reduced to zero.

However, if the Stepdown Conditions are satisfied, principal on the Class AB Notes will be paid rateably with the Class A Notes to the extent described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”).



Class AC Noteholders

Repay pari passu and rateably to the Class AC Noteholders principal on the Class AC Notes until the Invested Amount of the Class AC Notes is reduced to zero.

However, if the Stepdown Conditions are satisfied, principal on the Class AC Notes will be paid rateably with the Class AB Notes and the Class A Notes to the extent described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”).



Class B Noteholders

Repay pari passu and rateably to the Class B Noteholders principal on the Class B Notes until the Invested Amount of the Class B Notes is reduced to zero.



Capital Unitholder

Pay any remaining amounts to the Capital Unitholder.

2.14 Miscellaneous

(a) **Transfer**

Unless lodged in Austraclear, the Notes (other than Redraw Notes) may only be purchased or sold by execution and registration of a Security Transfer. For further details, see Section 8.2(c) (“*Transfer of Notes*”).

A Note (other than a Redraw Note) can only be transferred if:

- (i) the relevant offer for sale or invitation to purchase:
 - A. does not require disclosure to investors under Part 6D.2 of the Corporations Act;
 - B. is not made to a Retail Client; and
 - C. complies with all applicable laws in all jurisdictions in which the offer or invitation is made; and
- (ii) the relevant offer or invitation is in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act (see Section 14 (“*Selling Restrictions*”) for more details).

(b) **Austraclear**

It is intended that the Notes (other than Redraw Notes) will be lodged in Austraclear after issue. Any subsequent transfer of a Note (other than a Redraw Note) must be in accordance with the Austraclear Regulations so long as the relevant Note (other than

a Redraw Note) is held in Austraclear. For further details, see Section 8.2(c) (*“Transfer of Notes”*).

(c) **Stamp Duty**

The Manager has received advice that neither the issue, the transfer, nor the redemption of the Notes (other than Redraw Notes) will currently attract stamp duty in any jurisdiction of Australia. For further details, see Section 12 (*“Taxation considerations”*).

(d) **Withholding Tax and Tax File Numbers**

Payments of principal and interest on the Notes will be reduced by any applicable withholding taxes. The Trustee is not obligated to pay any additional amounts to Noteholders to cover any withholding taxes.

Under present law, interest and other amounts paid on the Notes will not be subject to Australian interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Tax Act and they are not acquired directly or indirectly by any Offshore Associate of the Trustee or Commonwealth Bank of Australia. Accordingly, Offshore Associates of the Trustee or Commonwealth Bank of Australia should not acquire any Notes.

Under current tax law, tax will be deducted on payments to a holder of a Note who is an Australian resident or a nonresident who holds the Notes in connection with a business carried on at or through a permanent establishment in Australia, who does not provide the Trustee with a tax file number or Australian Business Number (where applicable) unless an exemption applies to that Noteholder.

Noteholders and prospective Noteholders should obtain advice from their own tax advisers in relation to the tax implications of an investment in the Notes.

For further details see Section 12 (*“Taxation considerations”*).

3 Some risk factors

The purchase, and subsequent holding, of the Notes is not free of risk. The Manager believes that the risks described below are some of the principal risks inherent in the transaction for Noteholders and that the discussion in relation to the Notes indicates some of the possible implications for Noteholders. However, the inability of the Trustee to pay interest or principal on the Notes may occur for other unforeseen reasons and the Manager does not in any way represent that the description of the risks outlined below is exhaustive. It is only a summary of some particular risks. Further, although the Manager believes that the various structural protections available to Noteholders lessen certain of these risks, there can be no assurance that these measures will be sufficient to ensure the payment of interest or principal on the Notes on a timely or full basis. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and make their own independent investigation and seek their own independent advice as to the potential risks involved in purchasing and holding the Notes.

3.1 Limited Liability Under the Notes

The Notes are debt obligations of the Trustee in its capacity as Trustee of the Series Trust. The Trustee's liability in respect of the Notes is limited to, and can be enforced against the Trustee only to the extent to which it can be satisfied out of, the Assets of the Series Trust out of which the Trustee is actually indemnified for the liability except in certain limited circumstances (as to which see Section 10.3(g) ("*Limitation of the Trustee's Liability*")).

3.2 Secondary Market Risk

The Lead Manager has undertaken to use reasonable endeavours, subject to market conditions, to assist Noteholders (other than Redraw Noteholders) so requesting to locate potential purchasers of the relevant Notes from time to time in order to facilitate liquidity in the relevant Notes. However, there is no assurance that any secondary market for the Notes will develop or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Notes.

The risk that a secondary market in the Notes will not develop, cease to develop or fail is increased during major disruptions in the capital markets. Such disruptions may not be limited to issues which are directly relevant to the Assets of the Series Trust and which therefore may appear to be unrelated to the Notes. For example, there has been a significant downturn in the global credit markets in recent times which was precipitated by performance concerns in the "sub-prime" loan market in the United States. Due to the way in which those "sub-prime" loans were funded in the capital markets, many investors with exposure to sub-prime were forced to revalue their investments based on current market prices and liquidate holdings which crystallised losses.

The global debt capital markets experienced disruptions worldwide resulting from reduced investor demand for debt instruments, including mortgage-backed securities. A prolonged reduction in demand for mortgage-backed or other debt securities (including in relation to Australian prime residential mortgage backed securities), alone or in combination with increases in prevailing market interest rates, may adversely affect the market value of the Notes and may adversely affect the ability of the Noteholders to sell the Notes.

In so far as these disruptions continue to have destabilising effects in the debt capital markets, there is no certainty as to how long those effects will continue or the extent to which they may improve or deteriorate.

Further, these market conditions have demonstrated that there is no certainty as to whether the price of the Notes will be affected by factors which are unrelated to the credit quality of the Notes. For example, the price of the Notes may be affected by issues including the performance of debt instruments of other Medallion Trust Programme trusts, even though these events may have no direct correlation to the quality of the Assets of the Series Trust.

3.3 Timing of Principal Payments

If the Notes were bought above face value, the yield on the Notes will drop if the principal payments occur at a faster than expected rate. If the Notes were bought below face value, the yield on the Notes will drop if principal payments occur at a slower than expected rate. Set out below is a description of some circumstances in which the Trustee may receive early or delayed repayments of principal on the Mortgage Loans and, as a result of which, the Noteholders may receive repayments of principal on the Notes earlier or later than would otherwise have been the case:

- (a) enforcement proceeds received by the Trustee due to a borrower having defaulted on its Mortgage Loan;
- (b) receipt of insurance proceeds by the Trustee in relation to an insurance claim in respect of a Mortgage Loan;
- (c) repurchases of Mortgage Loans by Commonwealth Bank of Australia as a result of any one of the following occurring:
 - (i) the discovery and subsequent notice by the Trustee, Commonwealth Bank of Australia or the Manager, no later than 5 Business Days prior to the expiry of the Prescribed Period, that any of the representations and warranties made by Commonwealth Bank of Australia in respect of that Mortgage Loan were incorrect when given (see Section 6.7 (*“Undertakings by the Seller”*));
 - (ii) Commonwealth Bank of Australia making a further advance under a Mortgage Loan which causes the scheduled principal balance for that Mortgage Loan to be exceeded by more than 1 scheduled monthly instalment (see Section 7.4(c) (*“Redraws and Further Advances”*));
 - (iii) a Potential Termination Event occurs which leads to the Series Trust being terminated early and the Mortgage Loans being repurchased by Commonwealth Bank of Australia or sold to a third party (see Section 9.1 (*“Termination of the Trust”*));
 - (iv) Commonwealth Bank of Australia exercising its option to repurchase the balance of the Mortgage Loans following the termination of the Series Trust or on any Distribution Date falling on or after the Call Date (see Section 8.25 (*“Optional Redemption of the Notes”*));
- (d) the Servicer is obliged to service the Mortgage Loans in accordance with its servicing guidelines or, to the extent not covered by the servicing guidelines, the standards and practices of a prudent lender in the business of making and servicing retail home loans. There is no definitive view as to whether the standards and practices of a prudent lender in the business of making and servicing retail home loans do or do not include the Servicer’s own franchise considerations. If those considerations are included the Servicer would be entitled to consider its own reputation and future business writing prospects in making a determination as to how current Mortgage Loans are administered. Such a course may result in a delay of principal returns to

Noteholders. The Servicer is, however, required to give undertakings as to how it will administer the Mortgage Loans (see Section 11.1(c) (“*Undertakings by the Servicer*”)) and comply with the express limitations in the Series Supplement;

- (e) the terms and conditions of the Mortgage Loans and related securities allow borrowers, with the consent of Commonwealth Bank of Australia, to substitute their mortgaged property with a different mortgaged property without necessitating the repayment of the Mortgage Loan in full. Housing loans which are secured by mortgaged property which may be substituted in this way may show a slower rate of prepayment than Mortgage Loans secured by mortgaged property which cannot be substituted in this way;
- (f) the terms and conditions of a Mortgage Loan and its related securities may allow a borrower, at the discretion of Commonwealth Bank of Australia, to redraw funds previously prepaid by that borrower (see Section 7.4(c) (“*Redraws and Further Advances*”)). This may slow the rate of prepayment on the Mortgage Loans;
- (g) the mortgage which secures a Mortgage Loan may also secure other financial accommodation provided by Commonwealth Bank of Australia. If the mortgagor is in default under that other financial accommodation and Commonwealth Bank of Australia enforces the relevant mortgage, the proceeds of enforcement will be made available to the Trustee (in priority to Commonwealth Bank of Australia) for repayment of the Mortgage Loan. This may in turn result in the relevant Mortgage Loan being prepaid earlier than would otherwise be the case. This may occur notwithstanding there being no default under the Mortgage Loan; and
- (h) the Trustee transferring (on the direction of the Manager) some or all of the Mortgage Loans to another trust established under the Master Trust Deed on any Distribution Date falling on or after the Call Date (see Section 8.25 (“*Optional Redemption of the Notes*”)).

3.4 Prepayment then Non-Payment

There is the possibility that borrowers who have prepaid an amount of principal under their Mortgage Loans do not continue to make scheduled payments under the terms of their Mortgage Loans. Consistent with standard Australian banking practice, the Servicer does not consider such a Mortgage Loan to be in arrears until such time as the actual principal balance has exceeded the then current scheduled principal balance.

The failure of borrowers to make payments when due after an amount has been prepaid under their Mortgage Loans may affect the ability of the Trustee to make timely payments of interest and principal to Noteholders. If the Trustee has insufficient funds to pay interest on the Notes (other than the Class B Notes) because the above situation has occurred, the Trustee may allocate funds from the Available Principal Amount towards meeting the amount of the deficiency as a Principal Draw. If there is still a shortfall after application of the Principal Draw, the Trustee may be entitled to make a drawing under the Liquidity Facility or the Extraordinary Expense Reserve for the amount of the shortfall up to a total aggregate amount equal to the un-utilised portion of the Liquidity Facility limit or the balance of the Extraordinary Expense Reserve (as applicable). The Liquidity Facility and the Extraordinary Expense Reserve mitigate the risk of such a deficiency but may not be sufficient to cover the whole of the deficiency.

3.5 Delinquency and Default Risk

The Trustee's obligations to pay interest and principal on the Notes in full is limited by reference to, amongst other things, receipts under or in respect of the outstanding Mortgage Loans. Noteholders must rely, amongst other things, for payment upon payments being made under the Mortgage Loans and on amounts available under the mortgage insurance policies and, if and to the extent available, money to be drawn under the Liquidity Facility (see Section 10.10 (*"The Mortgage Insurance Policies"*)).

If borrowers fail to make their monthly payments when due (other than when the borrower has prepaid principal under its Mortgage Loan), there is a possibility that the Trustee may have insufficient funds to make full payments of interest on the Notes and eventual payment of principal to the Noteholders. A wide variety of local or international developments of a legal, social, economic, political or other nature could conceivably affect the performance of borrowers under their Mortgage Loans.

In particular, as at the Cut-Off Date, some of the Mortgage Loans will be set at variable rates. These rates are reset from time to time at the discretion of Commonwealth Bank of Australia (see Section 11.1(d) (*"Servicing of the Housing Loans"*)). It is possible, therefore, that if these rates increase significantly relative to historical levels, borrowers may experience distress and increased default rates on the Mortgage Loans may result.

If a borrower defaults on payments to be made under a Mortgage Loan and the Servicer seeks to enforce the mortgage securing the Mortgage Loan, many factors may affect the length of time before the mortgaged property is sold and the proceeds of sale are realised. In such circumstances, the sale proceeds are likely to be less than if the sale was carried out by the borrower in the ordinary course. Any such delay and any loss incurred as a result of the realised proceeds of the sale of the property being less than the principal amount outstanding at that time under the Mortgage Loan may affect the ability of the Trustee to make payments under the Notes, notwithstanding any amounts that may be claimed under the mortgage insurance policies (see Section 3.11 (*"The Mortgage Insurance Policies"*)) or claimed under the Liquidity Facility (see Section 10.10 (*"The Mortgage Insurance Policies"*)).

Noteholders will bear the investment risk resulting from the delinquency and default experience of the Mortgage Loans.

3.6 Servicer Risk

The appointment of the Servicer may be terminated in certain circumstances. If the appointment of the Servicer is terminated, the Trustee is obliged to find another entity to perform the role of Servicer for the Series Trust. The appointment of a substitute Servicer will only have effect once the Manager has given prior written notice to each Rating Agency in relation to such appointment and the substitute Servicer has executed a deed under which it agrees to service the Mortgage Loans and related securities upon the same terms as originally agreed to by the Servicer. However, there is no guarantee that a substitute Servicer will be found who would be willing to service the Mortgage Loans and related securities on the same terms agreed to by the Servicer.

If the Trustee is unable to locate a suitable substitute Servicer, the Trustee must act as the substitute Servicer, and will continue to act in this capacity until a suitable substitute Servicer is found.

The Servicer may also retire as Servicer by giving not less than 3 months' notice in writing to the Trustee and the Manager (or, if the Trustee has agreed to a lesser period of notice, that lesser period).

3.7 Risks of Equitable Assignment

The Mortgage Loans will be assigned by Commonwealth Bank of Australia to the Trustee in equity. If the Trustee declares that a Perfection of Title Event has occurred the Trustee and the Manager must, amongst other things, take all such steps as are necessary to perfect the Trustee's legal title in the mortgages relating to the Mortgage Loans (see Section 6.5 ("*Representations, Warranties and Eligibility Criteria*") for further details on Perfection of Title Events). Until such time, the Trustee is not to take any such steps to perfect legal title and, in particular, it will not notify the borrowers or any security providers of the assignment of the Mortgage Loans.

The delay in the notification to a borrower of the assignment of the Mortgage Loans to the Trustee may have the following consequences:

- (a) until a borrower, guarantor or security provider has notice of the assignment, such person is not bound to make payment to anyone other than Commonwealth Bank of Australia and can obtain a valid discharge from Commonwealth Bank of Australia. However, Commonwealth Bank of Australia is appointed as the initial Servicer of the Mortgage Loans and is obliged to deal with all moneys received from borrowers in accordance with the Series Supplement and to service those Mortgage Loans in accordance with the servicing standards;
- (b) until a borrower, guarantor or security provider has notice of the assignment, rights of set-off or counterclaim may accrue in favour of the borrower, guarantor or security provider against its obligations under the Mortgage Loans which may result in the Trustee receiving less money than expected from the Mortgage Loans (see Section 3.8 ("*Set-Off*") below);
- (c) for so long as the Trustee holds only an equitable interest in the Mortgage Loans, the Trustee's interest in the Mortgage Loans may become subject to the interests of third parties created after the creation of the Trustee's equitable interest but prior to it acquiring a legal interest. To reduce this risk, the Servicer has undertaken not to consent to the creation or existence of any security interest over the mortgages securing the Mortgage Loans; and
- (d) for so long as the Trustee holds only an equitable interest in the Mortgage Loans, Commonwealth Bank of Australia must be a party to any legal proceedings against any borrower, guarantor or security provider in relation to the enforcement of any Mortgage Loan. In this regard, the Servicer undertakes to service (including enforce) the Mortgage Loans in accordance with the servicing standards.

3.8 Set-Off

The Mortgage Loans can only be sold free of set-off to the Trustee to the extent permitted by law. The consequence of this is that if a borrower, guarantor or security provider in connection with the Mortgage Loan has funds standing to the credit of an account with Commonwealth Bank of Australia or amounts are otherwise payable to such a person by Commonwealth Bank of Australia, that person may have a right on the enforcement of the Mortgage Loan or the related securities or on the insolvency of Commonwealth Bank of Australia to set-off Commonwealth Bank of Australia's liability to that person in reduction of the amount owing by that person in connection with the Mortgage Loan.

If Commonwealth Bank of Australia becomes insolvent, it can be expected that borrowers, guarantors and security providers will exercise their set-off rights to a significant degree.

To the extent that, on the insolvency of Commonwealth Bank of Australia, set-off is claimed in respect of deposits, the amount available for payment to the Noteholders may be reduced to the extent that those claims are successful.

3.9 Ability of the Trustee to Redeem the Notes

The ability of the Trustee to redeem all the Notes at their aggregate outstanding principal amounts whilst any of the Mortgage Loans are still outstanding will depend upon whether the Trustee is able to collect or otherwise obtain an amount sufficient to redeem the Notes and to pay its other obligations in the order explained in Sections 8.13 (*“Payment of the Available Principal Amount on a Distribution Date”*). Following the enforcement of the Security Trust Deed and the crystallisation of the Charge, the Security Trustee will be required to apply moneys otherwise available for distribution in the order of the priority set out in the Security Trust Deed (described in Section 10.6(k) (*“The Security Trust Deed”*)). The moneys available to the Security Trustee for distribution may not be sufficient to satisfy in full the claims of all or any of the Noteholders and neither the Security Trustee nor the Trustee will have any liability to the Noteholders in respect of any such deficiency. Although the Security Trustee may seek to obtain the necessary funds by means of a sale of the outstanding Mortgage Loans, there is no guarantee that there will be at that time an active and liquid secondary market for mortgages. Further, if there was such a secondary market, there is no guarantee that the Security Trustee will be able to sell the Mortgage Loans for the principal amount then outstanding under such Mortgage Loans.

Accordingly, the Security Trustee may be unable to realise the value of the Mortgage Loans, or may be unable to realise the full value of the Mortgage Loans which may impact upon its ability to redeem all outstanding Notes at that time.

3.10 Breach of Representation and Warranty

Commonwealth Bank of Australia makes certain representations and warranties as at the Cut-Off Date to the Trustee in relation to the Mortgage Loans to be assigned to the Trustee (see Section 6.6 (*“Breach of Representations and Warranties”*)). The Trustee has not investigated or made any enquiries regarding the accuracy of the representations and warranties. Under the Series Supplement the Trustee is under no obligation to test the truth of the representations and warranties and is entitled to rely entirely upon the representations and warranties being correct unless it is actually aware of any breach (see Section 6.6 (*“Breach of Representations and Warranties”*)). Commonwealth Bank of Australia has agreed in the Series Supplement to repurchase any Mortgage Loan attributable to it in respect of which it is discovered by the Trustee, the Manager or Commonwealth Bank of Australia within the Prescribed Period that any one of the representations and warranties given by Commonwealth Bank of Australia was incorrect when given and notice of such discovery is given by the Manager or Commonwealth Bank of Australia, as applicable, to the Trustee or by the Trustee to Commonwealth Bank of Australia, no later than 5 Business Days prior to the expiry of the Prescribed Period. If the Trustee discovers that a representation and warranty was incorrect when given in relation to a Mortgage Loan, Commonwealth Bank of Australia has agreed to pay damages to the Trustee for any loss or costs incurred by the Trustee. However, the amount of such loss or costs cannot exceed the principal outstanding amount and accrued but unraised interest and any outstanding fees in respect of the Mortgage Loans. Besides these two remedies, there is no other express remedy available to the Trustee in respect of a breach of the representations and warranties given in respect of the Mortgage Loans. The rights of the Trustee in respect of any representation or warranty being incorrect are described in more detail in Section 6.7 (*“Undertakings by the Seller”*).

3.11 The Mortgage Insurance Policies

A high LTV master mortgage insurance policy issued by Genworth Financial Mortgage Insurance Pty Limited will provide full coverage for all principal due on those Mortgage Loans which generally had a loan to value ratio greater than 80% at the time of origination. A master mortgage insurance policy issued by QBE Lenders' Mortgage Insurance Limited will provide full coverage for all principal due on the balance of the Mortgage Loans.

The mortgage insurance policies are subject to some exclusions from coverage and rights of refusal or reduction of claims, some of which are described in Section 10.10 (*"The Mortgage Insurance Policies"*) and Section 10.11 (*"The Master Mortgage Insurance Policy"*). The availability of funds under these mortgage insurance policies will ultimately be dependent on the financial strength of the insurers. A borrower's payments that are expected to be covered by the mortgage insurance policies may not be covered because of these exclusions, refusals or reductions or because of financial difficulties impeding the mortgage insurer's ability to perform its obligations. If such circumstances arise the Trustee may not have enough money to make timely and full payments of principal and interest on the Notes.

A claim under a mortgage insurance policy may be refused or reduced in certain circumstances (see generally Section 10.10 (*"The Mortgage Insurance Policies"*) and Section 10.11 (*"The Master Mortgage Insurance Policy"*)) including in the event of a misrepresentation or a breach of any duty of disclosure by Commonwealth Bank of Australia or the Trustee (see Section 10.10(c)(xi)(ii) (*"Refusal or Reductions of Claims"*) and Section 10.11(d)(i) (*"Reduction in a claim"*)). This may affect the ability of the Trustee to make timely payments of interest and principal on the Notes. However, in respect of certain of these circumstances, the Trustee may have recourse to Commonwealth Bank of Australia either for breach of a representation and warranty (see Section 6.6 (*"Breach of Representations and Warranties"*)) or for breach of its obligations as Servicer (see Section 11.1(h)(iii) (*"Servicing of the Housing Loans"*)).

3.12 Consumer credit legislation

Consumer Credit Code

Some of the Mortgage Loans and related mortgages and guarantees are regulated by the Consumer Credit Code. Under that legislation, a debtor, guarantor or mortgagor may have a right to apply to a court to:

- (a) in the case of a debtor, vary the terms of a Mortgage Loan on the grounds of hardship;
- (b) vary the terms of a Mortgage Loan and related mortgage or guarantee, or a change to such documents, that are unjust, and reopen the transaction that gave rise to the Mortgage Loan and any related mortgage or guarantee, or change;
- (c) in the case of a debtor or guarantor, reduce or cancel any interest rate payable on the Mortgage Loan arising from a change to that rate which is unconscionable;
- (d) have certain provisions of the Mortgage Loan or a related mortgage or guarantee which are in breach of the legislation declared void or unenforceable;
- (e) obtain restitution or compensation from the credit provider in relation to any breaches of the Consumer Credit Code in relation to the Mortgage Loan or a related mortgage or guarantee; or
- (f) seek various remedies for other breaches of the Consumer Credit Code.

Any such order may affect the timing or amount of interest, fees or charges or principal payments under the relevant Mortgage Loan (which might in turn affect the timing or amount of interest or principal payments under the Notes).

Breaches of the Consumer Credit Code may also lead to civil penalties or criminal fines being imposed on Commonwealth Bank of Australia, for so long as it holds legal title to the Mortgage Loans and the mortgages. If the Trustee acquires legal title, it will then become primarily responsible for compliance with the Consumer Credit Code.

The Trustee will be indemnified out of the Assets of the Series Trust for liabilities it incurs under the Consumer Credit Code. Where the Trustee is held liable for breaches of the Consumer Credit Code, the Trustee must seek relief initially under any indemnities provided to it by the Servicer before exercising its rights to recover against any Assets of the Series Trust.

Commonwealth Bank of Australia will give certain representations and warranties that the mortgages relating to the Mortgage Loans complied in all material respects with all applicable laws when those mortgages were entered into. The Servicer has also undertaken to comply with the Consumer Credit Code in carrying out its obligations under the Transaction Documents. In certain circumstances the Trustee may have the right to claim damages from Commonwealth Bank of Australia (as Seller or Servicer), as the case may be, where the Trustee suffers loss in connection with a breach of the Consumer Credit Code which is caused by a breach of a relevant representation or undertaking.

Federal Consumer Credit Regime

In 2009, the National Consumer Credit Protection Act 2009 (which includes the new National Credit Code) (the “**NCCP Act**”) and certain related legislation were enacted. The NCCP Act and related legislation was part of a package of reforms directed towards the introduction of a new national consumer credit law to replace state-based regimes.

The NCCP Act will have significant consequences for a wide range of participants in the credit industry, including credit providers, finance brokers and other intermediaries. Amongst other things, the NCCP Act:

- (a) introduces a national licensing regime, which will require credit providers and certain other intermediaries, firstly, to register and then once registered apply to ASIC for an Australian Credit Licence (“**ACL**”) (all persons engaging in credit activities will need to be licensed from 1 July 2011 at the latest);
- (b) imposes responsible lending requirements on ACL holders and others designed to protect consumers from being offered loans that are unsuitable for them;
- (c) imposes new disclosure obligations on ACL holders and others;
- (d) gives the Australian Securities and Investment Commission broad powers to enforce the new legislation (including the National Credit Code, which essentially replaces the Consumer Credit Code);
- (e) provides consumers with improved access to remedies; and
- (f) imposes civil and criminal penalties for certain breaches of the legislation.

Obligations under the NCCP Act will also apply (with some limited exceptions) to loans that were regulated under the Consumer Credit Code before July 2010.

Unfair Terms

The Trade Practices Amendment (Australian Consumer Law) Act (No.1) 2010 (“**TPA Act**”) introduced a national unfair terms regime. Under this regime, a term of a standard-form consumer contract will be unfair, and therefore void, if it causes a significant imbalance in the parties’ rights and obligations under the contract, is not reasonably necessary to protect the supplier’s legitimate interests and would cause detriment to the consumer if it were relied on. The provisions in the TPA Act dealing with unfair terms commenced on 1 July 2010 and will apply to a term of the mortgage loans if the mortgage loan contract is renewed or varied, or the term is renewed or varied, after 1 July 2010. A term of a mortgage loan which is unfair under this legislation may be declared void.

Also, on 10 June 2009, Victoria extended its unfair terms regime (contained in Part 2B of the Fair Trading Act 1999 (Vic)) to apply to Consumer Credit Code regulated credit contracts, which had previously been excluded. Under the Victorian regime, a term in a consumer contract is unfair and therefore void if it is a prescribed unfair term or if a court or Tribunal determines that in all the circumstances it causes a significant imbalance in the parties’ rights and obligations arising under the contract to the detriment of the consumer. Under the transitional provisions, the legislation will apply to a term of the Mortgage Loans or a related mortgage or guarantee to the extent the term is varied on or after 11 June 2009, but only to the extent of the variation.

Effect of Orders

An order made under any of the above consumer credit laws may affect the timing or amount of collections under the relevant mortgage loans which may in turn affect the timing or amount of interest and principal payments under the Notes.

Seller and Servicer obligations

Commonwealth Bank of Australia has made certain representations and warranties that the Mortgage Loans complied with all applicable laws at the time the Mortgage Loans were made. The Servicer has undertaken to comply with all applicable laws in servicing those loans regulated by the legislation.

3.13 Independent Ratings Evaluation

The security ratings of the Notes should be evaluated independently from similar ratings on other types of Notes or securities. A security rating by a Rating Agency is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, qualification or withdrawal at any time by the relevant Rating Agency. A revision, suspension, qualification or withdrawal of the rating of the Notes may adversely affect the price of the Notes. In addition, the ratings of the Notes do not address the expected timing of principal repayments under the Notes, only that principal will be received no later than the Final Maturity Date.

3.14 Investor Suitability

The Notes are not a suitable investment for any investor that requires a regular or predictable schedule of payments or payment on any specific date. The Notes are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyse the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

Mortgage-backed securities, like the Notes, usually produce more returns of principal to investors when market interest rates fall below the interest rates on the Mortgage Loans and produce less returns of principal when market interest rates rise above the interest rates on the Mortgage Loans. If borrowers refinance their Mortgage Loans as a result of lower interest rates, investors will receive an unanticipated payment of principal. As a result, investors are likely to receive more money to reinvest at a time when other investments generally are producing a lower yield than that on the Notes and are likely to receive less money to reinvest when other investments generally are producing a higher yield than that on the Notes. Investors will bear the risk that the timing and amount of payment on the Notes will prevent investors from attaining the desired yield.

3.15 Changes in the Features of Housing Loans

The features of the Mortgage Loans, including their interest rates, may be changed by Commonwealth Bank of Australia, either on its own initiative or at a borrower's request. Some of these changes may include the addition of newly developed features which are not described in this Information Memorandum. As a result of these changes and borrowers' payments of principal, the concentration of Mortgage Loans with specific characteristics is likely to change over time, which may affect the timing and amount of payments investors receive.

If Commonwealth Bank of Australia changes the features of the Mortgage Loans or fails to offer desirable features offered by their competitors, borrowers might elect to refinance their loan with another lender to obtain more favourable features. In addition, the Mortgage Loans included in the Series Trust are not permitted to have some features. If a borrower chooses to add one of these features to his or her Mortgage Loan, in effect the Mortgage Loan will be repaid and a new Mortgage Loan will be written which will not form part of the Assets of the Series Trust. The refinancing or removal of Mortgage Loans could cause investors to experience higher rates of principal prepayment than investors expected, which could affect the yield on Notes.

3.16 Australian Economic Conditions

If the Australian economy were to experience a decline in economic conditions, an increase in interest rates, a fall in property values or any combination of these factors, delinquencies or losses on the Mortgage Loans might increase, which might cause losses on the Notes.

3.17 Geographic Concentration of Housing Loans

To the extent that the Series Trust contains a high concentration of Mortgage Loans secured by properties located within a single state or region within Australia, any deterioration in the real estate values or the economy of any of those states or regions could result in higher rates of delinquencies, foreclosures and losses than expected on the Mortgage Loans. In addition, these states or regions may experience natural disasters, which may not be fully insured against and which may result in property damage and losses on the Mortgage Loans. These events may in turn have a disproportionate impact on funds available to the Series Trust, which could cause investors to suffer losses.

3.18 Privacy

The collection and handling of personal information (including credit reports) about individuals (including debtors, mortgagors and guarantors) is regulated by the Australian Privacy Act. The Act contains, amongst other things, restrictions on the use and disclosure of information. In most cases, if the collection and handling of credit information or reports does not comply with the Act, the contravening party is guilty of an offence punishable by a fine.

In addition, a person may complain to the Privacy Commissioner, who can investigate the complaint and make a determination that can include a declaration that the complainant is entitled to loss and damage suffered by reason of the act or practice the subject of the complaint. The determination may be enforced by the Federal Court. The Privacy Commissioner has other powers including to investigate certain acts and conduct audits.

3.19 Priority of Principal on the Redraw Notes

If Redraw Notes are issued they will rank ahead of the other Classes of Notes with respect to payment of principal prior to enforcement of the Charge, and Noteholders may not receive full repayment of principal on the Notes.

3.20 Credit Support Notes provide only limited protection

The amount of credit enhancement provided through the subordination of the relevant Credit Support Notes is limited and could be depleted prior to the payment in full of the Class A1 Notes, the Class A2 Notes, the Class A2-R Notes, the Class AB Notes and the Class AC Notes (as applicable). If the principal amount of the relevant Credit Support Notes is reduced to zero, the Class A1 Noteholders, the Class A2 Noteholders, the Class A2-R Noteholders, the Class AB Noteholders and the Class AC Noteholders (as applicable) may suffer losses on the relevant Notes.

3.21 Termination of Swaps

- (a) The Trustee will exchange the interest payments from the fixed rate Mortgage Loans for variable rate payments based upon the one month Bank Bill Rate. If a fixed rate swap is terminated or the Fixed Rate Swap Provider fails to perform its obligations, Noteholders will be exposed to the risk that the floating rate of interest payable on the Notes will be greater than the discretionary fixed rate set by the Servicer on the fixed rate Mortgage Loans, which may lead to losses to Noteholders.
- (b) The Trustee will exchange the interest payments from the variable rate and fixed rate housing loans for fixed rate payments based upon the Class A2 Interest Rate. If a fixed rate swap is terminated or the Interest Rate Swap Provider fails to perform its obligations, there may be less funds available to Noteholders, which may lead to losses to Noteholders.
- (c) The Trustee will exchange the interest payments from the variable rate Mortgage Loans for variable rate payments based upon the one month Bank Bill Rate . If a basis swap is terminated, the Manager will direct the Servicer to, subject to applicable laws, set the rates at which interest set-off benefits are calculated under the mortgage interest saver accounts at a rate low enough to cover the payments owed by the Series Trust or to zero, and if that does not produce sufficient income, to set the interest rate on the variable rate Mortgage Loans at a rate high enough to cover the payments owed by the Series Trust. If the rates on the variable rate Mortgage Loans are set above the market interest rate for similar variable rate Mortgage Loans, the affected borrowers will have an incentive to refinance their loans with another institution, which may lead to higher rates of principal prepayment than Noteholders initially expected, which will affect the yield on the Notes.
- (d) If the Trustee is required to make a termination payment to the Fixed Rate Swap Provider or the Class A2 Note Fixed Swap Provider upon the termination of the relevant fixed rate swap, the Trustee will make the termination payment from the Assets of the Series Trust. Prior to enforcement of the Security Trust Deed, that termination payment will be made in priority to payments on the Notes unless the

swap is terminated following a default by, or termination event relating to, the Fixed Rate Swap Provider or the Class A2 Note Fixed Swap Provider (as applicable) under the Interest Rate Swap Agreement. Thus, if the Trustee makes a termination payment in these circumstances, there may not be sufficient funds remaining to pay interest on the Notes on the next Distribution Date, and the principal on the Notes may not be repaid in full.

3.22 Unreimbursed redraws and further advances

Unreimbursed redraws and further advances will rank ahead of Notes with respect to payment of principal prior to enforcement of the Charge, and investors may not receive full repayment of principal on the Notes.

3.23 Recharacterisation of Mortgage Loans

The transfer of the Mortgage Loans from Commonwealth Bank of Australia to the Trustee is intended by the parties to be and has been documented as a sale. However, Commonwealth Bank of Australia will treat the transfer of the Mortgage Loans as an imputed loan for accounting purposes. If Commonwealth Bank of Australia were to become insolvent, a liquidator or other person that assumes control of Commonwealth Bank of Australia could attempt to recharacterise the sale of the Mortgage Loans as a loan or to consolidate the Mortgage Loans with the assets of Commonwealth Bank of Australia. Any such attempt could result in a delay in or reduction of collections on the Mortgage Loans available to make payments on the Notes. The risk of such a recharacterisation with respect to the Mortgage Loans may be increased by the treatment of the transfer of these Mortgage Loans as an imputed loan for accounting purposes.

3.24 Commingling of collections on the Mortgage Loans with other assets

Before Commonwealth Bank of Australia (as Seller) or the Servicer remits collections to the Collections Account, the collections may be commingled with the assets of the Seller or the Servicer. If the Seller or the Servicer becomes insolvent, the Trustee may only be able to claim those collections as an unsecured creditor of the insolvent company. This could lead to a failure to receive the collections on the Mortgage Loans, delays in receiving the collections, or losses to investors.

3.25 Limitations of liquidity and other structural enhancements

If the interest collections during a collection period are insufficient to cover fees and expenses of the Series Trust and the interest payments due on the Notes (other than the Class B Notes) on the next Distribution Date, funds may be allocated from the Available Principal Amount towards meeting such fees, expenses and interest as a Principal Draw. If there is still a shortfall, the Trustee will request an advance under the Liquidity Facility. If advances under the Liquidity Facility and any Income Reserve Draws are insufficient to cover that remaining shortfall, funds may be allocated from the Extraordinary Expense Reserve as an Extraordinary Expense Reserve Draw. In the event that there is not enough money available by way of Principal Draw, under the Liquidity Facility, Income Reserve Draw or by way of Extraordinary Expense Reserve Draw, investors may not receive a full payment of interest on that Distribution Date, which will reduce the yield on the Notes.

3.26 Principal Collections to cover liquidity shortfalls

If Principal Collections are drawn upon to cover shortfalls in interest collections and there is insufficient excess available income in succeeding Collection Periods to repay those principal draws, investors may not receive full repayment of principal on the Notes.

3.27 Servicer waiving fees

Subject to the servicing requirements in Section 11.1 (“*Servicing of the Housing Loans*”), the Servicer has the express power, among other things, to waive any fees and break costs which may be collected in the ordinary course of servicing the Mortgage Loans or arrange the rescheduling of interest due and unpaid following a default under any Mortgage Loans, or to waive any right in respect of the Mortgage Loans and mortgages in the ordinary course of servicing the Mortgage Loans and mortgages. Those waivers may affect the timing and amount of payments investors receive.

3.28 Withholding tax

If a withholding tax is imposed on payments of interest on the Notes, investors will not be entitled to receive grossed-up amounts to compensate for such withholding tax. Thus, investors will receive less interest than is scheduled to be paid on the Notes.

3.29 European Union directive on the taxation of savings income

The European Union has adopted a Directive (2003/48/EC) regarding the taxation of savings income. Since 1 July 2005 Member States have been required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State, except that Austria, Belgium and Luxembourg are required instead to impose a withholding system for a transitional period in relation to such payments, deducting tax of rates rising over time to 35%. The transitional period commenced on 1 July 2005 and terminates at the end of the first full fiscal year following agreement by certain non-European Union countries to the exchange of information relating to such payments. A number of non-European Union countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date. Therefore, payments of interest on the Notes which are made or collected through Belgium, Luxembourg, Austria or any other relevant country may be subject to withholding tax which would prevent holders of the Notes from receiving interest on their Notes in full.

3.30 Australian Anti-Money Laundering and Counter-Terrorism Financing Regime

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 of Australia (“**AML/CTF Act**”) implemented a number of significant changes to Australia’s anti-money laundering and counter-terrorism financing regulation.

If an entity has not met its obligations under the AML/CTF Act, that entity will be prohibited from providing a designated service which includes (among other things):

- (a) opening or providing an account, allowing any transaction in relation to an account or receiving instructions to transfer money in and out of the account;
- (b) issuing, dealing, acquiring, disposing of, cancelling or redeeming a security; and
- (c) exchanging one currency for another.

The obligations placed on an entity include that entity undertaking customer identification procedures before a designated service is provided and receiving information about international and domestic institutional transfer of funds. Until the obligations have been met an entity will be prohibited from providing funds or services to a party or making any payments on behalf of a party.

3.31 Personal Property Security regime

A new personal property securities regime will shortly commence operation throughout Australia. The Personal Property Securities Act 2009 (“PPSA”) establishes a national system for the registration of security interests in personal property, together with new rules for the creation, priority and enforcement of security interests in personal property. The PPSA commenced on 15 December 2009, but will not take effect until October 2011 (“PPSA Start Date”), with a two year transitional period beginning on the PPSA Start Date. Once the PPSA starts to apply, it will have a retrospective effect on security interests and security agreements arising before that time by operation of the transitional provisions.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages. However, they also include transactions that in substance, secure payment or performance of an obligation but may not currently be legally classified as securities. Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation, these deemed security interests include assignments of receivables.

A person who holds a security interest under the PPSA will need to register (or otherwise perfect) the security interest to ensure that the security interest has priority over competing interests (and in some cases, to ensure that the security interest survives the insolvency of the grantor). If they do not do so:

- (a) another security interest may take priority;
- (b) another person may acquire an interest in the assets which are subject to the security interest free of their security interest; or
- (c) they may not be able to enforce the security interest against a grantor who becomes insolvent.

The transitional provisions provide that security interests registered on certain existing registers will be migrated to the PPS register (for example, charges registered on the ASIC Register of Company Charges). Security interests which will not be migrated, or which are not currently registered on any existing registers, will need to be registered on the PPS register (or otherwise perfected) before the end of the two year transitional period to preserve priority. This means that transactions which are not regarded as securities under current law but may be security interests under the PPSA, either because they are “in substance” security interests or deemed security interests, will need to be registered. The Transaction Documents may contain one or more such security interests.

For example, the assignment of the mortgage loans will be a deemed security interest and the Trustee may need to register the assignment on or after the PPSA Start Date to preserve its existing rights. The Manager will review the Transaction Documents to determine if the Transaction Documents (or a transaction in connection with them other than the Mortgage Loans or Mortgages themselves) is or contains a security interest for the purposes of the PPSA and whether any such security interest has been, or should be perfected under the PPSA.

There is uncertainty on aspects of the implementation of the PPSA regime because:

- (a) The legislative and regulatory framework for implementing the new scheme is not necessarily finalised. While the PPSA has been passed, it is possible that further amendments could be made to the PPSA and other legislation.

- (b) The PPSA significantly alters the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

3.32 European Union Capital Requirements Directive - CRD2 Rules

Article 122a of the CRD2 Rules restricts a European Union-regulated credit institution and its consolidated group affiliates from investing in a securitisation unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the European Union-regulated credit institution or consolidated group affiliate (as applicable) that it will retain, on an ongoing basis, a net economic interest of at least 5 per cent in that securitisation as contemplated by Article 122a.

Article 122a also requires a European Union-regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the notes it has acquired and the underlying exposures and that procedures have been established for such due diligence to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a may result in the imposition of a penal capital charge with respect to the investment made in the securitisation by the relevant investor.

Article 122a applies in respect of an investment in the Notes by European Union-regulated credit institutions (or consolidated group affiliates thereof) and so such persons should make themselves aware of the requirements of Article 122a (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described in this Information Memorandum and in any reports provided to investors in relation to the transaction for the purpose of complying with Article 122a and none of the Trustee, Commonwealth Bank of Australia or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

There remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non compliance with Article 122a and any implementing rules in a relevant jurisdiction should seek guidance from their regulator. Similar requirements to those set out in Article 122a may be implemented for other EU regulated investors (such as certain types of investment fund managers, insurance and reinsurance undertakings) in the future.

Article 122a of the CRD2 Rules and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of certain individual investors and, in addition, could have a negative impact on the price and liquidity of the Notes in the secondary market.

There can be no assurance that the regulatory capital treatment of the Notes for any investor will not be affected by any future implementation of, and changes to, the CRD2 Rules or other regulatory or accounting changes.

4 The Trustee, Commonwealth Bank of Australia, the Manager and the Security Trustee

4.1 The Trustee

Perpetual Trustee Company Limited was incorporated on 28 September 1886 as Perpetual Trustee Company (Limited) under the Companies Statute of New South Wales as a public company. The name was changed to Perpetual Trustee Company Limited on 14 December 1971 and the Trustee now operates as a limited liability public company under the Corporations Act. Perpetual Trustee Company Limited is registered in New South Wales and its registered office is at Level 12, 123 Pitt Street, Sydney, Australia.

Perpetual Trustee Company Limited has 4,000,000 ordinary shares issued with a paid amount of A\$1.00 per share and 4,000,000 A\$1.00 ordinary shares with a paid amount of A\$0.01 per share. Perpetual Trustee Company Limited is a wholly owned subsidiary of Perpetual Limited, a publicly listed company on the Australian Securities Exchange.

The principal activities of Perpetual Trustee Company Limited are the provision of trustee and other commercial services. Perpetual Trustee Company Limited is an authorised trustee corporation, and holds an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643). Perpetual Trustee Company Limited and its related companies provide a range of services including custodial and administrative arrangements to the funds management, superannuation, property, infrastructure and capital markets. Perpetual Trustee Company Limited and its related companies are leading trustee companies in Australia with in excess of A\$100 billion under administration.

The directors of the Trustee are as follows:

Name	Business Address	Principal Activities
Roger Burrows	Level 12, 123 Pitt Street Sydney NSW 2000	Director
Geoff Lloyd	Level 12, 123 Pitt Street Sydney NSW 2000	Director
Christopher Green	Level 12, 123 Pitt Street Sydney NSW 2000	Director
Ivan Douglas Holyman	Level 12, 123 Pitt Street Sydney NSW 2000	Director

4.2 The Seller

The Commonwealth Bank of Australia was established in 1911 by an Act of Australia's Commonwealth Parliament as a government owned enterprise to conduct commercial and savings banking business. For a period it also operated as Australia's central bank until this function was transferred to the Reserve Bank of Australia in 1959. The process of privatisation of the Commonwealth Bank of Australia was commenced by Australia's Commonwealth Government in 1990 and was completed in July 1996. The Commonwealth Bank of Australia is now a public company listed on the Australian Stock Exchange Limited. Its registered office is at Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, Australia.

As at 31 December, 2010, Commonwealth Bank of Australia had a long term credit rating of AA from Fitch Ratings, Aa1 from Moody's Investor Services and AA from S&P and a short term credit rating of A-1+ from S&P, F1+ from Fitch Ratings and P-1 from Moody's Investor Services. On 16 February 2011 Moody's Investor Services announced that it has placed the ratings of the major Australian banks, including Commonwealth Bank of Australia, on review for possible downgrades.

As at 31 December 2010, Commonwealth Bank of Australia and its subsidiaries, on a consolidated Australian equivalent to International Financial Reporting Standards basis, had total assets of A\$650 billion, deposits of A\$395 billion and total regulatory capital of A\$32.8 billion and made a Net profit attributable to Equity holders of the Bank for the half year ended 31 December 2010 of A\$3,052 million.

The Australian banking activities of Commonwealth Bank of Australia come under the regulatory supervision of the Australian Prudential Regulation Authority. For a further description of the business operations of Commonwealth Bank of Australia, see Section 11 (*"The Servicer"*).

Commonwealth Bank of Australia's overall procedures for mortgage origination are described in Section 7 (*"Commonwealth Bank of Australia Residential Loan Program"*). Commonwealth Bank of Australia's material role and responsibilities in this transaction as Servicer are described in Section 11 (*"The Servicer"*).

4.3 The Manager

The Manager, Securitisation Advisory Services Pty. Limited, is a wholly owned subsidiary of Commonwealth Bank of Australia. Its principal business activity is the management of securitisation trusts established under Commonwealth Bank of Australia's Medallion Trust Programme and the management of other securitisation programmes established by Commonwealth Bank of Australia or its customers. The Manager's registered office is Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, Australia

The Manager has obtained an Australian Financial Services License under Part 7.6 of the Australian Corporations Act (Australian Financial Services License No. 241216).

4.4 The Security Trustee

The Security Trustee, P.T. Limited is a wholly owned subsidiary of Perpetual Trustee Company Limited. P.T. Limited is a public company established under the laws of Australia. Perpetual Trustee Company Limited has appointed P.T. Limited to act as its authorised representative under its Australian Financial Services License (Authorised Representative Number 266797). The Security Trustee's registered office is Level 12, 123 Pitt Street, Sydney, Australia. The principal activities of P.T. Limited are the provision of trustee and other commercial services. P.T. Limited and its related companies provide a range of services including custodial and administrative arrangements to the funds management, superannuation, property, infrastructure and capital markets.

5 Description of the Series Trust

5.1 Commonwealth Bank of Australia Securitisation Trust Programme

Commonwealth Bank of Australia established its Medallion Trust Programme pursuant to the Master Trust Deed for the purpose of enabling Perpetual Trustee Company Limited, as trustee of each trust established pursuant to the Medallion Trust Programme, to invest in pools of assets originated by or purchased from time to time from Commonwealth Bank of Australia, its subsidiaries and/or other persons. The Master Trust Deed provides for the creation of an unlimited number of trusts and may be varied or amended by a Series Supplement in respect of that series trust. The Master Trust Deed establishes the general framework under which trusts may be established from time to time. The Series Trust is established by the Master Trust Deed and the Series Supplement. The Series Trust is separate and distinct from any other trust established under the Master Trust Deed. The Assets of the Series Trust are not available to meet the liabilities of any other trust and the assets of any other trust are not available to meet the liabilities of the Series Trust.

5.2 Series Trust

The detailed terms of the Series Trust are set out in the Master Trust Deed and the Series Supplement.

The Series Supplement, which supplements the general framework under the Master Trust Deed with respect to the Series Trust, does the following:

- (a) specifies the details of the Notes;
- (b) establishes the cash flow allocation;
- (c) sets out the mechanism for the acquisition from Commonwealth Bank of Australia of the pool of Mortgage Loans by the Series Trust and contains various representations and warranties by Commonwealth Bank of Australia in relation to the Mortgage Loans;
- (d) contains Commonwealth Bank of Australia's appointment as the initial Servicer of the Mortgage Loans and the various powers, discretions, rights, obligations and protections of Commonwealth Bank of Australia in this role;
- (e) provides for the beneficial ownership of the Series Trust by the Unitholders; and
- (f) specifies a number of ancillary matters associated with the operation of the Series Trust and the housing pool such as the arrangements regarding the operation of the Collections Account, the custody of the title documents in relation to the Mortgage Loans, the fees payable to the Trustee, the Manager and the Servicer, the perfection of the Trustee's title to the Mortgage Loans, the termination of the Series Trust and the limitation on the Trustee's liability.

5.3 Transfer of assets between Trusts

The Master Trust Deed provides for the transfer of some or all of the assets of one trust (the "**Disposing Trust**") to another trust (the "**Acquiring Trust**") subject to the requirements of the Master Trust Deed and the series supplements for both the Disposing Trust and the Acquiring Trust.

Under the Master Trust Deed, if the Trustee as trustee of a Disposing Trust has received:

- (a) a Transfer Proposal in accordance with the Master Trust Deed;
- (b) the Transfer Amount in respect of that Transfer Proposal; and
- (c) a direction from the Manager to accept that Transfer Proposal,

then, subject to the requirements of the Master Trust Deed and the series supplements for both the Disposing Trust and the Acquiring Trust, the Trustee will hold the Assigned Assets in respect of that Transfer Proposal as trustee of the Acquiring Trust in accordance with the terms of the series supplement in relation to the Acquiring Trust.

To ensure that the Disposing Trust has the benefit of any receipts (other than receipts in the nature of principal), and bears the cost of any outgoings, in respect of the Assigned Assets for the period up to (but excluding) the Assignment Date and the Acquiring Trust has the benefit of such receipts and bears such costs for the period after (and including) that Assignment Date, the Manager will direct the Trustee as trustee of the Acquiring Trust to pay the Adjustment Advance to the Disposing Trust on the Assignment Date.

5.4 Security Trust

The Security Trustee acts as trustee of the Security Trust for the benefit of Noteholders, and all other Secured Creditors under the terms of the Security Trust Deed. The Security Trustee holds the Charge over the Assets of the Series Trust granted by the Trustee under the Security Trust Deed for the benefit of the Secured Creditors. If an Event of Default occurs under the Security Trust Deed and the Charge is enforced as a result, the Security Trustee, or a receiver appointed by it, will be responsible for realising the Assets of the Series Trust and the Security Trustee will be responsible for distributing the proceeds of realisation to Secured Creditors in the order prescribed under the Security Trust Deed.

6 Description of the assets of the Series Trust

6.1 Assets of the Series Trust

The Assets of the Series Trust will include the following:

- (a) the pool of Mortgage Loans, including all:
 - (i) principal payments paid or payable on the Mortgage Loans at any time from and after the Cut-Off Date; and
 - (ii) interest payments and fees payable on the Mortgage Loans before or after the Cut-Off Date (other than the Accrued Interest Adjustment which is to be paid on the first Distribution Date to Commonwealth Bank of Australia as Seller of the Mortgage Loans);
- (b) rights under the mortgage insurance policies issued by Genworth Financial Mortgage Insurance Pty Limited and/or QBE Lenders' Mortgage Insurance Limited and the individual property insurance policies covering the mortgaged properties relating to the Mortgage Loans;
- (c) rights under the mortgages in relation to the Mortgage Loans;
- (d) rights under the Collateral Securities appearing on the records of Commonwealth Bank of Australia as securing the Mortgage Loans (a "Collateral Security" in relation to a Mortgage Loan is any security interest, guaranty, indemnity or other assurance which secures the repayment or payment of that Mortgage Loan and is in addition to the mortgage corresponding to that Mortgage Loan);
- (e) amounts on deposit in the accounts established in connection with the creation of the Series Trust and the issuance of the Notes, including the Collections Account (including the Income Reserve and the Extraordinary Expense Reserve), and any instruments in which these amounts are invested; and
- (f) the Trustee's rights under the Transaction Documents.

6.2 The Housing Loans

The Mortgage Loan pool to be assigned to the Trustee on the Closing Date will be selected from a larger pool of Mortgage Loans originated by Commonwealth Bank of Australia. From that larger pool of Mortgage Loans, the Mortgage Loan pool that has been selected consists of 12,137 Mortgage Loans that have an aggregate principal balance outstanding as of 7 April 2011 of approximately A\$2,999,846,757.29.

The Mortgage Loans are secured by registered first ranking mortgages on properties located in Australia. The Mortgage Loans are from Commonwealth Bank of Australia's general residential mortgage product pool and have been originated by Commonwealth Bank of Australia in the ordinary course of its business. Each Mortgage Loan will be one of the types of products described in Section 7.3 ("*Commonwealth Bank of Australia's Product Types*"). Each Mortgage Loan may have some or all of the features described in Section 7.4 ("*Special Features of the Mortgage Loans*"). The Mortgage Loans are either fixed rate or variable rate loans. The mortgaged properties consist of owner-occupied properties and non-owner occupied properties, but do not include mobile homes which are not permanently affixed to the ground, commercial properties or unimproved land.

6.3 Other Features of the Housing Loans

The Mortgage Loans have the following features.

- (a) Interest is calculated daily and charged monthly in arrears.
- (b) Payments can be on a monthly, bi-weekly or weekly basis. Payments are made by borrowers using a number of different methods, including cash payments at branches, cheques and in most cases automatic transfer.
- (c) They are governed by the laws of one of the following Australian States or Territories:
 - (i) New South Wales;
 - (ii) Victoria;
 - (iii) Western Australia;
 - (iv) Queensland;
 - (v) South Australia;
 - (vi) Northern Territory;
 - (vii) the Australian Capital Territory; or
 - (viii) Tasmania.

6.4 Transfer and Assignment of the Mortgage Loans

The Mortgage Loans assigned to the Series Trust on the Closing Date will be specified in a sale notice from the Seller to the Trustee.

The Seller will equitably assign the Mortgage Loans, the mortgages and any collateral securities from time to time appearing in its records as securing those Mortgage Loans, any mortgage insurance policies in relation to the Mortgage Loans and its interest in any insurance policies on the mortgaged properties relating to those Mortgage Loans to the Trustee pursuant to the sale notice. After this assignment, the Trustee will be entitled to the collections, subject to certain exceptions, on the Mortgage Loans the subject of the sale notice.

If the Trustee is actually aware of the occurrence of a Perfection of Title Event which is subsisting then, unless the Manager has issued a Rating Affirmation Notice to the Trustee in relation to such event, the Trustee must declare that a Perfection of Title Event has occurred and the Trustee and the Manager must as soon as practicable take steps to perfect the Trustee's legal title to the Mortgage Loans. These steps will include the lodgement of transfers of the mortgages securing the Mortgage Loans with the appropriate land titles office in each Australian State and Territory. The Trustee will hold at the Closing Date irrevocable powers of attorney from the Seller to enable it to execute such mortgage transfers.

The Seller may in some instances equitably assign to the Trustee a Mortgage Loan secured by an "all moneys" mortgage, which may also secure other financial indebtedness. The Seller will also assign these other loans to the Trustee which will hold these by way of a separate trust for Commonwealth Bank of Australia established under the Series Supplement and known as the "CBA Trust". The other loans are not Assets of the Series Trust. The Trustee will hold the proceeds of enforcement of the related mortgage, to the extent they exceed the

amount required to repay the Mortgage Loan, as trustee for the CBA Trust, in relation to that other loan. The mortgage will secure the Mortgage Loan equitably assigned to the Series Trust in priority to that other loan.

Because the Seller's standard security documentation may secure all moneys owing by the provider of the security to the Seller, it is possible that a security held by that Seller in relation to other facilities provided by it could also secure a Mortgage Loan, even though in that Seller's records the particular security was not taken for this purpose. Commonwealth Bank of Australia will only assign to the Trustee in its capacity as trustee of the Series Trust those securities that appear in its records as intended to secure the Mortgage Loans. Other securities which by their terms technically secure a Mortgage Loan but which were not taken for that purpose, will not be assigned for the benefit of the Noteholders.

6.5 Representations, Warranties and Eligibility Criteria

Commonwealth Bank of Australia will make various representations and warranties to the Trustee as of the Cut-Off Date with respect to each Mortgage Loan being equitably assigned to the Trustee, including in respect of the Seller that:

- (a) at the time the Seller entered into the related mortgage, the mortgage complied in all material respects with applicable laws and, as at the Cut-Off Date, the Seller is not aware of any failure by it to comply with the National Consumer Credit Protection Laws (if applicable) in relation to the Mortgage Loan;
- (b) at the time the Seller entered into the Mortgage Loan, it did so in good faith;
- (c) at the time the Seller entered into the Mortgage Loan, the Mortgage Loan was originated in the ordinary course of that Seller's business and since then that Seller has dealt with the Mortgage Loan in accordance with its servicing guidelines;
- (d) at the time the Seller entered into the Mortgage Loan, all necessary steps were taken to ensure that the related mortgage complied with the legal requirements applicable at that time to ensure that the mortgage was a first ranking mortgage, subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or not, and any other prior security interests which do not prevent the mortgage from being considered to be a first ranking mortgage in accordance with the servicing standards, secured over land, subject to stamping and registration in due course;
- (e) where there is a second or other mortgage in respect of the land the subject of the related mortgage and the Seller is not the mortgagee of that second or other mortgage, the Seller has ensured whether by a priority agreement or otherwise, that the mortgage ranks ahead in priority to the second or other mortgage on enforcement for at least the principal amount plus accrued but unpaid interest of the Mortgage Loan and such other amount determined in accordance with the servicing guidelines;
- (f) at the time the Mortgage Loan was approved, the Seller had received no notice of the insolvency or bankruptcy of the relevant borrower or any notice that the relevant borrower did not have the legal capacity to enter into the relevant mortgage;
- (g) the Seller is the sole legal and beneficial owner of that Mortgage Loan and the related securities assigned to the Trustee as trustee of the Series Trust and, to its knowledge, no prior ranking security interest exists in relation to its right, title and interest in the Mortgage Loan and related securities;

- (h) each of the relevant mortgage documents, other than any insurance policies in respect of land, which is required to be stamped with stamp duty has been duly stamped;
- (i) other than in respect of priorities granted by statute, the Seller has not received notice from any person that it claims to have a security interest ranking in priority to or equal with the security interest held by the Seller and constituted by the relevant mortgage;
- (j) each Mortgage Loan is, or will on the Closing Date be, insured under a mortgage insurance policy;
- (k) except in relation to fixed rate Mortgage Loans or those which can be converted to a fixed rate or a fixed margin relative to a benchmark and applicable laws, binding codes and competent authorities binding on the Seller or as may be otherwise provided in the corresponding mortgage documents, there is no limitation affecting, or consent required from a borrower to effect, a change in the interest rate under the Mortgage Loan;
- (l) the terms of the loan agreement in relation to each Mortgage Loan require payments in respect of the Mortgage Loan to be made to the Seller free of setoff unless prohibited by law;
- (m) the Mortgage Loan satisfies the following eligibility criteria:
 - (i) it is from the Seller's general Mortgage Loan pool;
 - (ii) it is secured by a mortgage over land which has erected on or within it a residential dwelling or unit;
 - (iii) it is regarded as a "prime" loan and not a "low doc" loan;
 - (iv) it is a first-ranking mortgage;
 - (v) it has a loan-to-value ratio based on the outstanding balance of the Mortgage Loan and the most recent valuation of the mortgaged property, at the commencement of business on the Cut-Off Date, less than or equal to 95%;
 - (vi) the principal amount outstanding, assuming all due payments have been made by the borrower, will not exceed A\$1,000,000;
 - (vii) the borrower is required to repay that loan within 30 years of the Cut-Off Date;
 - (viii) no payment from the borrower under the Mortgage Loan is in arrears for more than 30 consecutive days;
 - (ix) it is or has been fully drawn;
 - (x) the borrower under the Mortgage Loan is not an employee of Commonwealth Bank of Australia who is paying a concessional rate of interest under the Mortgage Loan as a result of that employment, other than a concessional rate of interest which is offered to other groups of borrowers who are not also employees of Commonwealth Bank of Australia; and
 - (xi) it was advanced, and is repayable, in Australian dollars.

The Trustee has not investigated or made any inquiries regarding the accuracy of these representations and warranties and has no obligation to do so. The Trustee is entitled to rely entirely upon the representations and warranties being correct, unless an officer of the Trustee involved in the day to day administration of the Series Trust is actually aware of any breach.

6.6 Breach of Representations and Warranties

If Commonwealth Bank of Australia, the Manager or the Trustee becomes actually aware that a material representation or warranty from Commonwealth Bank of Australia relating to any Mortgage Loan or mortgage was incorrect when given, including that a Mortgage Loan not meeting the eligibility criteria has been included in the Mortgage Loan pool, it must notify the others within 5 Business Days, and provide to them sufficient details to identify the Mortgage Loan and the reasons for believing the representation or warranty is incorrect. None of Commonwealth Bank of Australia, the Manager or the Trustee is under any ongoing obligation to determine whether any representation or warranty is incorrect when given.

If any representation or warranty is incorrect when given and notice of this is given not later than 5 Business Days prior to 120 days after the Closing Date, or such longer period as may be agreed between the Australian Prudential Regulation Authority, the Trustee, the relevant Seller and the Manager (the “**Prescribed Period**”), and Commonwealth Bank of Australia does not remedy the breach to the satisfaction of the Trustee within 5 Business Days of Commonwealth Bank of Australia, or the Manager, giving or receive the notice as the case may be, the Mortgage Loan and its related securities will no longer form part of the Assets of the Series Trust. The Trustee will, however, retain all Finance Charge Collections and Principal Collections received in connection with that Mortgage Loan from the Cut-Off Date to the date of delivery of the notice. Commonwealth Bank of Australia must pay or procure payment to the Trustee the principal amount of, and interest accrued but unpaid under the Mortgage Loan as at the date of delivery of the relevant notice within 2 Business Days of that Mortgage Loan ceasing to form part of the Series Trust.

During the Prescribed Period, the Trustee’s sole remedy for any of the Seller’s representations or warranties being incorrect is the right to the above payment from the Seller and the Seller has no other liability for any loss or damage caused to the Trustee, any Noteholders or any other person, for any of the representations or warranties being incorrect.

If the breach of a representation or warranty in relation to a Mortgage Loan is discovered after the last day for giving notices in the Prescribed Period, Commonwealth Bank of Australia must pay damages to the Trustee which will be limited to the principal amount outstanding and any accrued but unpaid interest and any outstanding fees in respect of the Mortgage Loans. The amount of the damages must be agreed between the Trustee and Commonwealth Bank of Australia or, failing this, be determined by Commonwealth Bank of Australia’s external auditors.

6.7 Undertakings by the Seller

Commonwealth Bank of Australia, as the Seller, undertakes to the Trustee and the Manager that it will:

- (a) following the occurrence of a Perfection of Title Event, upon written request by the Trustee, take such action as may be reasonably necessary to preserve and protect the interest of the Trustee in, and the value of, the Mortgage Loan rights;
- (b) notify the Trustee, the Servicer and Commonwealth Bank of Australia (if not the Servicer), of any challenge to the sale of any mortgage loan right by a third party and give written notice to the third party, the Trustee and the court in which any claim

was filed, of the Trustee's interest in the mortgage loan rights and reimburse the Trustee for its reasonable costs in maintaining its interest in the Mortgage Loan rights;

- (c) take such action as the Servicer reasonably requests to manage, maintain and enforce its Mortgage Loan rights;
- (d) promptly notify the Trustee if it becomes aware of any competing security interest in relation to any Mortgage Loan rights;
- (e) ensure that it retains legal ownership of its Mortgage Loan rights;
- (f) execute such documents as the Trustee will reasonably require to effect the extinguishment of the Trustee's right, title and interest in a Mortgage Loan right and reimburse the Trustee for the reasonable costs of such extinguishment;
- (g) perform its contractual obligations under the mortgage documents, including any obligation to notify a borrower of any change in interest rates;
- (h) if any right of set-off is exercised by or against the Seller in respect of any mortgage loan, pay to the Trustee, any benefit accruing to it as a result of the exercise of its right of set-off or the amount of set-off exercised against it; and
- (i) not grant any security interest over its interest in any Mortgage Loan right.

6.8 Details of the Housing Loan Pool

The information in Appendix A, attached to, and incorporated by reference into this Information Memorandum, sets forth in tabular format various details relating to the selection Mortgage Loan pool from which the Mortgage Loans proposed to be sold to the Series Trust on the Closing Date will be selected (except, if the Manager makes an application to the Central Bank for approval of this Information Memorandum by the Central Bank under the Prospectus Directive, for purposes of such approval where no documents are incorporated by reference and such information is included as Appendix A hereto). The information is provided as of 7 April 2011. All amounts have been rounded to the nearest Australian dollar. The sum in any column may not equal the total indicated due to rounding.

Note that these details may not reflect the Mortgage Loan pool as of the Closing Date because the Seller may add additional eligible Mortgage Loans or remove Mortgage Loans but any changes to the pool will be minor, as set out below.

7 Commonwealth Bank of Australia Residential Loan Program

Set out below is a summary of Commonwealth Bank of Australia's residential loan program.

7.1 Origination Process

The Mortgage Loans to be assigned to the Series Trust by Commonwealth Bank of Australia comprise a portfolio of variable and fixed rate loans which were originated by Commonwealth Bank of Australia through loan applications from new and existing customers. All Commonwealth Bank of Australia Mortgage Loan applications are sourced from Commonwealth Bank of Australia's branch network, its mobile sales force, its telephone sales operation, approved mortgage brokers and through the internet from Commonwealth Bank of Australia's website at "www.commbank.com.au".

7.2 Approval and Underwriting Process

When a Mortgage Loan application is received it is processed in accordance with Commonwealth Bank of Australia's approval policies. These policies are monitored and are subject to continuous review by Commonwealth Bank of Australia which, like other lenders in the Australian residential housing loan market, does not divide its borrowers into groups of differing credit quality for the purposes of setting standard interest rates for their residential housing loans. In certain situations discounted interest rates are provided to retain existing borrowers or to attract certain high income individuals. All borrowers must satisfy the appropriate Seller's approval criteria described in this section.

Each lending officer of Commonwealth Bank of Australia must be assessed prior to a credit approval authority delegation being approved. The lending officer's performance and approval authority is constantly monitored and reviewed by Commonwealth Bank of Australia. This ensures that loans are approved by a lending officer with the proper authority level and that the quality of the underwriting process by each individual lending officer is maintained.

Housing loans processed by Commonwealth Bank of Australia will either be approved or declined by a credit scorecard system or referred to a lending officer holding a credit approval authority. A loan will be approved or rejected by a lending officer holding the appropriate level of delegation and loans which have higher risk characteristics or does not meet Commonwealth Bank of Australia's approval criteria are assessed by a loan officer with higher level of experience.

The approval process includes verifying the borrower's application details, assessing their ability to repay the Mortgage Loan and determining the valuation of the mortgaged property.

(a) Verification of application details

The verification process involves borrowers providing proof of identity, evidence of income and evidence of savings. For an employed applicant, it includes confirming employment and income levels by way of recent payslips, tax assessments or letter from the employer. For a self-employed or business applicant it includes checking annual accounts and tax assessments. Where applicants are refinancing debts from another financial institution, a check of recent statements of the existing loan is made to determine the regularity of debt payments. The credit history of any existing borrowings from Commonwealth Bank of Australia is also checked.

(b) **Assessing ability to repay**

Based upon the application, once verified, an assessment is made of the applicant's ability to repay the Mortgage Loan. This is primarily based on the applicant's debt servicing to income commitment ratio along with any risk factors identified in verifying the applicant's income, savings or credit history. The credit decision is made using one of the following processes.

(i) Credit scorecard

A credit scorecard system automatically and consistently applies Commonwealth Bank of Australia's credit assessment rules without relying on the credit experience of the inputting officer. The credit scorecard returns a decision to approve, reject or refer an application. An application is referred by the system if certain risk factors, such as loan size or a high commitment level, are present which require the application to be assessed by an experienced loan officer. The credit score determined by this system is based on historical performance data of Commonwealth Bank of Australia's Mortgage Loan portfolio.

(ii) *Credit approval authorities*

Housing loan applications which are not credit scored and those which are referred by the credit scorecard are assessed by a loan officer. Each loan officer is allocated a credit approval authority based on their level of experience and past performance. Loans which have certain risk characteristics, such as loan size or a high commitment level, are assessed by more experienced loan officers. Commonwealth Bank of Australia monitors the quality of lending decisions and conducts regular audits of approvals.

In addition to the processes described above, Mortgage Loan applications sourced through Commonwealth Bank of Australia's approved mortgage brokers are also subject to a credit history search of the borrower which is provided by Baycorp Advantage Ltd, formerly known as Credit Advantage Ltd.

Borrowers in respect of Mortgage Loans may be natural persons, corporations or trusts. Housing loans to corporations and trusts may be secured, if deemed necessary, by guarantees from directors. Guarantees may also be obtained in other circumstances.

(c) **Valuation of mortgaged property**

For applications which successfully pass the credit decision process, the maximum allowable loan-to-value ratio, being the ratio of the Mortgage Loan amount to the value of the mortgaged property, is calculated and an offer for finance is made conditional upon a satisfactory valuation of the mortgaged property and any other outstanding conditions being satisfied. The amount of the Mortgage Loan that will be approved for a successful applicant is based on an assessment of the applicant's ability to service the proposed Mortgage Loan and the loan-to-value ratio. For the purposes of calculating the loan-to-value ratio, the value of a mortgaged property in relation to Mortgage Loans Trust has been determined at origination by a qualified professional valuer or, subject to certain risk criteria, an externally provided database value or an acceptable source document such as a contract for the purchase of the mortgaged property. The risk criteria includes limits on the loan amount and the value and geographical location of the security property.

The maximum loan-to-value ratio that is permitted for any loan is determined according to Commonwealth Bank of Australia credit policy and is dependent on the size of the proposed loan, the nature and location of the proposed mortgaged property and other relevant factors. Where more than one mortgaged property is offered as security for a Mortgage Loan, the sum of the valuations for each mortgaged property is assessed against the Mortgage Loan amount sought.

The Commonwealth Bank of Australia's formal loan offer with the loan security documentation is sent by one of the Commonwealth Bank of Australia's loan processing centres to borrowers for acceptance/execution. Once Commonwealth Bank of Australia's formal loan offer has been accepted by the applicant, one of Commonwealth Bank of Australia's loan processing centres prepares the loan security documentation and dispatches it to the borrower for execution. After execution, the documentation, together with signed acknowledgement that all nondocumentary conditions of approval have been met, is returned by the business unit to the loan processing centre authorising settlement and funding of the Mortgage Loan to proceed. In certain circumstances, settlement and funding are completed at the business unit level.

One of the conditions of settlement is that the borrower establish and maintain full replacement general home owner's insurance on the mortgaged property. Some of the Mortgage Loans have home owner's insurance provided by Commonwealth Insurance Limited, a subsidiary of Commonwealth Bank of Australia. However, there is no ongoing monitoring of the level of home owner's insurance maintained by borrowers.

7.3 Commonwealth Bank of Australia's Product Types

Set out below is a summary of Commonwealth Bank of Australia's housing loan product types.

Commonwealth Bank of Australia offers a wide variety of housing loan product types with various features and options that are further described in this section. Market competition and economics may require that Commonwealth Bank of Australia offer new product types or add features to a housing loan which are not described in this section. However, before doing so, Commonwealth Bank of Australia must satisfy the Manager that the additional features would not affect any mortgage insurance policy covering the Mortgage Loans and would not cause a downgrade or withdrawal of the rating of the Notes if those Mortgage Loans remain in the Series Trust.

(a) Commonwealth Bank of Australia's Standard Variable Rate Loan and Fixed Rate Loan

These types of loan are Commonwealth Bank of Australia's traditional standard mortgage products which consists of standard variable rate and fixed rate options. The standard variable rate product is not linked to any other variable rates in the market. However, it may fluctuate with market conditions. Borrowers may switch to a fixed interest rate at any time as described below in "Switching Interest Rates." Some of the Mortgage Loans will be subject to fixed rates for differing periods.

In addition, some of these loans have an interest rate which is discounted by a fixed percentage to the standard variable rate or fixed rate. These discounts are offered to members of certain professional groups, other high income individuals and borrowers who meet certain loan size requirements.

(b) **Commonwealth Bank of Australia’s Economiser Home Loan and Rate Saver Home Loan**

These types of loans have a variable interest rate which is not linked to the standard variable rate product and which may fluctuate independently of this and other standard variable rates in the market. These types of loans were introduced by Commonwealth Bank of Australia to allow borrowers who did not require a full range of product features to reduce their interest rate. The interest rate for the Economiser Home Loan and Rate Saver Home Loan historically has been less than that for the standard variable rate product. Of the features described below, at present only those headed “Redraw and Further Advances,” “Interest Only Periods”, “Repayment Holiday” and “Early Repayment” are available.

However, any such borrowers availing themselves of the “Interest Only Periods” product feature will currently cease to be eligible for the product feature “Redraws and Further Advances”. To take advantage of other features borrowers must, with the agreement of Commonwealth Bank of Australia and upon payment of a fee, switch their Mortgage Loan to a Standard Variable Rate Loan or Fixed Rate Loan product. However, these or other features may in the future be offered to borrowers.

7.4 Special Features of the Mortgage Loans

Each Mortgage Loan may have some or all of the features described in this section. In addition, during the term of any Mortgage Loan, Commonwealth Bank of Australia may agree to change any of the terms of that Mortgage Loan from time to time at the request of the borrower.

(a) **Switching Interest Rates**

Borrowers may elect for a fixed rate, as determined by Commonwealth Bank of Australia to apply to their Mortgage Loan for a period of up to 15 years. These Mortgage Loans convert to the standard variable interest rate at the end of the agreed fixed rate period unless the borrower elects to fix the interest rate for a further period.

Any variable rate Mortgage Loan of the Series Trust converting to a fixed rate product will automatically be matched by an increase in the fixed rate swaps to hedge the fixed rate exposure.

(b) **Substitution of Security**

A borrower may apply to the Servicer to achieve the following:

- (i) substitute a different mortgaged property in place of the existing mortgaged property securing a Mortgage Loan; or
- (ii) release a mortgaged property from a mortgage.

If the Servicer’s credit criteria are satisfied and another property is substituted for the existing security for the Mortgage Loan, the mortgage which secures the existing Mortgage Loan may be discharged without the borrower being required to repay the Mortgage Loan. The Servicer must obtain the consent of any relevant mortgage insurer to the substitution of security or a release of a mortgage where this is required by the terms of a Mortgage Insurance Policy.

(c) **Redraws and Further Advances**

Each of the variable rate Mortgage Loans allows the borrower to redraw principal repayments made in excess of scheduled principal repayments during the period in which the relevant Mortgage Loan is charged a variable rate of interest. Borrowers may request a redraw at any time subject to meeting certain credit criteria at that time. The borrower may be required to pay a fee to Commonwealth Bank of Australia in connection with a redraw. Currently, Commonwealth Bank of Australia does not permit redraws on fixed rate Mortgage Loans, interest only Economiser Home Loans and Rate Saver Home Loans. A redraw will not result in the related Mortgage Loan being removed from the Series Trust.

In addition, Commonwealth Bank of Australia may agree to make a further advance to a borrower under the terms of a Mortgage Loan subject to a credit assessment.

Where a further advance does not result in the previous scheduled principal balance of the Mortgage Loan being exceeded by more than one scheduled monthly instalment, the further advance will not result in the Mortgage Loan being removed from the Series Trust. Where a further advance does result in the previous scheduled principal balance of the Mortgage Loan being exceeded by more than one scheduled monthly instalment, Commonwealth Bank of Australia must pay to the Series Trust the principal balance of the Mortgage Loan and accrued and unpaid interest and fees on the Mortgage Loan. If this occurs the Mortgage Loan will be treated as being repaid and will cease to be an Asset of the Series Trust.

A further advance to a borrower may also be made under the terms of another loan or as a new loan. These loans may share the same security as a Mortgage Loan assigned to the Series Trust but will be subordinated upon the enforcement of that security to the Mortgage Loan.

(d) **Repayment Holiday**

A borrower is allowed a repayment holiday where the borrower has prepaid principal, creating a difference between the outstanding principal balance of the loan and the scheduled amortised principal balance of the Mortgage Loan. The borrower is not required to make any payments, including payments of interest, until the outstanding principal balance of the Mortgage Loan plus unpaid interest equals the scheduled amortised principal balance. The failure by the borrower to make payments during a repayment holiday will not cause the related Mortgage Loan to be considered delinquent.

(e) **Early Repayment**

A borrower may incur a fee if an early repayment occurs on either a fixed rate or variable rate Mortgage Loan. A borrower may also incur break fees if an early repayment or partial prepayment of principal occurs on a fixed rate Mortgage Loan. However, at present fixed rate loans allow for partial prepayment by the borrower of up to A\$10,000 in any 12 month period without any break fees being applicable.

(f) **Combination or “Split” Mortgage Loans**

A borrower may elect to split a Mortgage Loan into separate funding portions which may, among other things, be subject to different types of interest rates. Each part of the Mortgage Loan is effectively a separate loan contract, even though all the separate loans are secured by the same mortgage.

(g) **Interest Offset**

Commonwealth Bank of Australia offers borrowers an interest offset product known as a mortgage interest saver account under which the interest accrued on the borrower's deposit account is offset against interest on the borrower's Mortgage Loan. Commonwealth Bank of Australia does not actually pay interest to the borrower on the loan offset account, but simply reduce the amount of interest which is payable by the borrower under its Mortgage Loan. The borrower continues to make its scheduled mortgage payment with the result that the portion allocated to principal is increased by the amount of interest offset. Commonwealth Bank of Australia will pay to the Series Trust the aggregate of all interest amounts offset in respect of the Mortgage Loans for which it is the Seller. These amounts will constitute Finance Charge Collections for the relevant period.

If, following a Perfection of Title Event, the Trustee obtains legal title to a Mortgage Loan, Commonwealth Bank of Australia will no longer be able to offer an interest offset arrangement for that Mortgage Loan.

(h) **Interest Only Periods**

A borrower may also request to make payments of interest only on his or her Mortgage Loan. If Commonwealth Bank of Australia agrees to such a request it does so conditional upon higher principal repayments or a bulk reduction of principal applying upon expiry of the interest only period so that the Mortgage Loan is repaid within its original term.

(i) **Special Introductory Rates**

Commonwealth Bank of Australia may offer borrowers introductory rates for periods of up to three years during which period the rate is either variable or fixed. On the expiry of the introductory offer, these home loans automatically convert to the standard or base variable interest rate.

7.5 Additional Features

Commonwealth Bank of Australia may from time to time offer additional features in relation to a Mortgage Loan which are not described in the preceding section or may cease to offer features that have been previously offered and may add, remove or vary any fees or other conditions applicable to such features.

8 Description of the Notes

8.1 General

The Trustee will issue the Notes on the Closing Date pursuant to a direction from the Manager to the Trustee to issue the Notes and the terms of the Master Trust Deed, the Series Supplement and the Dealer Agreement. The Notes will be governed by the laws of New South Wales. The following summary describes the material terms of the Notes. The summary does not purport to be complete and is subject to the terms and conditions of the Notes and to the terms and conditions of the Master Trust Deed and the other Transaction Documents. Noteholders are bound by, and deemed to have notice of, all the provisions of the Transaction Documents.

8.2 Form of the Notes

(a) Security Certificates

No global definitive certificate or other instrument will be issued to evidence a person's title to a Note. Instead, each Noteholder is entitled to be issued with a "Security Certificate" under which the Trustee acknowledges that the Noteholder has been entered in the register in respect of the relevant Notes referred to therein. A Security Certificate is not a certificate of title as to the relevant Notes. It cannot, therefore, be pledged or deposited as security nor can the Notes be transferred by delivery of only a Security Certificate to a proposed transferee.

If a Security Certificate becomes worn out or defaced, then upon production of it to the Trustee, a replacement will be issued. If a Security Certificate is lost or destroyed, and upon proof of this to the satisfaction of the Trustee and the provision of such indemnity as the Trustee considers adequate, a replacement Security Certificate will be issued. A fee not exceeding \$10 may be charged by the Trustee for a new Security Certificate.

(b) The Register of Noteholders

The Trustee will maintain the register at its principal office in Sydney.

The register will include the names and addresses of the Noteholders and a record of each payment made in respect of the Notes.

The register is conclusive evidence of the title of a person recorded in it as the holder of a Note.

The Trustee may from time to time close the register for a period not exceeding 35 Business Days in aggregate in any calendar year (or such greater period as may be permitted by the Corporations Act).

In addition to the above period, the register will be closed by the Trustee at 3.30 pm (Sydney time) on the Business Day prior to the payment of entitlements to investors (or on such other Business Day as the Trustee notifies the Noteholders) for the purpose of calculating entitlements to interest and principal on the Notes. The register will re-open at the commencement of business on the Business Day immediately following the day on which such calculation is made. On each Distribution Date, principal and interest payable on the Notes on that Distribution Date will be paid to those Noteholders whose names appear in the register when the register is closed prior to that Distribution Date.

The register may be inspected by a Noteholder during normal business hours in respect of information relating to that Noteholder only. Copies of the register may not be taken.

(c) **Transfer of Notes**

Subject to the following conditions, a Noteholder is entitled to transfer any of its Notes if:

- (i) the offer for sale or invitation to purchase to the proposed transferee by the Noteholder:
 - A. does not require disclosure to investors under Part 6D.2 of the Corporations Act;
 - B. is not made to a Retail Client; and
 - C. complies with any other applicable laws in all jurisdictions in which the offer or invitation is made;
- (ii) unless lodged with Austraclear as explained in Section 8.2(e) (“*Lodgment of the Notes in Austraclear*”), all transfers of Notes must be effected by a Security Transfer. Security Transfers are available from the Trustee’s registry office. Every Security Transfer must be duly completed, duly stamped (if applicable), executed by the transferor and the transferee and lodged for registration with the Trustee accompanied by the Security Certificate to which it relates.

For the purposes of accepting a Security Transfer, the Trustee is entitled to assume that it is genuine and signed by the transferor and transferee with appropriate authority.

The Trustee is authorised to refuse to register any Security Transfer which is not duly executed or which would result in a contravention of or a failure to observe:

- (i) the terms of the Master Trust Deed or the Series Supplement; or
- (ii) a law of the Commonwealth of Australia or of a State or Territory of the Commonwealth of Australia.

The Trustee is not bound to give any reason for refusing to register any Security Transfer and its decision is final, conclusive and binding.

A Security Transfer will be regarded as received by the Trustee on the Business Day that the Security Transfer is actually received by the Trustee at the place at which the register is kept. However, if a Security Transfer is actually received by the Trustee after 3.30 pm on a Business Day at which the register is kept, it will be regarded as having been received by the Trustee on the next Business Day. If a Security Transfer is received by the Trustee during any period when the register is closed for any purpose, or on a non-Business Day, the Security Transfer will be regarded as having been received by the Trustee on the first Business Day thereafter on which the register is open.

The Trustee must register the transferee in the register upon receipt (as set out above). The registration in the register of a Security Transfer will constitute passing of title in the Security to the transferee.

For the purpose of making payments of interest or principal on the Notes the Trustee will refer to the register on the Business Day before the Determination Date immediately preceding the relevant Distribution Date (thus if a Security Transfer is received on or after a Determination Date, payments on the immediately following Distribution Date will be made to the transferor).

Upon registration of a Security Transfer, the Trustee will within 10 Business Days of registration issue a Security Certificate to the transferee in respect of the relevant Notes and, where applicable, issue to the transferor a Security Certificate for the balance of the Notes retained by the transferor.

(d) **Marked Security Transfer**

A Noteholder may request the Trustee to provide a marked Security Transfer in relation to its Notes. Once a Security Transfer has been marked by the Trustee, for a period of 90 days thereafter (or such other period as is determined by the Manager) the Trustee will not register any transfer of the Notes described in the Security Transfer other than that marked Security Transfer.

(e) **Lodgement of the Notes in Austraclear**

It is intended that the Notes will be lodged in Austraclear after issue. It is also intended that the Notes will be lodged with Austraclear on the basis that they will not be uplifted.

Once the Notes are lodged into the Austraclear system, Austraclear will become the registered holder of those Notes in the register to be maintained by the Trustee. While those Notes remain in the Austraclear system:

- (i) all payments and notices required of the Trustee and the Manager in relation to those Notes will be directed to Austraclear;
- (ii) all dealings and payments in relation to those Notes within the Austraclear system will be governed by the Austraclear Regulations; and
- (iii) interests in the Notes may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear System by Westpac Custodian Nominees Limited as nominee of Euroclear while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by ANZ Nominees Limited as nominee of Clearstream, Luxembourg. The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominees and the rules and regulations of the Austraclear System. In addition, any transfer of interests in the Notes which are held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the other requirements under Section 8.2(c) ("*Transfer of Notes*").

(f) **Notices to Noteholders**

Notices, requests and other communications by the Trustee or the Manager to Noteholders may be made by:

- (i) advertisement placed on a Business Day in The Australian Financial Review (or other nationally delivered newspaper); or
- (ii) mail, postage prepaid, to the address of the Noteholders as shown in the register. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the Noteholders actually receive the notice.

(g) **Joint Noteholders**

Where Notes are held jointly, only the person whose name appears first in the register will be entitled to be:

- (i) issued the relevant Security Certificate and, if applicable, a marked Security Transfer;
- (ii) given any notices; and
- (iii) paid any moneys due in respect of the Notes except that in the case of payment by cheque, the cheque will be payable to the joint Noteholders.

(h) **Method of Payment**

Any amounts payable by the Trustee to a Noteholder will be paid in Australian dollars and, subject to paragraph 8.2(e) (“*Lodgment of the Notes in Austraclear*”) in relation to Notes lodged in Austraclear, will be paid:

- (i) by electronic transfer through Austraclear;
- (ii) by payment to a bank account in Australia of the payee nominated by the payee; or
- (iii) any other manner specified by the Noteholder and agreed to by the Manager and the Trustee.

8.3 Payments on the Notes

Collections in respect of interest and principal will be received during each Collection Period. Collections include the following:

- (a) payments of interest, principal, fees and other amounts under the Mortgage Loans, excluding any insurance premiums and related charges payable to Commonwealth Bank of Australia;
- (b) proceeds from the enforcement of the Mortgage Loans and mortgages and other securities relating to those Mortgage Loans;
- (c) amounts received under the Mortgage Insurance Policies;
- (d) amounts received from Commonwealth Bank of Australia for breaches of representations or undertakings; and

- (e) interest on amounts in the Collections Account (including the Income Reserve and the Extraordinary Expense Reserve) and the GIC Account, other than certain excluded amounts, and income received on Authorised Short-Term Investments or GIC Authorised Investments of the Series Trust, other than certain excluded amounts.

The Trustee will make its payments on a monthly basis on each Distribution Date, including payments to Noteholders, from collections received during the preceding Collection Period and from amounts received under Support Facilities on or prior to the relevant Distribution Date and from accrued amounts retained or invested in Authorised Short-Term Investments. Amounts standing to the credit of the GIC Account will also be applied on the Class A2 Refinancing Date towards redemption of the Class A2 Notes and, if there is any excess in the GIC Account following redemption of those Notes, on the next Distribution Date to make principal payments to Noteholders. Certain amounts received by the Trustee are not available for application to Noteholders on any Distribution Date. These amounts include cash collateral lodged with the Trustee by a Support Facility Provider and interest on that cash collateral.

8.4 Key Dates and Periods

The following are the relevant dates and periods for the allocation of cashflows and their payments.

Accrual Period

In relation to the Class A1 Notes, the Class A2-R Notes, the Class AB Notes, the Class AC Notes, the Class B Notes and the Redraw Notes, means each monthly period commencing on and including a Distribution Date and ending on but excluding the next Distribution Date. However, the first and last Accrual Periods are as follows:

- (a) first: the period from and including the issue date of the relevant Notes to but excluding the first Distribution Date; and
- (b) last: the period from and including the Distribution Date immediately preceding the date upon which the relevant Notes are redeemed to but excluding the earlier of the date upon which the relevant Notes are redeemed and the Distribution Date on which final distributions upon termination of the Series Trust are to be made.

In relation to the Class A2 Notes, means each six-monthly period commencing on and including a Fixed Interest Payment Date and ending on but excluding the next Fixed Interest Payment Date. However, the second Accrual Period will commence on (and include) 22 October 2011 and the first and last Accrual Periods are as follows:

- (a) first: is the period from and including the issue date of the Class A2 Notes to but excluding 22 October 2011; and
- (b) last: the period from and including the Fixed Interest Payment Date immediately preceding the date upon which the Class A2 Notes are redeemed to but

excluding the earlier of the date upon which the Class A2 Notes are redeemed and the Distribution Date on which final distributions upon termination of the Series Trust are to be made.

Collection Period	With respect to each Determination Date, means the period commencing on and including the previous Determination Date and ending on but excluding that Determination Date. However, the first Collection Period is the period from and including the Cut-Off Date to but excluding the first Determination Date.
Determination Date	The 1st day of each calendar month in which a Distribution Date occurs. The first Determination Date is 1 June 2011.
Distribution Date	The 22nd day of each calendar month, or if the 22nd day is not a Business Day, the next Business Day. The first Distribution Date is 22 June 2011 (or if that day is not a Business Day, on the first Business Day thereafter).
Fixed Interest Payment Date	Each Distribution Date which occurs in April and October of each year.

Example Calendar

The following example calendar assumes that all relevant days are Business Days:

Collection Period:	1 September to 30 September
Determination Date:	1 October
Accrual Period:	22 September to 21 October
Distribution Date:	22 October
Fixed Interest Payment Date	22 October
Collection Period:	1 October to 31 October
Determination Date:	1 November
Accrual Period:	22 October to 22 November
Distribution Date:	22 November
Fixed Interest Payment Date	Not applicable

8.5 Determination of the Available Income Amount

Payments of interest, fees and amounts otherwise of an income nature, including payments of interest on the Notes, are made from the Available Income Amount.

The “**Available Income Amount**” for a Determination Date and the following Distribution Date means the aggregate of:

- (a) the “**Finance Charge Collections**” for the preceding Collection Period which are the following amounts received by or on behalf of the Trustee during that Collection Period:
- (i) all amounts received in respect of interest, fees, government charges and other amounts due under the Mortgage Loans but not including principal and any insurance premiums and related charges payable to Commonwealth Bank of Australia;
 - (ii) all amounts of interest in respect of the Mortgage Loans to the extent that the obligation to pay is discharged by a right of set-off or right to combine accounts; and
 - (iii) break costs, but only to the extent that these are not paid to the Fixed Rate Swap provider or the Class A2 Note Fixed Swap Provider under the relevant swap transaction;
- (b) the “**Mortgage Insurance Income Proceeds**” for that Determination Date. These are amounts received by the Trustee under a Mortgage Insurance Policy which the Manager determines should be accounted for on that Determination Date in respect of a loss of interest, fees, charges and certain property protection and enforcement expenses on a Mortgage Loan;
- (c) “**Other Income Amounts**” for that Collection Period which means:
- (i) certain damages or equivalent, including amounts paid by Commonwealth Bank of Australia in respect of breaches of representations or warranties in relation to the Mortgage Loans, in respect of interest or fees on the Mortgage Loans received from the Servicer or Commonwealth Bank of Australia during the Collection Period;
 - (ii) other damages received by the Trustee during the Collection Period from the Servicer, Commonwealth Bank of Australia or any other person and allocated by the Manager as Other Income Amounts;
 - (iii) amounts received upon a sale of the Mortgage Loans in respect of interest or fees if the Series Trust terminates as described under Section 9.1 (“*Termination of the Trust*”);
 - (iv) amounts received from the Seller upon a repurchase of the Mortgage Loans by the Seller on any Distribution Date falling on or after the Call Date (as described in Section 8.25 (“*Optional Redemption of the Notes*”)) and which relate to accrued interest on the Mortgage Loans;
 - (v) interest, if any, on the Collections Account (including the Income Reserve and the Extraordinary Expense Reserve) and the GIC Account, and amounts, if any, paid by the Servicer representing interest on collections retained by the Servicer for longer than 5 Business Days after receipt;
 - (vi) income earned on Authorised Short-Term Investments and GIC Authorised Investments;
 - (vii) certain tax credits received by the Trustee during the Collection Period; and
 - (viii) other receipts in the nature of income, as determined by the Manager, received during the Collection Period;

- (d) any advance under the Liquidity Facility Agreement due to be made on that Distribution Date in order to meet a Net Income Shortfall or to be applied on that Distribution Date from a Cash Deposit Advance in accordance with the Liquidity Facility Agreement (“**Liquidity Facility Advance**”);
- (e) any Principal Draws due to be made on that Distribution Date in order to meet a Gross Income Shortfall;
- (f) any Income Reserve Draw due to be made on that Distribution Date;
- (g) any Extraordinary Expense Reserve Draw due to be made on that Distribution Date in order to make up any remainder of a Net Income Shortfall after any Liquidity Facility Advance and any Income Reserve Draw on that Distribution Date; and
- (h) any other amounts received from a Support Facility Provider on or prior to that Distribution Date which the Manager determines should be included in the Available Income Amount.

8.6 Principal Draw

- (a) If the Manager determines on any Determination Date that there is a Gross Income Shortfall, the Manager must direct the Trustee to apply a portion of the Available Principal Amount, to the extent that funds are available as described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”) to cover such Gross Income Shortfall in an amount equal to the lesser of the Gross Income Shortfall and the funds available from Available Principal Amount for this purpose.
- (b) A “**Gross Income Shortfall**” is the amount by which the aggregate payments to be made by the Trustee under Section 8.10(a) to Section 8.10(m) (“*Payment of the Available Income Amount on a Distribution Date*”) (inclusive) from the Available Income Amount on the immediately following Distribution Date (which, in respect of the first Distribution Date only, will also include any Accrued Interest Adjustment payable by the Trustee to the Seller on that Distribution Date) exceed the aggregate of the Finance Charge Collections, the Mortgage Insurance Income Proceeds and Other Income Amounts in relation to that Determination Date.
- (c) Any application of the Available Principal Amount to cover a Gross Income Shortfall (a “**Principal Draw**”) will be reimbursed out of any Available Income Amount available for this purpose on subsequent Distribution Dates as described in Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”).

8.7 Liquidity Facility Advance

- (a) If the Manager determines on any Determination Date (other than during a Cash Deposit Period) that there is a Net Income Shortfall, the Manager must direct the Trustee to make a drawing under the Liquidity Facility Agreement in an amount equal to the lesser of the amount of the Net Income Shortfall and the unutilised portion of the Liquidity Facility Limit, if any.
- (b) A “**Net Income Shortfall**” in relation to a Determination Date is the amount by which any Principal Draw to be made on the immediately following Distribution Date is insufficient to meet the Gross Income Shortfall.
- (c) If the Manager determines that the Liquidity Facility Provider does not have the Designated Credit Rating, the Manager must prepare and forward to the Trustee a

drawdown notice for an amount equal to the Cash Deposit Advance in accordance with the Liquidity Facility Agreement.

8.8 Income Reserve

- (a) The Seller has agreed to lend to the Trustee an amount equal to the Income Reserve Required Amount on the Closing Date. The Trustee has agreed to, at the direction of the Manager, deposit the Income Reserve Required Amount received from the Seller into the Collections Account as a sub-ledger known as the “Income Reserve”. No other amounts are to be deposited or credited to the Income Reserve after it has been established.
- (b) On each Determination Date an amount equal to the lesser of:
 - (i) an amount equal to:
 - A. the GIC Balance as at the immediately preceding Distribution Date; multiplied by
 - B. the Class A2 Swap Margin; multiplied by
 - C. the number of days in the immediately preceding Accrual Period; divided by
 - D. 365; and
 - (ii) the balance of the Income Reserve,will be applied from the Income Reserve on the following Distribution Date by the Trustee, at the direction of the Manager, and included in the Available Income Amount to be applied on that Distribution Date (an “**Income Reserve Draw**”).
- (c) On the Class A2 Refinancing Date, any amounts standing to the balance of the Income Reserve after any Income Reserve Draw has been made in accordance with paragraph (b), will be released from the Income Reserve and repaid to the Seller.

8.9 Extraordinary Expense Reserve

- (a) The Seller has agreed to lend to the Trustee an amount equal to the Extraordinary Expense Reserve Required Amount on the Closing Date. The Trustee has agreed to, at the direction of the Manager, deposit the Extraordinary Expense Reserve Required Amount received from the Seller into the Collections Account as a sub-ledger known as the “Extraordinary Expense Reserve”. Further amounts may be deposited into the Extraordinary Expense Reserve to the extent required under Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”).
- (b) If, on any Determination Date, the Manager determines that the Net Income Shortfall exceeds the Liquidity Facility Advance (plus any Income Reserve Draw) in relation to that Determination Date, then an amount equal to the lesser of:
 - (i) that excess; and
 - (ii) the balance of the Extraordinary Expense Reserve,

will be applied from the Extraordinary Expense Reserve on the following Distribution Date by the Trustee, at the direction of the Manager, as an Extraordinary Expense Reserve Draw to meet that shortfall.

- (c) Each Extraordinary Expense Reserve Draw made on any Distribution Date in accordance with paragraph (b) is to be repaid on subsequent Distribution Dates, but only to the extent that there are funds available for this purpose in accordance with Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”).
- (d) On the Distribution Date on which all Notes are to be redeemed in full, any amounts standing to the balance of the Extraordinary Expense Reserve after any Extraordinary Expense Reserve Draw has been made in accordance with paragraph (b), will be released from the Extraordinary Expense Reserve and repaid to the Seller.

8.10 Payment of the Available Income Amount on a Distribution Date

Subject to the following, on each Distribution Date prior to the enforcement of the Charge, the Available Income Amount for that Distribution Date is allocated in the following order of priority:

- (a) first, at the manager’s discretion, in or towards payment of \$1 to the Income Unitholder to be dealt with, and held by, the Income Unitholder absolutely;
- (b) next, in payment of any taxes in relation to the Series Trust including government charges paid by the Servicer for the Trustee;
- (c) next, in payment to the Trustee of the Trustee’s fee due on that Distribution Date;
- (d) next, in payment to the Security Trustee of the Security Trustee’s fee due on that Distribution Date;
- (e) next, in payment to the Manager of the management fee due on that Distribution Date;
- (f) next, in payment to the Servicer of the Servicer’s fee due on that Distribution Date;
- (g) next, in payment to the Liquidity Facility Provider of the Liquidity Facility Commitment Fee payable under the Liquidity Facility Agreement;
- (h) next, in payment *pari passu* and rateably towards:
 - (i) any net amounts payable to the Interest Rate Swap Provider under an Interest Rate Swap Agreement due on that Distribution Date other than any Subordinated Termination Payment; and
 - (ii) on each Distribution Date which is not a Fixed Interest Payment Date, towards retaining in Authorised Short-Term Investments (with a rate of return at least equal to the Bank Bill Rate) an amount equal to the portion of the Trustee’s payment on the Class A2 Note Fixed Swap that is due on the following Fixed Interest Payment Date that has accrued since the immediately preceding Distribution Date. Prior to the enforcement of the Charge, the Trustee has agreed to apply and only apply such amounts subsequently on the following Fixed Interest Payment Date to meet the Trustee’s obligation to make payments under the Class A2 Note Fixed Swap;

- (iii) interest payable under the Liquidity Facility Agreement on that Distribution Date plus any interest under the Liquidity Facility Agreement remaining unpaid from prior Distribution Dates;
- (i) next, in payment of or to make provision for all expenses of the Series Trust in respect of or due in the Accrual Period ending immediately prior to that Distribution Date, other than as detailed above or below;
- (j) next, in repayment of any outstanding Liquidity Facility Advance made on or prior to the previous Distribution Date;
- (k) next, pari passu and rateably as follows:
 - (i) in payment of interest in relation to the Class A1 Notes for that Distribution Date and unpaid interest in relation to the Class A1 Notes from prior Distribution Dates and interest on any unpaid interest;
 - (ii) if that Distribution Date is also a Fixed Interest Payment Date, in payment of interest in relation to the Class A2 Notes in respect of that Fixed Interest Payment Date and unpaid interest in relation to the Class A2 Notes from prior Fixed Interest Payment Dates and interest on any unpaid interest;
 - (iii) in payment of interest in relation to the Class A2-R Notes for that Distribution Date and unpaid interest in relation to the Class A2-R Notes from prior Distribution Dates and interest on any unpaid interest; and
 - (iv) in payment of interest in relation to the Redraw Notes for that Distribution Date and any unpaid interest in relation to the Redraw Notes from prior Distribution Dates and interest on any unpaid interest;
- (l) next, pari passu and rateably, in payment of interest in relation to the Class AB Notes for that Distribution Date and any unpaid interest in relation to the Class AB Notes from prior Distribution Dates and interest on any unpaid interest;
- (m) next, pari passu and rateably, in payment of interest in relation to the Class AC Notes for that Distribution Date and any unpaid interest in relation to the Class AC Notes from prior Distribution Dates and interest on any unpaid interest;
- (n) next, to reimburse any unreimbursed Principal Draws for the immediately preceding Distribution Date as an allocation to the Available Principal Amount on that Distribution Date;
- (o) next, to reimburse any unreimbursed Principal Chargeoffs for the immediately preceding Determination Date as an allocation to the Available Principal Amount on that Distribution Date;
- (p) next, to allocate an amount to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve is equal to the Extraordinary Expense Reserve Required Amount;
- (q) next, in payment to the Liquidity Facility Provider of any other amounts owing under the Liquidity Facility Agreement;
- (r) next, in payment pari passu and rateably of any Subordinated Termination Payments payable to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Agreement;

- (s) next, pari passu and rateably, in payment of interest in relation to the Class B Notes for that Distribution Date, including unpaid interest in relation to the Class B Notes from prior Distribution Dates and interest on any unpaid interest;
- (t) next, in payment to the Manager of its monthly arranging fee due on that Distribution Date and any unpaid arranging fee from a prior Distribution Date; and
- (u) next, in payment of the balance of the Available Income Amount to the Income Unitholder.

The Trustee shall only make a payment as above to the extent that any Available Income Amount remains from which to make the payment after amounts with priority to that payment have been paid or provided for in the Collections Account.

8.11 Interest on the Notes

(a) Calculation of interest payable on the Notes

The period that Notes accrues interest is divided into Accrual Periods.

In the case of Notes (other than Class A2 Notes), the first Accrual Period in respect of the Notes (other than the Redraw Notes and the Class A2-R Notes) commences on and includes the Closing Date, and in the case of a Redraw Note or Class A2-R Note its issue date, and ends on but excludes the first Distribution Date. Each subsequent Accrual Period commences on and includes a Distribution Date and ends on but excludes the following Distribution Date.

The final Accrual Period for the Notes (other than the Class A2 Notes) ends on, but excludes, the earlier of:

- (i) the date upon which the Invested Amount of the relevant Notes is reduced to zero and all accrued interest in respect of the relevant Notes is paid in full;
- (ii) the Distribution Date on which the final distributions upon termination of the Series Trust are to be made, as described in Section 9.1 (“*Termination of the Trust*”); and
- (iii) the date upon which the relevant Notes are otherwise redeemed or are deemed to be redeemed and repaid in full.

In the case of the Class A2 Notes, the first Accrual Period in respect of the Class A2 Notes commences on and includes the Closing Date and ends on but excludes 22 October 2011. Each subsequent Accrual Period commences on and includes a Fixed Interest Payment Date (or, in the case of the second Accrual Period only, 22 October 2011) and ends on but excludes the following Fixed Interest Payment Date.

The final Accrual Period for the Class A2 Notes ends on, but excludes, the earlier of:

- (iv) the date upon which the Invested Amount of the Class A2 Notes is reduced to zero and all accrued interest in respect of the Class A2 Notes is paid in full;
- (v) the Distribution Date on which the final distributions upon termination of the Series Trust are to be made, as described in Section 9.1 (“*Termination of the Trust*”); and

- (vi) the date upon which the Class A2 Notes are redeemed or deemed to be redeemed and repaid in full.

On the Class A2 Refinancing Date any Class A2 Notes not redeemed on that date will convert to Class A2-R Notes and will have the Accrual Periods applicable to Class A2-R Notes as described above.

Up to, but excluding, the Call Date:

- (i) the interest rate for the Class A1 Notes for each Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus 0.95%. If the Trustee has not redeemed all of the Notes by the Call Date, then subject to the following, the interest rate for the Class A1 Notes for each Accrual Period commencing on or after that date will be equal to the Bank Bill Rate for that Accrual Period plus 1.20%; and
- (ii) the interest rate for the Class A2 Notes for each Accrual Period for the Class A2 Notes will be equal to 6.50%;
- (iii) the interest rate for the Class A2-R Notes (if any) for each Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus the applicable Class A2-R Margin;
- (iv) the interest rate for the Class AB Notes for each Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus 1.70%. If the Trustee has not redeemed all of the Notes by the Call Date, then subject to the following, the interest rate for the Class AB Notes for each Accrual Period commencing on or after that date will be equal to the Bank Bill Rate for that Accrual Period plus 1.95%;
- (v) the interest rate for the Class AC Notes for each Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus 2.05%. If the Trustee has not redeemed all of the Notes by the Call Date, then subject to the following, the interest rate for the Class AC Notes for each Accrual Period commencing on or after that date will be equal to the Bank Bill Rate for that Accrual Period plus 2.30%; and
- (vi) the interest rate for the Class B Notes for each Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus the initial undisclosed margin.

If the Trustee, at the direction of the Manager, proposes to exercise its option to redeem all the Notes on any Distribution Date occurring on or after the Call Date and to do so at their Stated Amounts rather than their Invested Amounts (together with accrued but unpaid interest, in the case of each Class other than the Class B Notes), as described in Section 8.25 (“*Optional Redemption of the Notes*”) below, but is unable to do so because, following a meeting of Noteholders of the relevant Class (other than the Class B Noteholders), convened under the provisions of the Security Trust Deed by the Manager for this purpose, the Noteholders of that Class have not approved by an Extraordinary Resolution the redemption of that Class of Notes at their Stated Amounts (together with accrued but unpaid interest), then:

- (i) the interest rate for the Class A1 Notes for each Accrual Period commencing on or after that Distribution Date will be equal to the Bank Bill Rate for that Accrual Period plus 0.95%;

- (ii) the interest rate for the Class AB Notes for each Accrual Period commencing on or after that Distribution Date will be equal to the Bank Bill Rate for that Accrual Period plus 1.70%; and
- (iii) the interest rate for the Class AC Notes for each Accrual Period commencing on or after that Distribution Date will be equal to the Bank Bill Rate for that Accrual Period plus 2.05%,

(as applicable).

If Redraw Notes are issued the interest rate applicable to them will be equal to the Bank Bill Rate plus a margin determined at the time of their issue. Different issues of Redraw Notes may have different margins.

With respect to any Distribution Date, interest on:

- (i) a Note (other than a Class A2 Note) will be calculated as the product of:
 - A. the Invested Amount of that Note as at the close of business on the first day of that Accrual Period, after giving effect to any payments of principal made with respect to such Note on such day;
 - B. the interest rate for such Note for that Accrual Period; and
 - C. a fraction, the numerator of which is the actual number of days in the Accrual Period and the denominator of which is 365 days . Interest will accrue on any unpaid interest in relation to a Note at the interest rate that applies from time to time to that Note until that unpaid interest is paid; and
- (i) a Class A2 Note (but only if that Distribution Date is a Fixed Interest Payment Date) will be calculated as the product of:
 - A. the Invested Amount of that Class A2 Note as at the close of business on the first day of that Accrual Period in respect of the Class A2 Notes;
 - B. the interest rate for the Class A2 Notes; and
 - C. the RBA Bond Basis.

(b) **Calculation of Bank Bill Rate**

On the first day of each Accrual Period, the Manager will determine the Bank Bill Rate for that Accrual Period.

8.12 Determination of the Available Principal Amount

Payments of principal, including repayment of principal on the Notes, are made from the Available Principal Amount. The Available Principal Amount for a Determination Date and the following Distribution Date means the aggregate of:

- (a) the “**Principal Collections**” for the preceding Collection Period which are all amounts received during the Collection Period in respect of principal on the Mortgage Loans, except as described below, and includes principal to the extent that an

obligation to pay principal on a Mortgage Loan is discharged by a right of set-off or right to combine accounts;

- (b) the “**Other Principal Amounts**” which are amounts received in respect of principal on the Mortgage Loans including:
- (i) all amounts received by the Trustee under a mortgage insurance policy which the Manager determines should be accounted for on the Determination Date in respect of a loss of principal and certain property restoration expenses on a Mortgage Loan;
 - (ii) proceeds of the liquidation of a Mortgage Loan following enforcement, other than amounts included in Finance Charge Collections, received during the Collection Period;
 - (iii) principal prepayments under the Mortgage Loans received during the Collection Period;
 - (iv) certain damages or equivalent, including amounts paid by Commonwealth Bank of Australia in respect of breaches of representations or warranties in relation to the Mortgage Loans, in respect of principal received from the Servicer or Commonwealth Bank of Australia during the Collection Period;
 - (v) other damages received by the Trustee during the Collection Period from the Servicer, the Seller or any other person and allocated by the Manager as Other Principal Amounts;
 - (vi) amounts received upon a sale of the Mortgage Loans in respect of principal if the Series Trust terminates as described under Section 9.1 (“*Termination of the Trust*”);
 - (vii) in relation to the first Determination Date, the amount, if any, by which subscription proceeds of the Notes, together with any net payment received by the Trustee from the Interest Rate Swap Provider on the Closing Date under the Class A2 Note Fixed Swap, exceed the aggregate of the principal outstanding on the Mortgage Loans as at the Cut-Off Date;
 - (viii) any amount rounded down on payments of principal on the previous Distribution Date;
 - (ix) any amounts received by the Trustee pursuant to the exercise of its option to redeem the Notes on a Distribution Date falling on or after the Call Date which the Manager determines to represent amounts in respect of principal on the Mortgage Loans up to and including the following Distribution Date and which have not previously been applied as Available Principal Amount as described in section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”);
 - (x) in the case of the first Determination Date after the Class A2 Refinancing Date, the amount of the GIC Surplus (if any); and
 - (xi) any other receipts in the nature of principal as determined by the Manager which have been received by the Determination Date;

- (c) the “**Principal Chargeoff Reimbursement**” which is the amount of the Available Income Amount for the Determination Date available to be applied towards unreimbursed Principal Chargeoffs;
- (d) the “**Principal Draw Reimbursement**” which is the amount of the Available Income Amount for the Determination Date available to be applied towards unreimbursed Principal Draws; and
- (e) the “**Redraw Note Amount**” which is the total subscription proceeds of Redraw Notes issued on the Determination Date or during the Collection Period, but after the immediately preceding Determination Date.

The Available Principal Amount available for repayment of (or provision for repayment of) principal to Noteholders will be reduced on any Distribution Date by the amount of any Principal Draw on that Distribution Date allocated to Available Income Amount as described in the following section.

8.13 Payment of the Available Principal Amount on a Distribution Date

On each Distribution Date prior to the enforcement of the Charge, the Available Principal Amount for that Distribution Date is allocated in the following order of priority:

- (a) first, repayment to Commonwealth Bank of Australia of any redraws and further advances under the Mortgage Loans, other than further advances which cause the related Mortgage Loan to be removed from the Series Trust (“**Seller Advance**”), made during or prior to the Collection Period then ended and which are then outstanding;
- (b) next, to be applied as a Principal Draw in relation to the immediately preceding Determination Date and allocated to the Available Income Amount to meet any Gross Income Shortfall;
- (c) next, pari passu and rateably amongst the Redraw Notes in order of their issue, until their Invested Amounts are reduced to zero;
- (d) next, pari passu and rateably:
 - (i) allocating an amount of the Available Principal Amount equal to the Class A Principal Allocation to be applied in accordance with Section 8.14 (“*Class A Principal Allocation*”) below;
 - (ii) to the Class AB Noteholders, an amount of the Available Principal Amount equal to the Class AB Principal Allocation in or towards repayment of principal in respect of the Class AB Notes until the Invested Amount of the Class AB Notes is reduced to zero; and
 - (iii) to the Class AC Noteholders, an amount of the Available Principal Amount equal to the Class AC Principal Allocation in or towards repayment of principal in respect of the Class AC Notes until the Invested Amount of the Class AC Notes is reduced to zero; and
- (e) next, to the Class AB Noteholders in or towards repayment of principal in respect of the Class AB Notes, pari passu and rateably amongst the Class AB Notes until the Invested Amount of the Class AB Notes is reduced to zero; and

- (f) next, to the Class AC Noteholders in or towards repayment of principal in respect of the Class AC Notes, pari passu and rateably amongst the Class AC Notes until the Invested Amount of the Class AC Notes is reduced to zero; and
- (g) next, to the Class B Noteholders in or towards repayment of principal in respect of the Class B Notes, pari passu and rateably amongst the Class B Notes until the Invested Amount of the Class B Notes is reduced to zero; and
- (h) next, the balance (if any) is to be paid to the Capital Unitholder.

The Trustee shall only make a payment as above to the extent that any Available Principal Amount remains from which to make the payment after amounts with priority to that payment have been paid.

8.14 Class A Principal Allocation

On each Distribution Date prior to the enforcement of the Charge, the Trustee must apply in accordance with the directions of the Manager the Class A Principal Allocation on that Distribution Date in the following order of priority:

- (a) first, to the Class A1 Noteholders in or towards repayment of principal in respect of the Class A1 Notes, pari passu and rateably amongst the Class A1 Notes until the Invested Amount of the Class A1 Notes is reduced to zero;
- (b) next:
 - (i) on or prior to the Class A2 Refinancing Date, to the GIC Account until the balance of the GIC Account is equal to the aggregate Invested Amount of the Class A2 Notes; and
 - (ii) after the Class A2 Refinancing Date, to the Class A2-R Noteholders in or towards repayment of principal in respect of the Class A2-R Notes, pari passu and rateably amongst the Class A2-R Notes until the aggregate Invested Amount of the Class A2-R Notes is reduced to zero.

8.15 Repayment of Class A2 Notes on Class A2 Refinancing Date

The Manager has agreed to use reasonable endeavours to arrange, on behalf of the Trustee, for the marketing of an issuance of Class A2-R Notes in order to fund the redemption of Class A2 Notes on the Class A2 Refinancing Date as described in more detail in Section 8.19 (“*Class A2-R Notes*”).

The redemption of the Class A2 Notes will also be funded from amounts standing to the credit of the GIC Account on the Class A2 Refinancing Date. The Trustee has agreed, on the direction of the Manager, to withdraw the balance of the GIC Account on the Class A2 Refinancing Date and apply those proceeds towards the redemption of the Class A2 Notes. If the balance of the GIC Account on the Class A2 Refinancing Date, when added to the issue proceeds of Class A2-R Notes issued to fund the redemption of Class A2 Notes as described above, is greater than the amount required by the Trustee to redeem all Class A2 Notes at their Invested Amount on the Class A2 Refinancing Date (such excess being the “**GIC Surplus**”), the amount of the GIC Surplus will be held in the Collections Account and then included in the Available Principal Amount for distribution on the immediately following Distribution Date in accordance with Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”).

8.16 Stepdown Conditions

The Stepdown Conditions will be satisfied on any Determination Date if each of the following conditions are satisfied:

- (a) the Determination Date is at least two years after the Closing Date;
- (b) the aggregate Invested Amount of all Notes as at that Determination Date (expressed as a percentage of the aggregate Invested Amount of all Notes on the Closing Date) is greater than 10%;
- (c) the aggregate Invested Amount of all of the Class AB Notes, Class AC Notes and the Class B Notes as at that Determination Date expressed as a percentage of the aggregate Invested Amount of all of the Class A Notes, the Class AB Notes, the Class AC Notes and the Class B Notes on that Determination Date is at least twice the percentage provided as at the Closing Date;
- (d) the aggregate Invested Amount of all Class AC Notes and Class B Notes as at that Determination Date expressed as a percentage of the aggregate Invested Amount of all of the Class A Notes, the Class AB Notes, the Class AC Notes and the Class B Notes on that Determination Date is at least twice the percentage provided as at the Closing Date;
- (e) the aggregate Invested Amount of all Class B Notes as at that Determination Date expressed as a percentage of the aggregate Invested Amount of all of the Class A Notes, the Class AB Notes, the Class AC Notes and the Class B Notes on that Determination Date is at least twice the percentage provided as at the Closing Date;
- (f) the Delinquent Percentage in relation to the immediately preceding Collection Period is less than 4% of all Mortgage Loans then forming part of the Assets of the Series Trust on that Determination Date;
- (g) there are no Principal Chargeoffs which remain unreimbursed on any Note;
- (h) there are no unreimbursed Principal Draws as at that Determination Date; and
- (i) there are no amounts which remain outstanding under the Liquidity Facility Agreement.

8.17 Payments from Collections Account and GIC Account

The payments referred to in this Section 8 ("*Description of the Notes*") are to be made by the Trustee out of the Collections Account and, where indicated, the GIC Account.

8.18 Receipt of Funds

The Trustee is only taken to be in receipt of funds in relation to the Series Trust to the extent that those funds are cleared. Without limiting any other provision of any Transaction Document, the Trustee will not be taken to be fraudulent, negligent or in wilful default as a result of a failure to make any payments in accordance with a Transaction Document due to it not being in receipt of cleared funds at the time of payment. For the avoidance of doubt, such amounts will continue to be due and payable in accordance with the Transaction Documents.

8.19 Class A2-R Notes

- (a) At any time on or before the Determination Date immediately before the Class A2 Refinancing Date, the Manager has agreed to use its reasonable endeavours to arrange, on behalf of the Trustee, for the marketing of the issuance of Class A2-R Notes with an aggregate Invested Amount equal to:
- (i) the Invested Amount of the Class A2 Notes; minus
 - (ii) the expected balance of the GIC Account on the Class A2 Refinancing Date.

The Manager may, at its cost, appoint such advisors, arrangers or dealers as it sees fit to assist with the issuance of the Class A2-R Notes.

- (b) If the Manager is able to arrange for Class A2-R Notes to be issued by the Trustee on the Class A2 Refinancing Date:
- (i) with an interest rate which results in a margin over the Bank Bill Rate that is less than the Class A2 Stepped Up Margin;
 - (ii) with the same credit rating from each Rating Agency as the Class A2 Notes on the Class A2 Refinancing Date;
 - (iii) with an aggregate Initial Invested Amount equal to:
 - A. the Invested Amount of the Class A2 Notes on the Determination Date immediately prior to the Class A2 Refinancing Date; minus
 - B. the expected balance of the GIC Account on the Class A2 Refinancing Date; and
 - (iv) in accordance with the public offer test outlined in Section 128F of the Income Tax Assessment Act 1936,

the Manager will direct the Trustee to issue those Class A2-R Notes on the Class A2 Refinancing Date. The Trustee must deposit the proceeds of the issuance of any Class A2-R Notes issued on the Class A2 Refinancing Date into the GIC Account.

- (c) On the Class A2 Refinancing Date, the Trustee has agreed to apply the proceeds of the GIC Account and the issuance proceeds of any Class A2-R Notes issued on the Class A2 Refinancing Date towards redeeming the Class A2 Notes (with any GIC Surplus to be included in the Available Principal Amount for distribution on the next Distribution Date after the Class A2 Refinancing Date).
- (d) If:
- (i) the Manager is unable to arrange for the issue of Class A2-R Notes in accordance with paragraph (b) above; and
 - (ii) the balance of the GIC Account on the Class A2 Refinancing Date is insufficient to redeem the Class A2 Notes in full,

each Class A2 Note outstanding on the Class A2 Refinancing Date will with effect from the Class A2 Refinancing Date be converted to a Class A2-R Note. From that date the Class A2-R Note will be a floating rate note and the Margin for each Class A2-R Note on and from the Class A2 Refinancing Date will be the Class A2-R

Margin. The Manager must, as soon as reasonably practical, give notice that the Manager is unable to arrange for the issue of the Class A2-R Notes in accordance with paragraph (b) above, and give notice of the applicable margin to all Class A2 Noteholders (with a copy to the Trustee).

8.20 Redraws and Further Advances

Commonwealth Bank of Australia may make redraws and further advances to borrowers under the Mortgage Loans, provided those Mortgage Loans are not non-performing loans. Commonwealth Bank of Australia is entitled to be reimbursed by the Trustee for redraws and further advances which exceed the scheduled principal balance of the Mortgage Loan by no more than one scheduled monthly instalment on the Mortgage Loan. Commonwealth Bank of Australia will be reimbursed from the Available Principal Amount including proceeds from the issue of Redraw Notes. Where Commonwealth Bank of Australia makes further advances which exceed the scheduled principal balance of a Mortgage Loan by more than one scheduled monthly instalment, then Commonwealth Bank of Australia is required to repurchase the Mortgage Loan from the pool. If Commonwealth Bank of Australia makes a further advance on a Mortgage Loan that is a non-performing loan which does not exceed the scheduled principal balance of the Mortgage Loan by more than one scheduled monthly instalment on the Mortgage Loan, it is not required to repurchase the Mortgage Loan from the pool but must indemnify the Trustee for certain losses that are not recoverable by the Trustee pursuant to a Mortgage Insurance Policy.

If, in respect of a Determination Date, the Manager considers that the aggregate of Principal Collections, the Other Principal Amounts, the Principal Chargeoff Reimbursement and the Principal Draw Reimbursement for the Collection Period ending on that Determination Date, less the amount of any Gross Income Shortfall determined by the Manager on that Determination Date is likely to be insufficient to pay in full the Manager's estimate of the redraws and further advances to be repaid to Commonwealth Bank of Australia on that Distribution Date, the Manager may direct the Trustee to issue Redraw Notes.

The Manager must not direct the Trustee to issue Redraw Notes unless it considers that on the following Distribution Date, taking into account that issue of Redraw Notes and any repayments of principal and Principal Chargeoffs or any Principal Chargeoff Reimbursements in respect of the Redraw Notes expected on that Distribution Date, the aggregate Invested Amount of all Redraw Notes will not exceed A\$50,000,000 or such other amount in respect of which the Manager has provided the Trustee with a Rating Affirmation Notice in relation to each Rating Agency.

Before issuing any Redraw Notes, the Trustee must have received a Rating Affirmation Notice from the Manager in respect of each Rating Agency in relation to the proposed issue of Redraw Notes. The Redraw Notes will be denominated in Australian dollars and issued only in Australia.

8.21 Principal Chargeoffs

In certain circumstances the risk that amounts will be unrecoverable under a Mortgage Loan will be borne by the investors. In these circumstances, the Stated Amount of a Note will be reduced to the extent of amounts which are unrecoverable under a Mortgage Loan. That reduction of the Stated Amount of a Note is referred to as a Principal Chargeoff.

(a) Application of Principal Chargeoffs

If on a Determination Date the Manager determines that a principal loss should be accounted for in respect of a Mortgage Loan, after taking into account proceeds of

enforcement of that Mortgage Loan and its securities, any relevant payments under a mortgage insurance policy or damages from the Servicer or Commonwealth Bank of Australia, that principal loss will be allocated in the following order:

- (i) first, pari passu and rateably amongst the Class B Notes until the Stated Amount of the Class B Notes is reduced to zero;
- (ii) next, pari passu and rateably amongst the Class AC Notes until the Stated Amount of the Class AC Notes is reduced to zero;
- (iii) next, pari passu and rateably amongst the Class AB Notes until the Stated Amount of the Class AB Notes is reduced to zero; and
- (iv) next, pari passu and rateably as follows:
 - A. an amount equal to the Class A Chargeoff Percentage amongst the Class A Notes according to their Stated Amounts; and
 - B. an amount equal to the Redraw Note Chargeoff Percentage amongst the Redraw Notes according to their Stated Amounts,until the Stated Amounts of the Class A Notes and the Redraw Notes are reduced to zero.

To the extent allocated, the principal loss will reduce the Stated Amount of the Notes as from the following Distribution Date.

(b) **Reimbursements of Principal Chargeoffs**

Principal Chargeoffs may be reimbursed on a subsequent Distribution Date where there is any excess Available Income Amount after payment in accordance with the order of priority set out in paragraphs (a) to (n) of Section 8.10 (*“Payment of the Available Income Amount on a Distribution Date”*). Reimbursement of Principal Chargeoffs will only occur to the extent that there are unreimbursed Principal Chargeoffs and will be allocated in the following order:

- (i) first, pro rata amongst the following according to their unreimbursed Principal Chargeoffs:
 - A. the Class A Notes (pari passu and rateably); and
 - B. the Redraw Notes (pari passu and rateably),in reduction of their unreimbursed Principal Chargeoffs until such unreimbursed Principal Chargeoffs are reduced to zero;
- (ii) next, pari passu and rateably amongst the Class AB Notes until the unreimbursed Principal Chargeoffs of the Class AB Notes are reduced to zero;
- (iii) next, pari passu and rateably amongst the Class AC Notes until the unreimbursed Principal Chargeoffs of the Class AC Notes are reduced to zero; and
- (iv) next, pari passu and rateably amongst the Class B Notes until the unreimbursed Principal Chargeoffs of the Class B Notes are reduced to zero.

A reimbursement of a Principal Chargeoff on a Note will increase the Stated Amount of that Note but the actual funds allocated in respect of the reimbursement will be distributed as described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”) above.

8.22 Partial Redemption of the Notes on Distribution Dates

On each Distribution Date until the Stated Amount of the Notes is reduced to zero, the Trustee must apply the Available Principal Amount towards repayment of principal on the Notes in the order of priority described in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”). However, no amounts of principal on the Class A2 Notes are due prior to the Class A2 Refinancing Date.

8.23 Withholding or Tax Deductions

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature unless the Trustee for the Notes is required by applicable law to make such a withholding or deduction. In that event the Trustee must account to the relevant authorities for the amount so required to be withheld or deducted. The Trustee will not be obliged to make any additional payments to holders of the Notes with respect to that withholding or deduction. Immediately after becoming aware that such a withholding or deduction is or will be required, the Trustee will notify the holders of the Notes in that series.

8.24 Redemption of the Notes upon an Event of Default

If an Event of Default occurs under the Security Trust Deed the Security Trustee must, upon becoming aware of the Event of Default and subject to certain conditions, in accordance with an Extraordinary Resolution of Voting Secured Creditors and the provisions of the Security Trust Deed, enforce the security created by the Security Trust Deed. That enforcement can include the sale of some or all of the Mortgage Loans. Any proceeds from the enforcement of the security will be applied in accordance with the order of priority of payments as set out in the Security Trust Deed. That enforcement can include the sale of some or all of the Mortgage Loans. Any proceeds from the enforcement of the security will be applied in accordance with the order or priority of payments as set out in the Security Trust Deed.

8.25 Optional Redemption of the Notes

The Trustee must, when directed by the Manager, at the Manager’s option, redeem all (but not some) of the Notes at their then Invested Amounts, subject to the following, together with accrued but unpaid interest to, but excluding, the date of redemption, on any Distribution Date occurring on or after the Call Date.

The Trustee may in exercising its option to redeem all of the Notes redeem the then outstanding Notes of a Class at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption. However, for each Class of Notes other than the Class B Notes, redemption at the Stated Amount must be approved by an Extraordinary Resolution of Noteholders of the relevant Class. The Trustee may, in exercising its option to redeem all of the Notes, without the need for any Noteholder approval redeem the then outstanding Class B Notes at their Stated Amounts, instead of their Invested Amounts, and without payment of any accrued but unpaid interest in respect of the Class B Notes.

However, the Trustee will not and the Manager will not direct the Trustee to redeem the Notes unless the Trustee is in a position on the relevant Distribution Date to repay the then Invested

Amounts or the Stated Amounts, as required, of the Notes together with, in the case of all Notes other than the Class B Notes, all accrued but unpaid interest to but excluding the date of redemption and to discharge all its liabilities in respect of amounts which are required under Sections 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”) and 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”) be paid in priority to or equally with the Notes.

If the Trustee, at the direction of the Manager, in exercising its option to redeem all of the Notes proposes to exercise its option to redeem the then outstanding Notes of a Class (other than the Class B Notes) on a Distribution Date occurring on or after the Call Date at their Stated Amounts rather than their Invested Amounts, as described above, but is unable to do so because, following a meeting of Noteholders of the relevant Class convened under the provisions of the Security Trust Deed by the Manager for this purpose, the Noteholders of that Class have not approved by an Extraordinary Resolution the redemption of the Notes of that Class at their Stated Amounts, then the margin for the Class A1 Notes, Class AB Notes and the Class AC Notes (as applicable) for each Accrual Period commencing on or after that Distribution Date will remain at, or if that Distribution Date occurs after the Call Date revert to, the margin applying at the Closing Date.

8.26 Final Maturity Date

Unless previously redeemed, the Trustee must redeem the Notes by paying the Invested Amount, together with all accrued and unpaid interest, in relation to each Note on or by the Distribution Date falling in November 2042.

The Trustee may, at the direction of the Manager, redeem the Class B Notes on the Distribution Date falling in November 2042 by paying only the Invested Amount (or, if directed by the Manager, the Stated Amount) of each Class B Note and no amounts on account of accrued but unpaid interest (including any interest accrued on overdue interest) in relation to any Class B Notes. The Manager must give the Class B Noteholders at least 5 Business Days’ prior notice if the Trustee is to exercise its right to pay these lesser amounts in relation to a redemption of the Class B Notes.

8.27 Redemption upon Final Payment

Upon final payment being made in respect of any Notes following termination of the Series Trust or enforcement of the Charge, those Notes will be deemed to be redeemed and discharged in full and any obligation to pay any accrued but unpaid interest, the Stated Amount or the Invested Amount in relation to the Notes will be extinguished in full.

8.28 No Payments of Principal in Excess of Invested Amount

No amount of principal will be repaid in respect of a Note in excess of its Invested Amount or, in the circumstances described in 8.25 (“*Optional Redemption of the Notes*”), its Stated Amount.

9 Termination of the Trust

9.1 Termination of the Trust

(a) Termination of Trust

Following the issue of the Notes, the Series Trust may only terminate prior to the redemption of the Notes if a Potential Termination Event occurs and:

- (i) the Trustee determines that in its reasonable opinion the Potential Termination Event has or will have an Adverse Effect, upon which it must promptly notify the Manager, the Servicer and the Security Trustee;
- (ii) the Servicer, the Trustee and the Manager consult and use their reasonable endeavours, in consultation with the Security Trustee and, if necessary, the Unitholders, to amend or vary the terms of the Series Supplement, any other relevant Transaction Documents and the Notes in such a way so as to cure the Potential Termination Event or its Adverse Effect; and
- (iii) such consultations do not result in the cure of the Potential Termination Event or its Adverse Effect, with the consent of the Servicer, the Trustee, the Manager and the Security Trustee, within 60 days of notice being given by the Trustee as described above.

If this occurs then the Trustee, in consultation with the Manager, must proceed to liquidate the Assets of the Series Trust in accordance with the Series Supplement.

(b) Sale of Housing Loans Upon Termination

Upon termination of the Series Trust, the Trustee in consultation with the Manager must sell and realise the Assets of the Series Trust within 180 days of the Termination Date. During this period the Trustee is not entitled to sell the Mortgage Loans and their related securities, mortgage insurance policies and other rights (“**Mortgage Loan Rights**”) for less than the aggregate Fair Market Value of the Mortgage Loans. If the Trustee is unable to sell the Mortgage Loan Rights for Fair Market Value and on those terms during the 180 day period, it may then sell them free of the restrictions and may perfect its legal title if necessary to obtain Fair Market Value for the Mortgage Loans. However upon such a sale the Trustee must use reasonable endeavours to include as a condition of the sale that a purchaser will agree to Commonwealth Bank of Australia taking second mortgages in order to retain second ranking security for the other loans secured by the mortgage and to entering into a priority agreement to give Commonwealth Bank of Australia second priority for its second mortgage and to use reasonable endeavours to obtain the consent of the relevant borrowers and security providers to Commonwealth Bank of Australia’s second mortgage.

(c) Offer to Seller

On the Termination Date, the Trustee may, at the direction of the Manager, offer to extinguish in favour of the Seller, its entire right, title and interest in the Mortgage Loan Rights then forming part of the Assets of the Series Trust in return for a payment to the Trustee of an amount equal to at least the aggregate Fair Market Value of the Mortgage Loans.

(d) **Acceptance by Seller of Offer**

The Seller may verbally accept any offer to purchase any Mortgage Loan Rights in accordance with this Section 9.1 (*“Termination of the Trust”*) within 90 days after the Termination Date and, having accepted the offer, must pay to the Trustee, in immediately available funds, an amount equal to at least the aggregate Fair Market Value of the Mortgage Loans by the expiration of 180 days after the Termination Date. If the Seller accepts such offer, the Trustee must execute whatever documents the Seller reasonably requires to complete the extinguishment of the Trustee’s right, title and interest in the Mortgage Loan Rights then forming part of the Assets of the Series Trust.

(e) **Seller may not accept**

The Seller may not accept an offer to purchase any Mortgage Loan Rights in accordance with this Section 9.1 (*“Termination of the Trust”*) unless the aggregate principal outstanding on the Mortgage Loans is on the last day of the preceding Collection Period, when expressed as a percentage of the aggregate principal outstanding on those Mortgage Loans at their Closing Date, at or below 10%.

(f) **Trustee must not sell**

The Trustee must not sell any Mortgage Loan Rights unless the Seller has failed to accept the offer referred to in paragraph (c) above within 90 days after the termination date or, having accepted the offer, has failed to pay the required amount by the expiration of 180 days after the termination date.

(g) **Payments**

The Trustee must deposit the proceeds of realisation of the Assets of the Series Trust into the Collections Account and, following the realisation of all the Assets of the Trust, must distribute them on a Distribution Date in accordance with the order of priority described in Section 8.10 (*“Payment of the Available Income Amount on a Distribution Date”*) and Section 8.13 (*“Payment of the Available Principal Amount on a Distribution Date”*). Upon final payment being made, the Notes will be deemed to be redeemed and discharged in full and the obligations of the Trustee with respect to the payment of principal, interest or any other amount on the Notes will be extinguished.

10 Description of the Transaction Documents

The following summary describes the material terms of the Transaction Documents except as already described above. The summary does not purport to be complete and is subject to the provisions of the Transaction Documents. The Transaction Documents are governed by the laws of New South Wales (or the Australian Capital Territory, in the case of the Master Trust Deed).

10.1 Collections Account and Authorised Short Term Investments

The Trustee will establish and maintain the Collections Account with an Eligible Depository. The Collections Account will initially be established with Commonwealth Bank of Australia, which is described in Section 4.2 (“*The Seller*”). The Collections Account shall be opened by the Trustee in its name and in its capacity as trustee of the Series Trust. The Collections Account will not be used for any purpose other than for the Series Trust. The account will be an interest bearing account.

If the financial institution with which the Collections Account is held ceases to be an Eligible Depository the Trustee must establish a new account with an Eligible Depository as a replacement Collections Account.

The Collections Account and all rights to it and the funds standing to its credit from time to time is an asset of the Series Trust. At all times the Collections Account will be under the sole control of the Trustee. The Manager has the discretion to propose to the Trustee, in writing, the manner in which any moneys forming part of the Series Trust may be invested in Authorised Short Term Investments and what purchases, sales, transfers, exchanges, realisations or other dealings with Assets of the Series Trust shall be effected and when and how they should be effected. Provided that they meet certain requirements, the Trustee must give effect to the Manager’s proposals. Each investment of moneys required for the payment of liabilities of the Series Trust shall be in Authorised Short Term Investments that will mature on or before the due date for payment of those liabilities.

10.2 Modifications of the Master Trust Deed and Series Supplement

The Trustee and the Manager, with respect to the Master Trust Deed, and the Trustee, the Manager, the Seller and the Servicer, with respect to the Series Supplement, may amend, add to or revoke any provision of the Master Trust Deed or the Series Supplement (as applicable), subject to the limitations described below, if the amendment, addition or revocation:

- (a) in the opinion of the Trustee is necessary to correct a manifest error or is of a formal, technical or administrative nature only;
- (b) in the opinion of the Trustee, or of a lawyer instructed by the Trustee, is necessary or expedient to comply with the provisions of any law or regulation or with the requirements of the government of any jurisdiction or any governmental agency;
- (c) in the opinion of the Trustee is required by, a consequence of, consistent with or appropriate or expedient as a consequence of an amendment to any law or regulation or altered requirements of the government of any jurisdiction or any governmental agency, including, an amendment, addition or revocation which in the opinion of the Trustee is appropriate or expedient as a result of an amendment to Australia’s tax laws or any ruling by the Australian Commissioner or Deputy Commissioner of Taxation or any governmental announcement or statement, in any case which has or

may have the effect of altering the manner or basis of taxation of trusts generally or of trusts similar to any of the Medallion Trust Programme trusts;

- (d) in the case of the Master Trust Deed, relates only to a Medallion Trust Programme trust not yet constituted;
- (e) in the opinion of the Trustee, will enable the provisions of the Master Trust Deed or the Series Supplement to be more conveniently, advantageously, profitably or economically administered; or
- (f) in the opinion of the Trustee is otherwise desirable for any reason.

Any amendment, addition or revocation referred to in the last two of the above paragraphs which in the opinion of the Trustee is likely to be prejudicial to the interests of:

- (i) a Class of Unitholders, may only be effected if those Unitholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all such Unitholders sign a resolution approving the amendment, addition or revocation, subject to the following paragraph;
- (ii) all Unitholders, may only be effected if the Unitholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all Unitholders sign a resolution approving the amendment, addition or revocation. A separate resolution will not be required in relation to any Class of Unitholders;
- (iii) a Class of Noteholders, may only be effected if those Noteholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all such Noteholders sign a resolution approving the amendment, addition or revocation, subject to the following paragraph; or
- (iv) all Noteholders, may only be effected if the Noteholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all Noteholders sign a resolution approving the amendment, addition or revocation. A separate resolution will not be required in relation to any Class of Noteholders.

The Manager must advise the Rating Agencies in respect of each Medallion Trust Programme trust affected by the amendment, addition or revocation no less than 10 Business Days prior to any amendment, addition or revocation of the Master Trust Deed or the Series Supplement and must provide the Trustee with a Rating Affirmation Notice in relation to the proposed amendment, addition or revocation. The Trustee may not amend, add to or revoke any provision of the Master Trust Deed or the Series Supplement if the consent of a party is required under a Transaction Document unless a Rating Affirmation Notice has been provided to the Trustee.

10.3 The Trustee

(a) General Duties of Trustee

The Trustee is appointed as trustee of the Series Trust on the terms set out in the Master Trust Deed and the Series Supplement.

Subject to the provisions of the Master Trust Deed, the Trustee has all the powers in respect of the Assets of the Series Trust which it could exercise if it were the absolute and beneficial owner of the Assets. The Trustee agrees to act in the interests of the Unitholders and the Noteholders. If there is a conflict between the interests of the Unitholders on the one hand and the Noteholders on the other hand, the Trustee must act in the interests of the Noteholders.

The Trustee must act honestly and in good faith in performance of its duties and in exercising its discretions under the Master Trust Deed, use its best endeavours to carry on and conduct its business in so far as it relates to the Master Trust Deed and the Series Supplement in a proper and efficient manner and exercise such diligence and prudence as a prudent person of business would exercise in performing its express functions and in exercising its discretions under the Master Trust Deed, having regard to the interests of Noteholders and the Unitholders.

The terms of the Master Trust Deed and Series Supplement provide, amongst other things, that:

- (i) the obligations of the Trustee to the Noteholders expressed in the Master Trust Deed or the Series Supplement are contractual obligations only and do not create any relationship of trustee or fiduciary between the Trustee and the Noteholders;
- (ii) the Trustee has no duty, and is under no obligation, to investigate whether a Manager Default, a Servicer Default or a Perfection of Title Event has occurred in relation to the Series Trust other than where it has actual notice;
- (iii) unless actually aware to the contrary, the Trustee is entitled to rely conclusively on, and is not required to investigate the accuracy of any calculation by the Seller, the Servicer or the Manager under the Series Supplement, the amount or allocation of collections or the contents of any certificate provided to the Trustee by the Servicer or Manager under the Series Supplement;
- (iv) the Trustee may obtain and act on the advice of experts, whether instructed by the Trustee or the Manager, which are necessary, usual or desirable for the purpose of enabling the Trustee to be fully and properly advised and informed and will not be liable for acting in good faith on such advice; and
- (v) the Trustee will only be considered to have knowledge or awareness of, or notice of, a thing or grounds to believe anything by virtue of the officers of the Trustee (or a related body corporate of the Trustee) who have day-to-day responsibility for the administration or management of the Trustee's (or a related body corporate of the Trustee's) obligations in relation to the Series Trust, having actual knowledge, actual awareness or actual notice of that thing, or grounds to believe that thing.

(b) **Annual Compliance Statement**

The Trustee in its capacity as trustee will not publish annual reports and accounts.

(c) **Delegation**

In exercising its powers and performing its obligations and duties under the Master Trust Deed, the Trustee may delegate any or all of the powers, discretions and

authorities of the Trustee under the Master Trust Deed or otherwise in relation to the Series Trust, to a related body corporate of the Trustee or otherwise in accordance with the Master Trust Deed or Series Supplement. The Trustee at all times remains liable for the acts or omissions of such related company when acting as delegate.

(d) **Trustee Fees and Expenses**

The Trustee is entitled to a fee payable in arrears on each Distribution Date.

The fee payable to the Trustee may be varied as agreed between the Trustee and the Manager provided that each Rating Agency must be given 3 Business Days' prior notice of any variation and the Manager has first provided to the Trustee a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed variation.

If the Trustee becomes liable to remit to a governmental agency an additional amount of Australian goods and services tax or is otherwise disadvantaged by a change in the Australian goods and services tax legislation in connection with the Series Trust, the Trustee will not be entitled to any reimbursement from the Assets of the Series Trust. However, the fees payable to the Trustee may be adjusted, in accordance with the Series Supplement.

At any time within 12 months after the abolition of or a change in the goods and services tax laws becomes effective, the Trustee or the Manager may, by written notice to the other, require negotiations to commence to adjust the fees payable to the Trustee so that it is not economically advantaged or disadvantaged by the effect of the change in the goods and services tax. Any adjustment to fees will be subject to the Manager providing to the Trustee a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed adjustment.

The Trustee is entitled to be reimbursed out of the Assets of the Series Trust for costs, charges and expenses which it may incur in respect of and can attribute to the Series Trust including, amongst other costs, disbursements in connection with the Assets of the Series Trust, the auditing of the Series Trust, taxes payable in respect of the Series Trust, legal costs and other amounts in connection with the exercise of any power or discretion or the performance of any obligation in relation to the Series Trust approved by the Manager which approval is not to be unreasonably withheld.

(e) **Removal of the Trustee**

The Trustee is required to retire as Trustee following a Trustee Default. If the Trustee refuses to retire following a Trustee Default the Manager may remove the Trustee immediately, or, if the Trustee Default relates only to a change in ownership or merger without assumption of the Trustee, upon 30 days' notice in writing.

The Manager must, subject to any approval required by law, use reasonable endeavours to appoint a qualified substitute Trustee (in respect of which the Manager has given prior notice to the rating agencies of all the Medallion Trust Programme trusts established under the Master Trust Deed) within 30 days of the retirement or removal of the Trustee.

If after the 30 day period the Manager is unable to appoint a qualified substitute Trustee (in respect of which the Manager has given prior notice to the rating agencies of all the Medallion Trust Programme trusts established under the Master Trust Deed), the Manager must convene a meeting of all debt security holders, including

the Noteholders, and all beneficiaries, including the Unitholders, of all the Medallion Trust Programme trusts under the Master Trust Deed at which a substitute Trustee may be appointed by resolution of not less than 75% of the votes at that meeting or by a resolution in writing signed by all debt security holders and beneficiaries. As an alternative to such a meeting, or if no substitute Trustee is approved at such a meeting, the Manager may direct the Trustee to (and the Trustee must if so directed), or the Trustee may of its own volition, apply to court for the appointment of a replacement trustee in relation to the Series Trust alone or all of the Medallion Trust Programme trusts, as relevant. Until the appointment of a qualified substitute trustee is complete, the Trustee must continue to act as trustee of the Series Trust.

(f) **Voluntary Retirement of the Trustee**

The Trustee may resign on giving to the Manager not less than 3 months' notice in writing, or such lesser period as the Manager and the Trustee may agree, of its intention to do so.

Upon retirement, the Trustee must appoint a qualified substitute Trustee (in respect of which the Manager has given prior notice to the rating agencies of all the Medallion Trust Programme trusts established under the Master Trust Deed). If the Trustee does not propose a substitute Trustee at least one month prior to its proposed retirement, the Manager may appoint a qualified substitute Trustee in respect of which the Manager has given prior notice to each such rating agency.

If the Manager has not within 30 days prior to the date of the Trustee's proposed retirement appointed a qualified substitute Trustee (in respect of which the Manager has given prior notice to the rating agencies of all the Medallion Trust Programme trusts established under the Master Trust Deed), and a qualified substitute trustee has not otherwise been appointed by the Trustee, then the Manager must convene a meeting of all debt security holders, including the Noteholders, and all beneficiaries, including the Unitholders, of all the Medallion Trust Programme trusts under the Master Trust Deed at which a substitute Trustee may be appointed by resolution of not less than 75% of the votes at that meeting or by a resolution in writing signed by all debt security holders and beneficiaries. As an alternative to such a meeting, or if no substitute Trustee is approved at such a meeting, the Manager may direct the Trustee to (and the Trustee must if so directed), or the Trustee may of its own volition, apply to court for the appointment of a replacement trustee in relation to the Series Trust alone or all of the Medallion Trust Programme trusts, as relevant. Until the appointment of a qualified substitute trustee is complete, the Trustee must continue to act as trustee of the Series Trust.

The retiring Trustee must indemnify the Manager and the substitute Trustee in respect of all costs incurred as a result of its removal or retirement.

(g) **Limitation of the Trustee's Liability**

The Trustee acts as trustee and issues the Notes only in its capacity as trustee of the Series Trust and in no other capacity. A liability incurred by the Trustee acting as trustee of the Series Trust under or in connection with the Transaction Documents, except with respect to the following paragraph, is limited to and can be enforced against the Trustee only to the extent to which it can be satisfied out of the Assets of the Series Trust out of which the Trustee is actually indemnified for the liability. Except in the circumstances described in the following paragraph, this limitation of the Trustee's liability applies despite any other provisions of the Transaction Documents and extends to all liabilities and obligations of the Trustee in any way

connected with any representation, warranty, conduct, omission, agreement or transaction related to the Notes, the Master Trust Deed, the Series Supplement or any other Transaction Document. Noteholders, and the parties to the Transaction Documents may not sue the Trustee in respect of liabilities incurred by it acting as trustee of the Series Trust in any capacity other than as trustee of the Series Trust and may not seek to appoint a liquidator or administrator to the Trustee or to appoint a receiver to the Trustee, except in relation to the Assets of the Series Trust and may not prove in any liquidation, administration or arrangements of or affecting the Trustee, except in relation to the Assets of the Series Trust.

The limitation in the previous paragraph will not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because under a Transaction Document or by operation of law there is a reduction in the extent of the Trustee's indemnification out of the Assets of the Series Trust as a result of the Trustee's fraud, negligence or wilful default or the fraud, negligence or wilful default of its officers, employees or agents or any person for whom the Trustee is liable under the terms of the Transaction Documents. For these purposes a wilful default does not include a default which arises as a result of a breach of a Transaction Document by any other person, other than any person for whom the Trustee is liable under the terms of the Transaction Documents, or which is required by law or a proper instruction or direction of a meeting of Secured Creditors of the Series Trust or Noteholders or other debt security holders or beneficiaries of a Medallion Trust Programme trust or of any other person entitled to instruct or direct the Trustee under the Transaction Documents.

In addition, the Manager, the Servicer and other persons are responsible for performing a variety of obligations in relation to the Series Trust. An act or omission of the Trustee will not be considered to be fraudulent, negligent or a wilful default to the extent to which it was caused or contributed to by any failure by any such person to fulfil its obligations relating to the Series Trust or by any other act or omission of such a person.

(h) **Rights of Indemnity of Trustee**

The Trustee is indemnified out of the Assets of the Series Trust for any liability properly incurred by the Trustee in performing or exercising any of its powers or duties. This indemnity is in addition to any indemnity allowed to the Trustee by law, but does not extend to any liabilities arising from the Trustee's fraud, negligence or wilful default.

The Trustee is indemnified out of the Assets of the Series Trust against certain payments it may be liable to make under the Consumer Credit Code or the National Consumer Credit Protection Laws. Each of the Servicer and the Seller also indemnifies the Trustee in relation to such payments in certain circumstances and the Trustee is required to first call on the indemnity from the Servicer or the Seller (as applicable) before calling on the indemnity from the Assets of the Series Trust.

All costs incurred as a result of the removal or retirement of the Trustee must be borne by the outgoing Trustee.

10.4 The Manager

(a) Powers

The Manager's general duty is to manage the Assets of the Series Trust which are not serviced by the Servicer. In addition, the Manager has a number of specific responsibilities including making all necessary determinations to enable the Trustee to make the payments and allocations required on each Distribution Date in accordance with the Series Supplement, directing the Trustee to make those payments and allocations, keeping books of account and preparing the tax returns of the Series Trust and monitoring Support Facilities. The Manager must act honestly and in good faith in performance of its duties and in exercising its discretions under the Master Trust Deed, use its best endeavours to carry on and conduct its business in so far as it relates to the Master Trust Deed and the other Transaction Documents in a proper and efficient manner and exercise such prudence as a prudent person of business would exercise in performing its express functions and in exercising its discretions under the Master Trust Deed and the other Transaction Documents having regard to the interests of Noteholders and the Unitholders.

(b) Delegation

The Manager may, in carrying out and performing its duties and obligations in relation to the Series Trust, appoint any person as attorney or agent of the Manager with such powers as the Manager thinks fit including the power to sub-delegate provided that the Manager may not delegate a material part of its duties and obligations in relation to the Series Trust. The Manager remains liable for the acts or omissions of such attorneys or agents to the extent that the Manager would itself be liable.

(c) Manager's Fees, Expenses and Indemnification

The Manager is entitled to a management fee payable in arrears on each Distribution Date.

The management fee payable to the Manager by the Trustee out of the Available Income Amount may be varied as agreed between the Income Unitholder and the Manager provided that each Rating Agency must be given 3 Business Days' prior notice of any variation and the Manager has first provided to the Trustee a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed variation. The arranging fee payable to the Manager by the Trustee out of the Available Income Amount for the Series Trust is agreed between the Income Unitholder and the Manager prior to the date of the Series Supplement or as may otherwise be agreed by the Income Unitholder and the Manager.

The Manager will be indemnified out of the Assets of the Series Trust for any liability, cost or expense properly incurred by it in its capacity as Manager of the Series Trust.

(d) Removal or Retirement of the Manager

If the Trustee becomes aware that a Manager Default has occurred and is subsisting the Trustee must immediately terminate the appointment of the Manager and must appoint a substitute Manager in its place. The Manager indemnifies the Trustee in respect of all costs incurred as a result of its replacement by the Trustee.

The Manager may retire on giving to the Trustee 3 months', or such lesser period as the Manager and the Trustee may agree, notice in writing of its intention to do so. Upon its retirement, the Manager may appoint another corporation approved by the Trustee as Manager in its place. If the Manager does not propose a replacement by the date one month prior to the date of its retirement the Trustee may appoint a replacement Manager as from the date of the Manager's retirement.

Until a substitute Manager is appointed, the Trustee must act as Manager and will be entitled to receive the fee payable to the Manager.

(e) **Limitation of Manager's Liability**

The Manager is not personally liable to indemnify the Trustee or to make any payments to any other person in relation to the Series Trust except where arising from any fraud, negligence, wilful default or breach of duty by it in its capacity as Manager of the Series Trust. A number of limitations on the Manager's liability are set out in full in the Master Trust Deed and the other Transaction Documents. These include the limitation that the Manager will not be liable for any loss, costs, liabilities or expenses:

- (i) arising out of the exercise or non-exercise of its discretions under any Transaction Document or otherwise in relation to the Series Trust;
- (ii) arising out of the exercise or non-exercise of a discretion on the part of the Trustee, the Seller or the Servicer or any act or omission of the Trustee, the Seller or the Servicer; or
- (iii) caused by its failure to check any calculation, information, document, form or list supplied or purported to be supplied to it by the Trustee, the Seller, the Servicer or any other person,

except to the extent that they are caused by the Manager's own fraud, negligence or wilful default.

10.5 Limits on Rights of Noteholders

Apart from the security interest arising under the Security Trust Deed, the Noteholders do not own and have no interest in the Series Trust or any of its Assets. In particular, no Noteholder is entitled to:

- (a) require the transfer to it of any Asset of the Series Trust;
- (b) interfere with or question the exercise or non-exercise of the rights or powers of the Seller, the Servicer, the Manager or the Trustee in their dealings with the Series Trust or any Assets of the Series Trust;
- (c) attend meetings or take part in or consent to any action concerning any property or corporation in which the Trustee has an interest;
- (d) exercise any rights, powers or privileges in respect of any Asset of the Series Trust;
- (e) lodge a caveat or other notice forbidding the registration of any person as transferee or proprietor of or any instrument affecting any Asset of the Series Trust or claiming any estate or interest in any Asset of the Series Trust;

- (f) negotiate or communicate in any way with any borrower or security provider under any Mortgage Loan assigned to the Trustee or with any person providing a Support Facility to the Trustee;
- (g) seek to wind up or terminate the Series Trust;
- (h) seek to remove the Servicer, Manager or Trustee;
- (i) take proceedings against the Trustee, the Manager, the Seller or the Servicer or in respect of the Series Trust or the Assets of the Series Trust. This will not limit the right of Noteholders to compel the Trustee, the Manager and the Security Trustee to comply with their respective obligations under the Master Trust Deed, the Series Supplement and the Security Trust Deed, in the case of the Trustee and the Manager, and the Security Trust Deed, in the case of the Security Trustee;
- (j) have any recourse to the Trustee or the Manager in their personal capacity, except to the extent of fraud, negligence or wilful default on the part of the Trustee or the Manager respectively; or
- (k) have any recourse whatsoever to the Seller or to the Servicer in respect of a breach by the Seller or the Servicer of their respective obligations and duties under the Series Supplement.

10.6 The Security Trust Deed

(a) General

P.T. Limited of Level 12, 123 Pitt Street, Sydney, Australia, a wholly owned subsidiary of Perpetual Trustee Company Limited, is the Security Trustee. The Trustee has appointed P.T. Limited to act as its authorised representative under its Australian Financial Services Licence (Authorised Representative Number 266797). The Trustee will grant a floating charge (“**Charge**”), registered with the Australian Securities and Investments Commission, over all of the Assets of the Series Trust in favour of the Security Trustee. The Charge will secure the Secured Moneys owing to the Noteholders, the Servicer, the Seller, the Liquidity Facility Provider, the Basis Swap Provider, the Fixed Rate Swap Provider and the Class A2 Note Fixed Swap Provider. These secured parties are collectively known as the “**Secured Creditors**”.

(b) Nature of the Charge

A company may not deal with its assets over which it has granted a fixed charge without the consent of the relevant chargee. Fixed charges are usually given over real property, marketable securities and other assets which will not be dealt with by the company.

A floating charge, like the Charge created by the Security Trust Deed, does not attach to specific assets but instead “floats” over a class of assets which may change from time to time. The company granting the floating charge may deal with those assets and give third parties title to those assets free from any encumbrance, provided such dealings and transfers of title are in the ordinary course of the company’s business. The Trustee has agreed not to dispose of or create interests in the Assets of the Series Trust subject to the Charge except in accordance with the Master Trust Deed, the Series Supplement or any other Transaction Document and the Manager has agreed not to direct the Trustee to take any such actions. If, however, the Trustee disposes of any of the Assets of the Series Trust, including any Mortgage Loan, other than in

accordance with the Master Trust Deed, the Series Supplement or any other Transaction Document, the person acquiring the property may nevertheless take it free of the Charge. The Charge granted over the Assets of the Series Trust will crystallise, which means it becomes a fixed charge, upon the occurrence of an Event of Default or will become fixed over the affected Assets in the case of certain Events of Default. On crystallisation of the Charge, the Trustee may still not deal with the Assets of the Series Trust unless permitted in accordance with the Master Trust Deed, the Series Supplement or any other Transaction Document and, as a result of the crystallisation of the Charge, any attempt to do so in violation of the Transaction Documents will not generally be effective to create interests in the Assets of the Series Trust ranking in priority to the Charge.

(c) **The Security Trustee**

The Security Trustee is appointed to act as trustee on behalf of the Secured Creditors and holds the benefit of the Charge over the Assets of the Series Trust on trust for each Secured Creditor on the terms and conditions of the Security Trust Deed. If, in the Security Trustee's opinion, there is a conflict between the duties owed by the Security Trustee to any Secured Creditor or class of Secured Creditors and the interests of Noteholders as a whole, the Security Trustee must give priority to the interests of the Noteholders.

In addition, the Security Trustee must give priority to the interests of:

- (i) if the Class A Notes or the Redraw Notes remain outstanding, the Class A Noteholders and the Redraw Noteholders;
- (ii) if no Class A Notes and no Redraw Notes remain outstanding but Class AB Notes remain outstanding, the Class AB Noteholders;
- (iii) if no Class A Notes, no Redraw Notes and no Class AB Notes remain outstanding but Class AC Notes remain outstanding, the Class AC Noteholders; and
- (iv) if no Class A Notes, no Redraw Notes, no Class AB Notes and no Class AC Notes remain outstanding but Class B Notes remain outstanding, the Class B Noteholders,

if, in the Security Trustee's opinion, there is a conflict between the interests of Class A Noteholders, the Redraw Noteholders, the Class AB Noteholders, the Class AC Noteholders and the Class B Noteholders or other persons entitled to the benefit of the Charge.

(d) **Duties and Liabilities of the Security Trustee**

The Security Trustee's liability to the Secured Creditors is limited to the amount the Security Trustee is entitled to recover through its right of indemnity from the Assets held on trust by it under the Security Trust Deed. However, this limitation will not apply to the extent that the Security Trustee limits its right of indemnity as a result of its own fraud, negligence or wilful default.

The Security Trust Deed contains a range of other provisions regulating the scope of the Security Trustee's duties and liabilities. These include the following:

- (i) the Security Trustee is not required to monitor whether an Event of Default has occurred or compliance by the Trustee or Manager with the Transaction Documents or their other activities;
 - (ii) the Security Trustee is not required to do anything unless its liability is limited in a manner satisfactory to it;
 - (iii) the Security Trustee is not responsible for the adequacy or enforceability of any Transaction Documents;
 - (iv) except as expressly stated in the Security Trust Deed, the Security Trustee need not give to the Secured Creditors information concerning the Trustee or the Series Trust which comes into the possession of the Security Trustee;
 - (v) the Trustee gives wide ranging indemnities to the Security Trustee in relation to its role as Security Trustee; and
 - (vi) the Security Trustee may rely on documents and information provided by the Trustee or Manager.
- (e) **Events of Default**

Each of the following is an Event of Default under the Security Trust Deed:

- (i) the Trustee retires or is removed, or is required to retire or be removed, as trustee of the Series Trust and is not replaced within 60 days and the Manager fails within a further 20 days to convene a meeting of debt security holders and beneficiaries of the Medallion Trust Programme trusts established under the Master Trust Deed in accordance with the Master Trust Deed;
- (ii) the Security Trustee has actual notice or is notified by the Manager or the Trustee that the Trustee is not entitled for any reason to fully exercise its right of indemnity against the Assets of the Series Trust to satisfy any liability to a Secured Creditor and the circumstances are not rectified to the reasonable satisfaction of the Security Trustee within 14 days of the Security Trustee requiring this;
- (iii) the Series Trust is not properly constituted or is imperfectly constituted in a manner or to an extent that is regarded by the Security Trustee acting reasonably to be materially prejudicial to the interests of any class of Secured Creditor and is incapable of being, or is not within 30 days of the discovery thereof, remedied;
- (iv) an Insolvency Event occurs in respect of the Trustee in its capacity as trustee of the Series Trust;
- (v) distress or execution is levied or a judgment, order or encumbrance is enforced, or becomes enforceable, over any of the Assets of the Series Trust for an amount exceeding A\$1,000,000, either individually or in aggregate, or can be rendered enforceable by the giving of notice, lapse of time or fulfilment of any condition and in respect of which the Manager is unable to issue a Rating Affirmation Notice;
- (vi) the Charge:
 - A. is or becomes wholly or partly void, voidable or unenforceable; or

- B. loses its priority, subject only to the Prior Interest, as a first ranking charge, other than as mandatorily preferred by law or by an act or omission of the Security Trustee;
- (vii) subject only to the Prior Interest, the Trustee attempts to create a security interest over the Assets of the Series Trust or transfers, assigns or otherwise disposes of, or creates or allows to exist, any other interest over the Assets of the Series Trust, otherwise than in accordance with the Master Trust Deed, the Series Supplement or the Security Trust Deed;
- (viii)
- A. all or any part of any Transaction Document is terminated or is illegal or, unenforceable or of no force or effect; or
 - B. any Transaction Document is terminated or becomes void, or any party becomes entitled to terminate, rescind or avoid all or a part of any Transaction Document,
- and such action or event would have an Adverse Effect; and
- (ix) any Senior Secured Moneys are not paid within 10 days of when due.

The Security Trustee may, without the consent of the Secured Creditors, determine that any event that would otherwise be an Event of Default under the Security Trust Deed will not be treated as an Event of Default, where this will not in the opinion of the Security Trustee be materially prejudicial to the interests of the Secured Creditors. However, it must not do so in contravention of any prior directions in an Extraordinary Resolution of Voting Secured Creditors. Unless the Security Trustee has made such an election, and providing that the Security Trustee is actually aware of the occurrence of an Event of Default, the Security Trustee must:

- (x) promptly and, in any event, within 2 Business Days, notify all Secured Creditors and each Rating Agency of the Event of Default and provide such Secured Creditors and each Rating Agency with full details of the Event of Default; and
- (xi) promptly convene a meeting of the Voting Secured Creditors at which it shall seek at directions from the Voting Secured Creditors by way of Extraordinary Resolution regarding the action it should take as a result of that Event of Default.

(f) **Meetings of Voting Secured Creditors**

The Security Trust Deed contains provisions for convening meetings of the Voting Secured Creditors to enable the Voting Secured Creditors to direct or consent to the Security Trustee taking or not taking certain actions under the Security Trust Deed, including directing the Security Trustee to enforce the Security Trust Deed. Meetings may also be held of a class or classes of Voting Secured Creditors under the Security Trust Deed.

(g) **Voting Procedures**

Every question submitted to a meeting of Voting Secured Creditors shall be decided in the first instance by a show of hands. If a show of hands results in a tie, the chairman shall both on a show of hands and on a poll have a casting vote. A

representative is a person or body corporate appointed as a proxy for a Voting Secured Creditor or a representative of a corporate Voting Secured Creditor under the Corporations Act. On a show of hands, every person holding, or being a representative holding or representing other persons who hold, Secured Moneys shall have one vote. If at any meeting a poll is demanded, every person who is present shall have one vote for every A\$10 of Secured Moneys owing to it.

A resolution of all the Voting Secured Creditors, including an Extraordinary Resolution, may be passed, without any meeting or previous notice being required, by an instrument or Notes in writing which have been signed by all of the Voting Secured Creditors.

(h) **Indemnification**

The Trustee has agreed to indemnify the Security Trustee and each person to whom duties, powers, trusts, authorities or discretions may be delegated by the Security Trustee from and against all losses, costs, liabilities, expenses and damages arising out of or in connection with the execution of their respective duties under the Security Trust Deed, except to the extent that they result from the fraud, negligence or wilful default on the part of such persons.

(i) **Enforcement of the Charge**

Upon a vote at a meeting of Voting Secured Creditors called following an Event of Default under the Security Trust Deed, or by a resolution in writing signed by all Voting Secured Creditors, the Voting Secured Creditors may direct the Security Trustee by Extraordinary Resolution to do any or all of the following:

- (i) declare all Secured Moneys immediately due and payable;
- (ii) appoint a receiver over the Assets of the Series Trust and determine the remuneration to be paid to that receiver;
- (iii) sell and realise the Assets of the Series Trust and otherwise enforce the Charge; or
- (iv) take any other action as the Voting Secured Creditors may specify in the terms of such Extraordinary Resolution.

Any enforcement action taken by the Security Trustee will only relate to the same rights in relation to the Assets of the Series Trust as are held by the Trustee. This means that even after an enforcement, the Security Trustee's interest in the Assets of the Series Trust will remain subject to the rights of Commonwealth Bank of Australia arising under the Master Trust Deed and the Series Supplement.

No Secured Creditor is entitled to enforce the Charge, or appoint a receiver or otherwise exercise any power conferred by any applicable law on charges, otherwise than in accordance with the Security Trust Deed.

(j) **Limitations of Actions by the Security Trustee**

If an Event of Default occurs, the Security Trustee must not declare the Secured Moneys immediately due and payable, appoint a receiver or otherwise enforce the Charge under the Security Trust Deed without being directed to do so by an Extraordinary Resolution of the Voting Secured Creditors in accordance with the Security Trust Deed, unless in the opinion of the Security Trustee the delay required

to obtain such directions would be prejudicial to Secured Creditors as a class. The Security Trustee is not obligated to act unless it obtains an indemnity from the Voting Secured Creditors and funds have been deposited on behalf of the Security Trustee to the extent to which it may become liable for the relevant enforcement actions.

If the Security Trustee convenes a meeting of the Voting Secured Creditors, or is required by an Extraordinary Resolution to take any action under the Security Trust Deed, and advises the Voting Secured Creditors before or during the meeting that it will not act in relation to the enforcement of the Security Trust Deed unless it is personally indemnified by the Voting Secured Creditors to its reasonable satisfaction against all actions, proceedings, claims and demands to which it may render itself liable, and all costs, charges, damages and expenses which it may incur in relation to the enforcement of the Security Trust Deed and is put in funds to the extent to which it may become liable, including costs and expenses, and the Voting Secured Creditors refuse to grant the requested indemnity, and put the Security Trustee in funds, then the Security Trustee is not obliged to act in relation to that enforcement under the Security Trust Deed. In those circumstances, the Voting Secured Creditors may exercise such of those powers conferred on them by the Security Trust Deed as they determine by Extraordinary Resolution.

(k) Priorities under the Security Trust Deed

The proceeds from the enforcement of the Charge are to be applied in the following order of priority, subject to any statutory or other priority which may be given priority by law as described in the next paragraph:

- (i) first, *pari passu* and rateably to pay amounts owing or payable under the Security Trust Deed to indemnify the Security Trustee, the Manager, any experts or consultants appointed under the Security Trust Deed and the receiver against all loss and liability incurred by such parties in acting under the Security Trust Deed, except the receiver's remuneration, and in payment of the Prior Interest;
- (ii) next, to pay *pari passu* and rateably any fees and any liabilities, losses, costs, claims, expenses, actions, damages, demands, charges, stamp duties and other taxes due to the Security Trustee and the receiver's remuneration;
- (iii) next, to pay *pari passu* and rateably other outgoings and liabilities that the receiver or the Security Trustee have incurred in acting under the Security Trust Deed;
- (iv) next, to pay any security interests over the Assets of the Series Trust of which the Security Trustee is aware having priority to the Charge, other than the Prior Interest, in the order of their priority;
- (v) next, to pay the Seller any unpaid Accrued Interest Adjustment;
- (vi) next, to pay *pari passu* and rateably:
 - A. the Liquidity Facility Provider all of the Secured Moneys owing to the Liquidity Facility Provider under the Liquidity Facility; and
 - B. the Interest Rate Swap Provider all of the Secured Moneys owing to the Interest Rate Swap Provider under the Interest Rate Swap Agreement other than any Subordinated Termination Payments;

- (vii) next, pari passu and rateably:
 - A. to pay to the Class A Noteholders all of the Secured Moneys owing in relation to the Class A Notes (the Secured Moneys owing in respect of the principal component of the Class A Notes for this purpose will be calculated based on their Stated Amount), to be applied amongst them:
 - (aa) first, towards all interest accrued but unpaid on the Class A Notes at that time (to be distributed pari passu and rateably amongst the Class A Notes); and
 - (ba) next, in reduction of the Stated Amount in respect of the Class A Notes at that time (to be distributed pari passu and rateably amongst the Class A Notes);
 - B. to pay to the Redraw Noteholders all of the Secured Moneys owing in relation to the Redraw Notes (the Secured Moneys owing in respect of the principal component of the Redraw Notes for this purpose will be calculated based on their Stated Amount), to be applied amongst them:
 - (aa) first, towards all interest accrued but unpaid on the Redraw Notes at that time (to be distributed pari passu and rateably amongst the Redraw Notes); and
 - (ba) next, in reduction of the Stated Amount in respect of the Redraw Notes at that time (to be distributed pari passu and rateably amongst the Redraw Notes);
 - C. to pay to the Seller the amount of all then Seller Advances which have not been repaid to the Seller in accordance with the Series Supplement;
- (viii) next, pari passu and rateably:
 - A. to the Class A Noteholders of all unreimbursed Principal Chargeoffs in respect of the Class A Notes constituting the remaining Secured Moneys owing in respect of the Class A Notes (to be distributed pari passu and rateably amongst the Class A Notes); and
 - B. to the Redraw Noteholders of all unreimbursed Principal Chargeoffs in respect of the Redraw Notes constituting the remaining Secured Moneys owing in respect of the Redraw Notes (to be distributed pari passu and rateably amongst the Redraw Notes);
- (ix) next, to the Class AB Noteholders of all Secured Moneys owing in relation to the Class AB Notes to be applied amongst them:
 - A. first, towards all interest accrued but unpaid on the Class AB Notes at that time (to be distributed pari passu and rateably amongst the Class AB Notes); and
 - B. next, in reduction of the Invested Amount in respect of the Class AB Notes at that time (to be distributed pari passu and rateably amongst the Class AB Notes);

- (x) next, to the Class AC Noteholders of all Secured Moneys owing in relation to the Class AC Notes to be applied amongst them:
 - A. first, towards all interest accrued but unpaid on the Class AC Notes at that time (to be distributed pari passu and rateably amongst the Class AC Notes); and
 - B. next, in reduction of the Invested Amount in respect of the Class AC Notes at that time (to be distributed pari passu and rateably amongst the Class AC Notes);
- (xi) next, in or towards payment pari passu and rateably of any Secured Moneys constituting Subordinated Termination Payments payable by the Trustee to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Agreement;
- (xii) next, to the Class B Noteholders of all Secured Moneys owing in relation to the Class B Notes to be applied amongst them:
 - A. first, towards all interest accrued but unpaid on the Class B Notes at that time (to be distributed pari passu and rateably amongst the Class B Notes); and
 - B. next, in reduction of the Invested Amount in respect of the Class B Notes at that time (to be distributed pari passu and rateably amongst the Class B Notes);
- (xiii) next, in repaying to the Seller, an amount equal to the Extraordinary Expense Reserve Required Amount;
- (xiv) next, in repaying to the Seller, an amount equal to the Income Reserve Required Amount;
- (xv) next, to pay pari passu and rateably to each Secured Creditor any remaining amounts forming part of the Secured Moneys owing to that Secured Creditor and not satisfied under the preceding paragraphs;
- (xvi) next, to pay subsequent security interests over the Assets of the Series Trust of which the Security Trustee is aware, in the order of their priority; and
- (xvii) finally, to pay any surplus to the Trustee to be distributed in accordance with the terms of the Master Trust Deed and the Series Supplement. The surplus will not carry interest as against the Security Trustee.

Upon enforcement of the security created by the Security Trust Deed, the net proceeds may be insufficient to pay all amounts due on redemption to the Noteholders. Any claims of the Noteholders remaining after realisation of the security and application of the proceeds shall be extinguished.

(l) **Security Trustee's Fees and Expenses**

The Security Trustee is entitled to a fee payable in arrears on each Distribution Date. The fee payable to the Security Trustee by the Trustee out of the Available Income Amount may be varied as agreed between the Trustee, the Manager and the Security Trustee provided that each Rating Agency must be given 3 Business Days' prior notice of any variation and the Manager has first provided to the Trustee a Rating

Affirmation Notice in respect of each Rating Agency in relation to the proposed variation.

The Trustee must reimburse the Security Trustee for all costs and expenses of the Security Trustee incurred in performing its duties under the Security Trust Deed. These costs and expenses form part of the expenses of the Series Trust.

(m) **Retirement and Removal of the Security Trustee**

The Security Trustee must retire if:

- (i) an Insolvency Event occurs with respect to it in its personal capacity or in respect of its personal assets (and not in its capacity as trustee of any trust or in respect of any assets it holds as trustee);
- (ii) it ceases to carry on business;
- (iii) the Trustee, where it is a related body corporate, retires or is removed from office and the Manager requires the Security Trustee by notice in writing to retire;
- (iv) the Voting Secured Creditors require it to retire by an Extraordinary Resolution;
- (v) it breaches a material duty and does not remedy the breach with 14 days notice from the Manager or the Trustee; or
- (vi) there is a change in ownership or effective control of the Security Trustee without the consent of the Manager.

If an event of the type referred to in paragraph (i) to paragraph (vi) above occurs and the Security Trustee does not retire immediately after that event, the Manager is entitled to, and must forthwith, remove the Security Trustee from office immediately by notice in writing to the Security Trustee. On the retirement or removal of the Security Trustee as a result of the occurrence of an event of the type referred to in paragraph (i) to paragraph (vi) above, the Manager must issue a Rating Affirmation Notice in relation to each Rating Agency in respect of such retirement or removal.

The Security Trustee may retire on 3 months' notice to the Trustee, the Manager and each Rating Agency or such lesser time as the Manager, the Trustee and the Security Trustee may agree.

If the Security Trustee is removed or retires as described in this Section 10.6(m), the Manager, may appoint a replacement Security Trustee which is an authorised trustee corporation under the Corporations Act provided that the Manager issues a Rating Affirmation Notice in respect of each Rating Agency in relation to such retirement or removal.

If a substitute Security Trustee has not been appointed within 30 days of the Manager receiving notice of the retirement or removal, the Manager must promptly convene a meeting of Voting Secured Creditors at which Voting Secured Creditors, holding or representing between them Voting Entitlements comprising in aggregate a number of votes which is not less than 75% of the aggregate number of votes comprised in the total Voting Entitlements at the time, appoint any person appointed by an Extraordinary Resolution passed at that meeting to act as Security Trustee.

Until the appointment of the substitute Security Trustee is complete, the existing Security Trustee must continue to act as the Security Trustee in accordance with the Transaction Documents. The Security Trustee has agreed to cooperate with the Manager with respect to the finding and appointment of a substitute Security Trustee.

None of Commonwealth Bank of Australia or any of its related bodies corporate may act as the Security Trustee.

(n) **Amendment**

The Trustee, the Manager and the Security Trustee, may alter, add to or revoke any provision of the Security Trust Deed, subject to the limitations described below, if the alteration, addition or revocation:

- (i) in the opinion of the Security Trustee is made to correct a manifest error or ambiguity or is of a formal, technical or administrative nature only;
- (ii) in the opinion of the Security Trustee, or of a lawyer instructed by the Security Trustee, is necessary or expedient to comply with the provisions of any law or regulation or with the requirements of any statutory authority;
- (iii) in the opinion of the Security Trustee is appropriate or expedient as a consequence of an alteration to any law or regulation or altered requirements of the government of any jurisdiction or any governmental agency or any decision of any court including an alteration, addition or revocation which is appropriate or expedient as a result of an alteration to Australia's tax laws or any ruling by the Australian Commissioner or Deputy Commissioner of Taxation or any governmental announcement or statement or any decision of any court, which has or may have the effect of altering the manner or basis of taxation of trusts generally or of trusts similar to the security trust created under the Security Trust Deed; or
- (iv) in the opinion of the Security Trustee is otherwise desirable for any reason.

Any alteration, addition or revocation must be notified to the Rating Agencies 5 Business Days in advance.

(o) **Indemnification**

The Trustee has agreed to indemnify the Security Trustee and each person to whom duties, powers, trusts, authorities or discretions may be delegated by the Security Trustee from and against all losses, costs, liabilities, expenses and damages arising out of or in connection with the execution of their respective duties under the Security Trust Deed, except to the extent that they result from the fraud, negligence or wilful default on the part of such persons.

10.7 Principal Draws

Interest collections on the Mortgage Loans and other income receipts of the Series Trust are used to pay interest on the Notes and other expenses of the Series Trust while principal collections on the Mortgage Loans and other principal receipts of the Series Trust are used to repay principal on the Notes and to make other principal payments of the Series Trust.

If there are insufficient income receipts of a Series Trust to be applied on a Distribution Date toward payment of interest on the Notes (other than the Class B Notes) and other expenses of the Series Trust, the Manager may direct the Trustee to allocate some or all of the principal

collections on the Mortgage Loans and other principal receipts of the Series Trust towards meeting the shortfall. Such an application is referred to as a Principal Draw. Any Principal Draws will be reimbursed from Available Income Amount on subsequent Distribution Dates so as to be applied as part of the Available Principal Amount including towards repayment of the Notes.

10.8 The Liquidity Facility

Liquidity enhancement may, in addition to Principal Draws, be provided by way of the Liquidity Facility.

(a) Advances and Facility Limit

Under the Liquidity Facility Agreement, the Liquidity Facility Provider agrees to make advances to the Trustee for the purpose of meeting Net Income Shortfalls.

The Liquidity Facility Provider agrees to make advances to the Trustee up to the Liquidity Facility Limit. The Liquidity Facility Limit is equal to the lesser of:

- (i) A\$90,000,000 (equal to 3 per cent of the aggregate Invested Amount of the Notes on the Closing Date);
- (ii) if the Amortisation Conditions have ever been satisfied:
 - A. 3 per cent of the aggregate Invested Amount of the Notes on the Closing Date; multiplied by
 - B. the Performing Mortgage Loans Amount as at the Review Date prior to the most recent Distribution Date that the Amortisation Conditions were satisfied (following any payments on that date) divided by the Performing Mortgage Loans Amount as at the Closing Date, provided that if this results in a number less than 0.1, the result will be taken to be 0.1;
- (iii) the Performing Mortgage Loans Amount at that time; and
- (iv) the amount (if any) to which the Liquidity Facility Limit is reduced at that time by the Manager or the Trustee in accordance with the Liquidity Facility Agreement (one of the requirements for such a reduction is that the Manager has issued a Rating Affirmation Notice in respect of the proposed reduction in the Liquidity Facility Limit).

(b) Utilisation of the Liquidity Facility

Following the occurrence of a Net Income Shortfall, an amount equal to the lesser of:

- (i) the un-utilised portion of the Liquidity Facility Limit; and
- (ii) the Net Income Shortfall,

may be available to be advanced or applied under the Liquidity Facility on each Distribution Date in or towards extinguishment of that Net Income Shortfall. The amount so claimed or applied is referred to as the “**Applied Liquidity Amount**”.

The necessary documentation for drawdowns or applications to be made under the Liquidity Facility Agreement must be prepared by the Manager and delivered to the Trustee for execution.

(c) **Conditions Precedent to Drawing**

The Liquidity Facility Provider is only obliged to make an advance if, amongst other conditions:

- (i) no Liquidity Event of Default exists or will result from the provision or continuation of the advance;
- (ii) the representations and warranties made or deemed to be made by the Trustee or the Manager in any Transaction Document are true and correct as of the date of the drawdown notice and the drawdown where such breach would have an Adverse Effect; and
- (iii) other than in respect of priorities granted by statute, none of the Liquidity Facility Provider, the Trustee or the Manager has received notice of any security interest ranking in priority to or equal with the security interest held by the Liquidity Facility Provider under the Security Trust Deed.

(d) **Interest and fees under the Liquidity Facility Agreement**

The duration that each Applied Liquidity Amount is outstanding is divided into interest periods. Interest accrues daily on each Applied Liquidity Amount advanced or applied under the Liquidity Facility to meet a Net Income Shortfall at the Bank Bill Rate for that period plus a margin (plus, in the circumstances described in paragraph (f), an overdue rate), calculated on the number of days elapsed and a 365 day year. Interest is payable on each Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement.

Unpaid interest will be capitalised and will accrue interest from the date not paid.

A commitment fee accrues daily from the date of the Liquidity Facility Agreement and is calculated with respect to the unutilised portion of the Liquidity Facility Limit based on the number of days elapsed and a 365 day year. The commitment fee is payable monthly in arrears on each Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement.

The interest rate and the commitment fee under the Liquidity Facility may be varied by agreement between the Liquidity Facility Provider, the Trustee (at the direction of the Manager) and the Manager provided that each Rating Agency is given not less than 3 Business Days prior notice by the Manager of any variation and the Manager has issued a Rating Affirmation Notice in respect of each Rating Agency in relation to such variation.

(e) **Repayment of Liquidity Advances**

Each Applied Liquidity Amount outstanding on any Distribution Date is repayable on the following Distribution Date but only to the extent there are funds available for this purpose in accordance with the Series Supplement.

It is not a Liquidity Event of Default if the Trustee does not have funds available to repay the Applied Liquidity Amounts outstanding under the Liquidity Facility on a

Distribution Date. If outstanding Applied Liquidity Amounts are not repaid in full on a Distribution Date, any unpaid amounts will be carried forward (and accrue interest as described above) so that they are payable by the Trustee on each following Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement until such amounts are paid in full.

(f) **Downgrade of Liquidity Facility Provider**

If the Liquidity Facility Provider ceases to have:

- (i) in respect of S&P:
 - A. a long term credit rating equal to or higher than BBB+; or
 - B. a long term credit rating equal to or higher than BBB, together with a short term credit rating equal to or higher than A-2; or
 - C. a short term credit rating equal to or higher than A-2 (if the Liquidity Facility Provider does not have any long term rating from S&P); and
- (ii) in respect of Fitch Ratings, a short term credit rating equal to or higher than F1 and a long term credit rating equal to or higher than A (or A+ if Fitch Ratings has placed the Liquidity Facility Provider on ratings watch negative at the relevant time),

or such other credit rating or ratings by a Rating Agency as may be notified in writing by the Manager to the Trustee from time to time provided that the Manager has delivered to the Trustee a Rating Affirmation Notice in respect of each Rating Agency, it must deposit into an account in the name of the Trustee with an Eligible Depository (“**Liquidity Facility Reserve Deposit Account**”) an amount equal to the un-utilised portion of the Liquidity Facility Limit (“**Cash Deposit Advance**”).

Thereafter, if the Manager determines that a Net Income Shortfall has occurred, the amount of such Net Income Shortfall must be satisfied from the amount of that Cash Deposit Advance in the Liquidity Facility Reserve Deposit Account. On the termination of the Liquidity Facility, or if the Liquidity Facility Provider obtains the ratings referred to above, the un-utilised portion of the Cash Deposit Advance (together with all accrued, but unpaid, interest on that amount) must be repaid to the Liquidity Facility Provider and (except in the case of the termination of the Liquidity Facility) any Net Income Shortfalls occurring thereafter will be satisfied by the Liquidity Facility Provider meeting a direct claim under the Liquidity Facility Agreement.

On each Distribution Date the Trustee, at the discretion of the Manager, will pay the Liquidity Facility Provider any interest that has been earned on the Liquidity Facility Reserve Deposit Account or any other account held by the Trustee as trustee of the Series Trust in respect of the Cash Deposit Advance.

The Cash Deposit Advance will not form part of the Assets of the Series Trust, except to the extent it is available to the Trustee under the terms of the Liquidity Facility Agreement, and will not form part of the Available Income Amount (except to the extent applied as described in paragraph (c) above) or Available Principal Amount for distribution on a Distribution Date or be available to Secured Creditors upon enforcement of the Charge.

(g) **Events of Default under the Liquidity Facility Agreement**

Each of the following is a Liquidity Event of Default (whether or not caused by any reason whatsoever outside the control of the Trustee or any other person):

- (i) the Trustee fails to pay to the Liquidity Facility Provider any amount owing to it under the Liquidity Facility Agreement within 10 days of its due date where funds are available for this purpose under the Series Supplement;
- (ii) the Trustee consents to amend or revoke the provisions of the Transaction Documents in manner which would alter the priority of payments under the Transaction Documents or have certain effects on the rights and obligations of the Liquidity Facility Provider without the prior written consent of the Liquidity Facility Provider; and
- (iii) an Event of Default occurs under the Security Trust Deed and any enforcement action is taken under the Security Trust Deed.

(h) **Consequences of an Event of Default**

At any time after a Liquidity Event of Default the Liquidity Facility Provider may do all or any of the following:

- (i) declare all moneys actually or contingently owing under the Liquidity Facility Agreement immediately due and payable; and
- (ii) terminate the Liquidity Facility.

(i) **Termination**

The Liquidity Facility will terminate, and the Liquidity Facility Provider's obligation to make any advances will cease, on the earlier to occur of:

- (i) 32 years after the date of the Liquidity Facility Agreement;
- (ii) the termination date appointed by the Liquidity Facility Provider if it becomes unlawful or impossible for the Liquidity Facility Provider to maintain or give effect to its obligations under the Liquidity Facility Agreement as a result of a change of law or its interpretation;
- (iii) the date on which the Liquidity Facility Provider declares all amounts due under the Liquidity Facility Agreement (as described in Section 10.8(h) ("*Consequences of an Event of Default*") above) or declares the Liquidity Facility terminated following a Liquidity Event of Default;
- (iv) the date one month after all Notes are redeemed in full;
- (v) the date on which the Liquidity Facility Limit is reduced to zero by agreement between the Liquidity Facility Provider and the Manager and in relation to which the Manager has issued a Rating Affirmation Notice; and
- (vi) the Distribution Date declared by the Trustee as the date on which the Liquidity Facility Provider will be replaced by a substitute Liquidity Facility Provider, subject to the repayment by the Trustee of all amounts outstanding under the Liquidity Facility and the Manager issuing a Rating Affirmation

Notice in relation to the termination of the Liquidity Facility Provider and the appointment of the proposed substitute Liquidity Facility Provider.

(j) **Increased Costs**

If, by reason of any change in law or its interpretation or administration or because of compliance with any request from any fiscal, monetary or other governmental agency, the Liquidity Facility Provider incurs new or increased costs, obtains reduced payments or returns or becomes liable to make any payment based on the amount of advances outstanding under the Liquidity Facility Agreement, the Trustee must pay the Liquidity Facility Provider an amount sufficient to indemnify it against that cost, increased cost, reduction or liability.

10.9 GIC Account

The Trustee will enter into the GIC Agreement with the GIC Provider to establish the GIC Account. Under the GIC Agreement, provided that the GIC Provider has the required short term and long term credit rating, the Trustee is only permitted to make a withdrawal from the GIC Account in the following circumstances:

- (a) the Trustee may transfer interest paid on the balance of the GIC Account and interest paid on any GIC Authorised Investments acquired using amounts standing to the credit of the GIC Account to the Collections Account on each Distribution Date;
- (b) the Trustee may transfer the entire balance of the GIC Account to the Collections Account on the Class A2 Refinancing Date; and
- (c) the Security Trustee may transfer the entire balance of the GIC Account to the Collections Account following the occurrence of an Event of Default and the enforcement of the Charge.

The GIC Provider has agreed to pay the Trustee an interest rate of the Bank Bill Rate on the balance of the GIC Account, with interest to accrue daily and payable in arrears by the GIC Provider on each Distribution Date.

If at any time the GIC Provider ceases to have a short term credit rating of at least A-1+ by S&P and F1 by Fitch Ratings and a long term credit rating of at least AA by S&P and A by Fitch Ratings (or A+ if Fitch Ratings has placed the GIC Provider on ratings watch negative at the relevant time), then the GIC Provider, the Security Trustee and the Trustee will (on the direction of the Manager) make arrangements within 30 calendar days of becoming aware of the withdrawal or downgrade to novate the GIC Agreement or otherwise procure the transfer of the GIC Account to another financial institution provided that a Rating Affirmation Notice in relation to each Rating Agency has been provided by the Manager in respect of such novation or transfer.

If the Manager (acting reasonably) forms the opinion that the balance of the GIC Account at any time will result in a reduction, qualification or withdrawal of the ratings then assigned by any of the Rating Agencies to the Class A2 Notes, the Manager may direct the Trustee to withdraw an amount from the GIC Account and invest that amount in GIC Authorised Investments which have a maturity prior to the Class A2 Refinancing Date, provided that a Rating Affirmation Notice has been provided in respect of the acquisition of those GIC Authorised Investments. The Manager has agreed to direct the Trustee to realise the GIC Authorised Investments on or before the Class A2 Refinancing Date and deposit the realisation proceeds into the GIC Account.

Following the occurrence of an Event of Default and the enforcement of the Charge, the proceeds of any GIC Authorised Investments acquired using amounts standing to the credit of the GIC Account will be applied in accordance with the Security Trust Deed.

10.10 The Mortgage Insurance Policies

(a) General

The mortgage insurance policies consist of:

- (i) a high LTV master mortgage insurance policy in relation to Mortgage Loans which generally had a loan-to-value ratio of greater than around 80% at the time that they were originated (“**High LTV Policy**”) (as described in paragraph 10.10(b) (“*The High LTV Master Mortgage Insurance Policy*”) below); and
- (ii) a Master Mortgage Insurance Policy to provide mortgage insurance in relation to the balance of the Mortgage Loans (“**Master Policy**”) (as described Section 10.11 (“*The Master Mortgage Insurance Policy*”)).

(b) The High LTV Master Mortgage Insurance Policy

The High LTV Policy represents a liability of Genworth Financial Mortgage Insurance Pty Limited.

The High LTV Policy insures the Trustee against losses in respect of Mortgage Loans insured under it, which generally had a loan-to-value ratio of greater than around 80% at the time of origination. The Seller will equitably assign their rights under the High LTV Policy to the Trustee on the Closing Date. Each borrower paid a single upfront premium for their respective Mortgage Loan to be insured under the High LTV Policy and no further premium is payable by an originator or the Trustee.

The Manager has determined that Genworth Financial Mortgage Insurance Pty Limited is contingently liable to provide payments representing 20% or more of the cash flow supporting the Notes.

(i) *Period of Cover*

The Trustee has the benefit of the High LTV Policy in respect of each Mortgage Loan insured under it generally from the latest of:

- A. the date monies are first advanced under the Mortgage Loan;
- B. the date the mortgage securing the Mortgage Loan is granted to or acquired by the insured; or
- C. the date the premium in respect of the Mortgage Loan is paid,

until the earliest of:

- A. the date the Mortgage Loan or the mortgage securing the Mortgage Loan is assigned, transferred or mortgaged to a person other than a person who is or becomes entitled to the benefit of the High LTV Policy;
- B. the date the Mortgage Loan is repaid in full;

- C. the date the Mortgage Loan ceases to be secured by the relevant mortgage (other than where the mortgage is discharged by the operation of a compulsory acquisition or sale by a government for public purpose);
- D. the expiry date set out in the certificate of insurance issued by the mortgage insurer in relation to the Mortgage Loan or as extended with the written consent of the mortgage insurer or as varied by a court under the Consumer Credit Code or the National Credit Code; or
- E. the date the High LTV Policy is cancelled in respect of the Mortgage Loan in accordance with the terms of the High LTV Policy or the Insurance Contracts Act 1984 of Australia.

(ii) *Cover for Losses*

If a Loss Date (as defined below) occurs in respect of a Mortgage Loan insured under the High LTV Policy, the mortgage insurer will pay to the Trustee the loss in respect of that Mortgage Loan.

A “**Loss Date**” means:

- A. if a default occurs under the Mortgage Loan and the mortgaged property is sold by the Trustee or the mortgagee of an Approved Prior Mortgage (as defined below) pursuant to enforcement proceedings, the date on which the sale is completed;
- B. if a default occurs under the Mortgage Loan and the Trustee or the mortgagee of an Approved Prior Mortgage (as defined below) becomes the absolute owner by foreclosure of the mortgaged property, the date on which this occurs;
- C. if a default occurs under the Mortgage Loan and the mortgagor sells the mortgaged property with the prior approval of the Trustee and the mortgage insurer, the date on which the sale is completed;
- D. if the mortgaged property is compulsorily acquired or sold by a government for public purposes and there is a default under the Mortgage Loan (or where the mortgage has been discharged by the operation of the compulsory acquisition or sale and there is a failure in repayment of the Mortgage Loan which would have been a default but for the occurrence of that event), the later of the date of the completion of the acquisition or sale or 28 days after the date of the default; or
- E. where the mortgage insurer has agreed to purchase the mortgage securing the Mortgage Loan, the date of the purchase of that mortgage.

A “default” in respect of an insured Mortgage Loan means any event which triggers the Trustee’s power of sale in relation to the mortgaged property.

The loss payable by the mortgage insurer to the Trustee in respect of an insured loan is the amount outstanding, less the deductions and less the

reductions as referred to below, in relation to the Mortgage Loan, in each case calculated as at the Loss Date.

(iii) *Amount Outstanding in a Claim*

The amount outstanding under a Mortgage Loan is the aggregate of the following:

- A. the principal amount outstanding, including any additional advances approved by the mortgage insurer to the extent outstanding together with any interest, fees or charges outstanding as at the Loss Date;
- B. rates, taxes and other statutory charges (calculated on a single holding basis) in relation to the mortgaged property paid by the Trustee including council rates and water rates paid by the Trustee to facilitate sale of the mortgage property (but excluding amounts for liabilities incurred before the commencement of the High LTV Policy);
- C. the interest chargeable at the standard rate of interest under the Mortgage Loan (“**Standard Rate**”) on the amount the Trustee is entitled to in respect of the amount claimed from the Loss Date to the earlier of the date of payment of the claim by the mortgage insurer and 30 days after the Loss Date;
- D. reasonable premiums for insurance over the mortgaged property paid by the Trustee including general insurance premium by the Trustee to cover the mortgaged property against physical damage (but excluding any amount for liabilities incurred before the commencement of the High LTV Policy);
- E. levies and other charges payable to a body corporate under the Australian strata titles system including strata levies paid by the Trustee to the body corporate relevant to the mortgaged property to facilitate the sale of the property (but excluding any amount for liabilities incurred before the commencement of the High LTV Policy);
- F. reasonable legal costs, mercantile agent’s fees and other collection costs paid by the Trustee necessarily incurred in enforcing or protecting the Trustee’s rights under the Mortgage Loan (excluding any legal costs or other charges incurred to establish the Mortgage Loan), up to a maximum of A\$10,000, unless otherwise approved in writing by the mortgage insurer;
- G. costs of maintenance and protection of the mortgaged property paid by the Trustee, up to a maximum amount of A\$3,000, unless otherwise approved in writing by the mortgage insurer;
- H. costs of the sale of the mortgaged property up to a maximum amount of A\$2,000 plus the lesser of 3% of the sale price and \$25,000, unless otherwise approved in writing by the mortgage insurer;
- I. reasonable valuer’s fees paid by the Trustee in respect of the valuation of the mortgaged property for the purpose of enforcement

of the mortgage securing the Mortgage Loan, up to a maximum of A\$500, unless otherwise approved in writing by the mortgage insurer;

- J. reasonable property presenter's fees paid by the Trustee in respect of presentation of the mortgaged property for sale, up to a maximum of A\$1,750, unless otherwise approved in writing by the mortgage insurer;
- K. reasonable display furniture fees as agreed between the Trustee and the mortgage insurer and paid by the Trustee;
- L. payment dishonour fees in respect of payments under the Mortgage Loan paid by the Trustee to third parties, up to a maximum of A\$130, unless otherwise approved in writing by the mortgage insurer; and
- M. an amount paid by the Trustee to discharge a mortgage or other security ranking in priority to the mortgage and which was disclosed to or approved by the mortgage insurer in accordance with the High LTV Policy ("**Approved Prior Mortgage**"),

which the Trustee is entitled to recover under the Mortgage Loan or a related guarantee.

(iv) *Deductions in a Claim*

The mortgage insurer may make the following deductions:

- A. where the mortgaged property is sold, the sale price, or where the mortgaged property is compulsorily acquired, the amount of compensation, less, in either case, any amount required to discharge any Approved Prior Mortgage;
- B. where foreclosure action occurs, the value of the Trustee's interest in the mortgaged property, including the interest of any mortgagee with priority over the mortgage other than a mortgagee of an Approved Prior Mortgage;
- C. any amount received by the Trustee under any collateral security;
- D. any amounts paid to the Trustee by way of rents, profits or proceeds in relation to the mortgaged property or any collateral security;
- E. any amounts received under any insurance policy relating to the mortgaged property and not applied in restoration of the mortgaged property;
- F. any other amount received relating to the Mortgage Loan or any collateral security including any amount received from the relevant borrower;
- G. reduction in the value of the mortgaged property due to physical damage (other than fair wear and tear) to, or contamination of, the mortgaged property as determined by a valuer approved and nominated by the mortgage insurer;

- H. the amount of any input tax credit the Trustee is entitled to claim in respect of GST incurred in relation to any expenditure on any component of the amount outstanding;
- I. interest charged in advance for a period after the Loss Date;
- J. interest charged in excess of the Standard Rate chargeable on the Mortgage Loan;
- K. rates, taxes and other statutory charges incurred before the commencement of the High LTV Policy;
- L. levies and other charges payable to a body corporate under a strata title system incurred before the commencement of the High LTV Policy;
- M. fees or penalties including early repayment fees, funding break fees and deferred establishment fees charged by the Trustee or the mortgage manager except for loan establishment fees and monthly account keeping fees and payment dishonour fees paid by the Trustee or the mortgage manager to a third party in respect of payments under the Mortgage Loan;
- N. costs of repair of physical damage to the mortgaged property other than fair wear and tear;
- O. costs of removal of any contaminant from the mortgaged property and the cost of clean up and restoration in respect of any contamination of the mortgaged property;
- P. where the Mortgage Loan is a construction loan, amounts paid in addition to the loan amount to complete any construction, alteration or renovation on the mortgaged property; and
- Q. any amount in excess of the relevant maximum amount specified in respect of the matters identified in paragraphs (F), (G), (H), (I), (J) and (L) in the description of “amounts outstanding” above.

(c) **Refusal or Reductions of Claims**

The Trustee has certain negative obligations under the High LTV Policy which, if breached, may entitle the mortgage insurer to refuse or reduce the amount of a claim with respect to a Mortgage Loan in certain circumstances, including where any of the following occurs without the approval of the mortgage insurer:

- (i) a Mortgage Loan is reopened under section 70 of the Consumer Credit Code or is varied including a variation under section 72 of the Consumer Credit Code;
- (ii) the borrower has a defence, a right of set-off or a counterclaim in any proceedings taken by or on behalf of the Trustee;
- (iii) the Trustee makes any additional advance upon the security of the mortgaged property that ranks for payment ahead of the insured Mortgage Loan;
- (iv) the Trustee varies the priority of the mortgage;

- (v) the Trustee materially alters the terms of the Mortgage Loan contract, any mortgage guarantee or any collateral security, whether an alteration is made in accordance with the Consumer Credit Code or the National Credit Code or otherwise except in certain circumstances;
- (vi) the Trustee releases or discharges in whole or in part the mortgage or any collateral security unless the Mortgage Loan has been repaid;
- (vii) the Trustee sells, assigns or transfers the benefit of the Mortgage Loan;
- (viii) the Trustee allows its rights to be reduced against the borrower, the mortgagor, any mortgage guarantor, any provider of any collateral security or the mortgaged property by compromise, postponement, partial discharge or otherwise;
- (ix) the Trustee approves any transfer or assignment of the mortgaged property without full discharge of the insured Mortgage Loan;
- (x) the Trustee contravenes any provision of the High LTV Policy; or
- (xi) the Trustee consents to a further advance by a mortgagee of an Approved Prior Mortgage upon the security of an Approved Prior Mortgage.

The Trustee also has certain positive obligations under the High LTV Policy, which, if breached, may entitle the mortgage insurer to refuse or reduce the amount of the claim with respect to a Mortgage Loan. These obligations include (but are not limited to):

- (i) paying any premium by the due date;
- (ii) not making any representation or statement (deemed or otherwise) in a proposal that is incorrect or a breach of the duty of disclosure;
- (iii) where a mortgage is not a first mortgage, taking such action as the mortgage insurer may require (at the mortgage insurer's expense) to oppose any application by any prior mortgagee for foreclosure against the borrower and the Trustee;
- (iv) ensuring the mortgage has been duly registered with the land titles office in the State or Territory in which the mortgaged property is situated;
- (v) ensuring the Mortgage Loan contract, any mortgage guarantee or any collateral security is duly stamped in each relevant State or Territory; and
- (vi) obtaining the prior written approval of the mortgage insurer of any additional advance made on the security of the mortgaged property.

In addition, the mortgage insurer may also make the following reductions:

- (xii) where a collateral security in relation to the Mortgage Loan is unenforceable, the amount which could have been recovered from that collateral security if it was enforceable;
- (xiii) where a valuer upon whose valuation the Trustee or its agent relied in respect of the Mortgage Loan was, in respect of or in connection with that valuation, negligent or in breach of a duty:

- A. if at the time the valuation was provided the valuer was not approved by the mortgage insurer, the amount of the loss which resulted from the negligence or breach of duty of the valuer; and
- B. if at the time the valuation was provided the valuer was approved by the mortgage insurer, where the valuer's liability is reduced on account of negligence on the part of the Trustee or its agent, the amount of the reduction of the valuer's liability on account of negligence on the part of the Trustee or its agent;

(d) **Exclusions**

The High LTV Policy does not cover any loss arising from:

- (i) an additional advance which has not been approved by the mortgage insurer in its absolute discretion and in respect of which any required additional premium has been paid;
- (ii) any amount paid to discharge a security which has priority over the mortgage other than an Approved Prior Mortgage;
- (iii) any war or warlike activities;
- (iv) the use, existence or escape of nuclear weapons or nuclear contamination;
- (v) any contamination of the mortgaged property;
- (vi) terrorism or terrorist activities;
- (vii) riot or civil commotion;
- (viii) termites or other insects or vermin;
- (ix) physical damage to the mortgaged property other than fair wear and tear;
- (x) the failure, malfunction or inadequacy of any computer hardware or software not belonging to the mortgage insurer;
- (xi) any amount of GST, fine, penalty or charge for which the Trustee is or becomes liable because of a failure to disclose or a misstatement made by anyone in relation to the Trustee's entitlement to an input tax credit;
- (xii) the fact that the Mortgage Loan or any collateral security is void or unenforceable; or
- (xiii) any failure of the Mortgage Loan, mortgage guarantee or collateral security to comply with any legislation including the requirements of the Consumer Credit Code or the National Credit Code.

(e) **Submission for Payment of Claims**

A claim for a loss in respect of a Mortgage Loan insured under the High LTV Policy must be lodged within 30 days after the Loss Date unless in its absolute discretion the mortgage insurer otherwise agrees. Where a claim is not lodged within 30 days after the Loss Date the claim shall be reduced for any loss and damage the mortgage insurer suffers by reason of the delay in lodgement of the claim.

10.11 The Master Mortgage Insurance Policy

(a) The Master Policy

Under the terms of the Master Policy provided by QBE Lenders' Mortgage Insurance Pty Limited, a separate agreement exists in respect of each Mortgage Loan which is insured under the Master Policy (each, "**Mortgage Insurance Policy**").

(b) Period of Cover

The insurance under a Mortgage Insurance Policy in respect of the corresponding Mortgage Loan commences on the first closing date specified under the terms of the Master Policy and terminates on the earliest of the following:

- (i) repayment in full of the Mortgage Loan;
- (ii) full discharge of the Mortgage Loan;
- (iii) the expiry date of the Mortgage Insurance Policy. However if before 14 days after the expiry date of the Mortgage Insurance Policy, notice is given of default under the Mortgage Loan, the Mortgage Insurance Policy will continue solely for the purposes of a claim on that default;
- (iv) in relation to the relevant mortgaged property, the date of payment of a claim for loss under the Mortgage Insurance Policy in respect of that mortgaged property; or
- (v) cancellation of the Mortgage Insurance Policy in accordance with the Insurance Contracts Act 1984 of the Commonwealth of Australia.

(c) Cover for Losses

Subject to the exclusions outlined below, the mortgage insurer must pay the Trustee the loss in respect of a Mortgage Loan, being the aggregate of the following amounts owed to the Trustee:

- (i) the balance of the loan account (being the total of the relevant loan amount and interest on the loan amount outstanding under the Mortgage Loan) ("**Loan Account**") at the settlement date (being the day the sale of the mortgaged property is completed) ("**Settlement Date**");
- (ii) interest on the balance of the Loan Account from the Settlement Date to the date of claim to a maximum of 30 days (if a claim is paid before the mortgaged property is sold, then interest on the balance of the Loan Account is calculated to the date of payment of the claim);
- (iii) any GST incurred on the sale of or transfer of the mortgaged property to a third party in or towards the satisfaction of any debt that the borrower owes under the Loan Account, and any GST which is properly incurred in respect of the costs, fees, disbursements or commissions specifically included under paragraph (iv) below;
- (iv) costs incurred on sale of the mortgaged property which include:
 - A. costs properly incurred for insurance premiums, rates, land tax (calculated on a single holding basis) and other statutory charges on

the mortgaged property and in respect of amounts payable to a body corporate, service company or equivalent in relation to the mortgaged property;

- B. reasonable and necessary legal fees and disbursements incurred in enforcing or protecting rights under the mortgage;
- C. reasonable agent's commission, advertising costs, valuation costs and other costs relating to the sale of the mortgaged property;
- D. reasonable and necessary costs incurred by the Trustee in maintaining (but not restoring) the mortgaged property, provided that amounts exceeding A\$1,500 will only be included if incurred with the prior written consent of the mortgage insurer;
- E. any amounts applied with the prior written consent of the mortgage insurer to discharge a security interest having priority over the mortgage; and

less the following deductions:

- (v) the gross proceeds of sale of the mortgaged property;
- (vi) any amount incurred by the Trustee in respect of GST relating to the mortgaged property or any collateral security to the extent the Trustee is entitled to claim an input tax credit;
- (vii) early repayment fees;
- (viii) break funding costs; and
- (ix) the following amounts to the extent they have not already been applied to the credit of the Loan Account:
 - A. compensation received for any part of the mortgaged property or any collateral security that has been resumed or compulsorily acquired;
 - B. all rents collected and other profits received relating to the mortgaged property or any collateral security;
 - C. any sums received under any insurance policy relating to the mortgaged property not applied to restoration of the mortgaged property following damage or destruction;
 - D. all amounts recovered from exercising rights relating to any collateral security; and
 - E. any other amount received relating to the insured mortgage or any collateral security including any amounts received from the borrower, any guarantor or prior mortgagee.

Amounts owed to the Trustee for the purposes of paragraphs (c)(iv)(A) to (c)(iv)(E) of the above calculations do not include the following amounts:

- (i) interest charged in advance;

- (ii) default rate interest;
- (iii) any higher interest rate payable because of failure to make prompt payment;
- (iv) fines, fees or charges debited to the Loan Account (except for any monthly account keeping fee, switch fee or loan establishment fee);
- (v) costs of restoration following damage to or destruction of the mortgaged property;
- (vi) costs of removal, clean up and restoration arising from contamination of the mortgaged property;
- (vii) additional funds advanced to the borrower without the mortgage insurer's written consent other than any loan redraws permitted in accordance with the Master Policy;
- (viii) amounts paid by the insured in addition to the loan amount to complete improvements;
- (ix) cost overruns;
- (x) certain liabilities in relation to the Consumer Credit Code or the National Credit Code;
- (xi) any amount that would have been payable under any term or provision of the mortgage or collateral security that is void, whether as a result of the operation of the National Credit Code or Consumer Credit Code or otherwise; and
- (xii) certain legal fees and disbursements.

(d) **Reduction in a Claim**

The amount of a claim under a Mortgage Insurance Policy may be reduced by:

- (i) the amount by which the insured loss is increased due to the Trustee making a false or misleading statement, assurance or representation to the borrower or any guarantor;
- (ii) the amount by which the insured loss is increased due to the Trustee consenting to, without the written approval of the mortgage insurer;
 - A. the creation of any lease, licence, easement, restriction or other notification affecting the mortgaged property; or
 - B. an increase in or acceleration of the payment obligation of the borrower under any security interest having priority over the mortgage.

The amount of a claim may also be reduced in other circumstances including where the Trustee is entitled to any input tax credit with respect to items included in the claim for loss and where the Seller, the Servicer, the Manager or the Trustee do not comply with their duties of disclosure or the requirements of the relevant Mortgage Insurance Policy.

The Master Policy does not cover losses resulting from a credit tribunal or court re-opening an unjust insured mortgage, collateral security or loan account under Section 70 of the Consumer Credit Code or section 76 of the National Credit Code or annulling or reducing any unconscionable interest rate change, fee or charge under Section 72 of the Consumer Credit Code or section 78 of the National Credit Code. The Master Policy also does not cover losses resulting from a tribunal, court or other competent body making orders affecting the Trustee's rights under a mortgage, collateral security or Loan Account or requiring the Trustee to pay any fines or civil or criminal penalties.

Where the sum of the amounts outstanding under all loans secured by the mortgage is greater than the Loan Account as at the Settlement Date, the proceeds from the enforcement of the mortgage will be applied first towards reducing the amount owing to the Trustee calculated in accordance with the Master Policy until that amount is zero. Any amount remaining after such application may be applied towards any other loans secured by the mortgage which are not insured by the mortgage insurer.

(e) **Submission for Payment of Claims**

The Trustee must submit a claim for loss providing all documents and information reasonably required by the mortgage insurer within 30 days of:

- (i) the Settlement Date; or
- (ii) notification by the mortgage insurer to submit a claim for loss.

10.12 Description of the Mortgage Insurers

(a) **Genworth Financial Mortgage Insurance Pty Limited**

GE Capital Mortgage Insurance Corporation (Australia) Pty Limited (“**GEMICO**”) commenced operations in March 1998 and was established by GE as a sister company to GE Mortgage Insurance Pty Ltd (“**GEMI**”). It was also a wholly owned subsidiary of GE Capital Australia.

Together GEMI and GEMICO insured all loans between 15 December 1997 and 31 March 2004. On 31 March 2004 the lenders mortgage insurance (“**LMI**”) businesses (including all of the LMI policies written during such period) of GEMI and GEMICO were transferred to a new entity – GE Mortgage Insurance Company Pty Limited (“**Genworth GEMICO**”).

The transfer of the LMI policies was made pursuant to two separate schemes under the Insurance Act 1973 of Australia and approved by APRA and the Federal Court of Australia. One scheme effected the transfer of LMI policies issued by GEMI and the other scheme effected the transfer of LMI policies issued by GEMICO.

On or about 24 May 2004, Genworth GEMICO became a wholly owned subsidiary of a newly incorporated and U.S. domiciled entity, Genworth Financial Inc. Genworth Financial Inc is a leading Fortune 500 global financial security company. Its products and services help meet the investment, protection, retirement and lifestyle needs of over 15 million customers in more than 25 countries. Genworth Financial Inc, which traces its roots back to 1871, became a public company in 2004 and is headquartered in Richmond, Virginia.

Genworth Financial has its principal lenders mortgage insurance operations in the United States, United Kingdom, Canada and Australia. On 25 November 2005 Genworth GEMICO changed its name to Genworth Financial Mortgage Insurance Pty

Limited (ABN 60 106 974 305). As of March 23, 2011, the Financial Strength Ratings for Genworth Financial Mortgage Insurance Pty Limited are AA- by S&P and A1 by Moody's Investor Services (under review).

The principal place of business of Genworth Financial Mortgage Insurance Pty Limited is Level 26, 101 Miller Street, North Sydney, New South Wales, Australia.

(b) **QBE Lenders' Mortgage Insurance Limited**

QBE Lenders' Mortgage Insurance Limited (ABN 70 000 511 071) is an Australian public company registered in New South Wales and limited by shares. QBE Lenders' Mortgage Insurance Limited's principal activity is lenders' mortgage insurance which it has provided in Australia since 1965 and in New Zealand since 1988.

QBE Lenders' Mortgage Insurance Limited's parent is QBE Holdings (AAP) Pty Ltd, a subsidiary of the ultimate parent company, QBE Insurance Group Limited ("**QBE Group**"). QBE Group is an Australian based public company listed on the Australian Securities Exchange. QBE Group is recognised as Australia's largest international insurance and reinsurance company with operations in 49 countries around the world, and is one of the top 25 global general insurers and reinsurers as measured by net written premium. QBE Group currently has a counterparty credit rating by S&P of A (outlook stable).

As of 31 December 2010, the audited financial statements of QBE Lenders' Mortgage Insurance Limited had total assets of A\$1,894 million and shareholder's equity of A\$1,066 million. QBE Lenders' Mortgage Insurance Limited currently has an insurer financial strength rating by S&P of AA- (outlook stable) and Fitch Ratings of AA- (outlook stable) and by Moody's Investor Services of Aa3 (stable outlook).

There is no assurance that the ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by such rating agencies, if, in their judgment, circumstances so warrant. The ratings reflect each respective rating agency's current assessments of the creditworthiness of QBE Lenders' Mortgage Insurance Limited and its ability to pay claims on its policies of insurance. Each insurer financial strength rating of QBE Lenders' Mortgage Insurance Limited should be evaluated independently. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency. Such ratings are subject to revision, qualification or withdrawal at any time by the applicable rating agency.

The business address of QBE Lenders' Mortgage Insurance Limited is Level 21, 50 Bridge Street, Sydney, New South Wales, Australia, 2000.

10.13 The Interest Rate Swaps

(a) **Purpose of the Interest Rate Swaps**

Collections in respect of interest on the variable rate Mortgage Loans will be calculated based on Commonwealth Bank of Australia's administered variable rates.

Collections in respect of interest on the fixed rate Mortgage Loans will be calculated based on the relevant fixed rates.

However, the payment obligations of the Trustee on the Notes are calculated by reference to the relevant Bank Bill Rate (in the case of Notes other than the Class A2 Notes) and by reference to a fixed rate of interest (in the case of the Class A2 Notes).

To hedge these interest rate exposures, the Trustee will enter into a basis swap (“**Basis Swap**”), a fixed rate swap in respect of mortgages charged a fixed rate (“**Fixed Rate Swap**”) and a fixed rate swap in respect of interest payments on the Class A2 Notes (“**Class A2 Note Fixed Swap**”) with an Interest Rate Swap Provider.

The Basis Swap will apply in respect of interest received under any Mortgage Loan charged a variable rate of interest as at the Closing Date or which converts from a fixed rate to a variable rate after the Closing Date.

The Fixed Rate Swap will apply in respect of interest received under any Mortgage Loan charged a fixed rate as at the Closing Date or which converts from a variable rate to a fixed rate after the Closing Date.

The Class A2 Note Fixed Swap will apply in respect of the fixed interest paid on the Class A2 Notes and floating amounts received under the Basis Swap and the Fixed Rate Swap.

Each of the Basis Swap, Fixed Rate Swap and Class A2 Note Fixed Swap will be governed by a standard form ISDA Master Agreement, as amended by a supplementary schedule and confirmed by written confirmations in relation to each swap (the “**Interest Rate Swap Agreement**”). The initial Interest Rate Swap Provider will be Commonwealth Bank of Australia, Ground Floor, Darling Park, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia.

(b) **Basis Swap**

On each Distribution Date the Trustee will pay to the Interest Rate Swap Provider an amount calculated by reference to the interest payable by borrowers on the variable rate Mortgage Loans, during the relevant preceding Accrual Period and the income earned by the Series Trust on the Collections Account and any Authorised Short-Term Investments during that Accrual Period. In return, the Interest Rate Swap Provider will pay to the Trustee on each Distribution Date an amount calculated by reference to the aggregate principal amount outstanding of the relevant proportion of the variable rate Mortgage Loans at the last day of the Accrual Period preceding the previous Distribution Date and Bank Bill Rate plus a margin.

(c) **Fixed Rate Swaps**

The Trustee will enter into the Fixed Rate Swap with the Interest Rate Swap Provider to enable the Trustee to hedge the interest rate mismatch between the interest rates being charged on Mortgage Loans at a fixed rate and the payment obligations of the Trustee under the Notes (other than the Class A2 Notes) and the Class A2 Note Fixed Swap.

The Fixed Rate Swap will have a notional amount in respect of each Distribution Date equal to the principal amount outstanding on the Mortgage Loans being charged a fixed interest rate as at the Determination Date falling within the previous Accrual Period (“**Fixed Rate Swap Notional Amount**”).

Under the Fixed Rate Swap the Trustee will pay to the Interest Rate Swap Provider on each Distribution Date an amount calculated by reference to the product of the Fixed Rate Swap Notional Amount for that Distribution Date and the weighted average of the fixed rates charged on the fixed rate Mortgage Loans as at the Determination Date falling within the previous Accrual Period.

The Interest Rate Swap Provider will in turn pay to the Trustee on each Distribution Date an amount calculated by reference to the product of the Fixed Rate Swap Notional Amount for that Distribution Date, the Bank Bill Rate for the relevant period and a margin. The margin over the Bank Bill Rate payable by the Interest Rate Swap Provider is fixed for the life of the Fixed Rate Swap and is a market based margin determined at the time the Fixed Rate Swap is entered into.

In the case of Fitch Ratings, if at any time the Interest Rate Swap Provider of the Fixed Rate Swap is assigned credit ratings of less than the Prescribed Ratings it must:

- (i) notify Fitch Ratings, the Manager and the Trustee of such an event;
- (ii) put in place a mark-to-market collateral agreement;
- (iii) novate its rights and obligations under the Fixed Rate Swap to a replacement counterparty which holds credit ratings at least equal to the Prescribed Ratings; or
- (iv) take such other action as the Interest Rate Swap Provider may agree with Fitch Ratings.

In the case of S&P, if an S&P Replacement Event (as defined in the Interest Rate Swap Agreement) has occurred and is subsisting, the Interest Rate Swap Provider must, at its own cost and within 60 days of that event (or such longer period as agreed with S&P):

- (i) novate all of the Interest Rate Swap Provider's rights and obligations under the Interest Rate Swap Agreement to a replacement counterparty who has a credit rating which is at least equal to the credit rating required by S&P; or
- (ii) arrange for the Interest Rate Swap Provider's obligations under the Interest Rate Swap Agreement to be irrevocably guaranteed by a guarantor who has a credit rating that is at least equal to the credit rating required by S&P; or
- (iii) enter into such other arrangements in relation to its obligations under the Interest Rate Swap Agreement which the Manager is satisfied on a reasonable basis that will not result in a downgrade, withdrawal or qualification of the then rating of the Notes.

If the Interest Rate Swap Provider lodges collateral with the Trustee, any interest or income on that collateral will be paid to the Interest Rate Swap Provider. Any collateral lodged by the Interest Rate Swap Provider with the Trustee will not form part of the Assets of the Series Trust, except to the extent the collateral is available to the Trustee under the terms of the Interest Rate Swap Agreement, and will not be applied as part of the Available Income Amount or Available Principal Amount on a Distribution Date or be available to the Secured Creditors upon the enforcement of the Charge.

(d) **Class A2 Note Fixed Swap**

The Trustee will enter into the Class A2 Note Fixed Swap with the Interest Rate Swap Provider to enable the Trustee to hedge the interest rate mismatch between the Class A2 Interest Rate and the floating amounts received under the Basis Swap and the Fixed Rate Swap.

The Class A2 Note Fixed Swap will have a notional amount in respect of each Distribution Date equal to the Invested Amount of the Class A2 Notes (“**Class A2 Note Fixed Swap Notional Amount**”).

Under the Class A2 Note Fixed Swap the Trustee will pay to the Interest Rate Swap Provider on each Fixed Interest Payment Date an amount calculated by reference to the product of the Class A2 Note Fixed Swap Notional Amount for that Fixed Interest Payment Date, the Bank Bill Rate for the relevant period and the Class A2 Swap Margin.

The Interest Rate Swap Provider will in turn pay to the Trustee on each Fixed Interest Payment Date (other than the first Fixed Interest Payment Date) an amount calculated by reference to the product of the Class A2 Note Fixed Swap Notional Amount for that Fixed Interest Payment Date and the Class A2 Interest Rate, divided by two.

On the first Fixed Interest Payment Date, the Interest Rate Swap Provider will pay to the Trustee an amount calculated by reference to the product of:

- (i) the Class A2 Note Fixed Swap Notional Amount for that Fixed Interest Payment Date multiplied by the Class A2 Interest Rate; multiplied by
- (ii) the product of $(1 / 2) \times (AP \text{ divided by } RP)$, where “AP” is the number of days in the first Accrual Period for the Class A2 Notes and RP is the number of days from and including 22 April 2011 up to (and excluding) 22 October 2011.

In the case of Fitch Ratings, if at any time the Interest Rate Swap Provider of the Class A2 Note Fixed Swap is assigned credit ratings of less than the Prescribed Ratings it must:

- (i) notify Fitch Ratings, the Manager and the Trustee of such an event;
- (ii) put in place a mark-to-market collateral agreement;
- (iii) novate its rights and obligations under the Class A2 Note Fixed Swap to a replacement counterparty which holds credit ratings at least equal to the Prescribed Ratings; or
- (iv) take such other action as the Interest Rate Swap Provider may agree with Fitch Ratings.

In the case of S&P, if an S&P Replacement Event (as defined in the Interest Rate Swap Agreement) has occurred and is subsisting, the Interest Rate Swap Provider must, at its own cost and within 60 days of that event (or such longer period as agreed with S&P):

- (i) novate all of the Interest Rate Swap Provider’s rights and obligations under the Interest Rate Swap Agreement to a replacement counterparty who has a credit rating which is at least equal to the credit rating required by S&P; or
- (ii) arrange for the Interest Rate Swap Provider’s obligations under the Interest Rate Swap Agreement to be irrevocably guaranteed by a guarantor who has a credit rating that is at least equal to the credit rating required by S&P; or
- (iii) enter into such other arrangements in relation to its obligations under the Interest Rate Swap Agreement which the Manager is satisfied on a

reasonable basis that will not result in a downgrade, withdrawal or qualification of the then rating of the Notes.

If the Interest Rate Swap Provider lodges collateral with the Trustee, any interest or income on that collateral will be paid to the Interest Rate Swap Provider. Any collateral lodged by the Interest Rate Swap Provider with the Trustee will not form part of the Assets of the Series Trust, except to the extent the collateral is available to the Trustee under the terms of the Interest Rate Swap Agreement, and will not be available to the Secured Creditors upon the enforcement of the Charge.

(e) **Early Termination of the Interest Rate Swaps**

The Interest Rate Swap Provider and the Trustee may terminate the Basis Swap, the Fixed Rate Swap or the Class A2 Note Fixed Swap in the following circumstances:

- (i) if, in the case of the Interest Rate Swap Provider, there is a payment default by the Trustee which is not remedied by 10.00 a.m. (Sydney time) on the 10th day after receiving notice from the Interest Rate Swap Provider of such failure to pay;
- (ii) if, in the case of the Trustee, there is a payment default by the Interest Rate Swap Provider which is not remedied by 10.00 a.m. (Sydney time) on the 10th day after notice from the Trustee of such failure to pay;
- (iii) if, in the case of the Trustee, the Interest Rate Swap Provider fails to comply with its obligations described above following a downgrade of its credit ratings;
- (iv) if due to a change in or a change in interpretation of law it becomes illegal for either party to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of the Basis Swap, the Fixed Rate Swap or the Class A2 Note Fixed Swap. In these circumstances, each party must make certain efforts to transfer their rights and obligations to avoid this illegality. If those efforts are not successful then both the Trustee and the Interest Rate Swap Provider will have the right to terminate; or
- (v) if the Charge under the Security Trust Deed is enforced.

If the Trustee is not paid an amount owing to it by the Commonwealth Bank of Australia (as Interest Rate Swap Provider) under the Interest Rate Swap Agreement within 20 Business Days of its due date for payment (or such longer period as the Trustee may agree) this may result in a Perfection of Title Event. The Trustee may also have the right to terminate the Interest Rate Swap Provider in other circumstances, including if a credit support default occurs, if a force majeure event occurs or certain tax events occur.

(f) **Termination of Interest Rate Swaps**

Each of the Basis Swap and the Fixed Rate Swap terminates on the earlier of:

- (i) the date that all of the Notes have been redeemed in full; and
- (ii) the Termination Date for the Series Trust.

The Class A2 Note Fixed Swap terminates on the earlier of:

- (i) the date that all of the Class A2 Notes have been redeemed in full; and
- (ii) the Termination Date for the Series Trust.

(g) **Replacement of terminated Interest Rate Swaps**

If the Basis Swap, the Fixed Rate Swap or the Class A2 Note Fixed Swap is terminated prior to its scheduled termination date, the Manager and the Trustee must endeavour to within 5 Business Days:

- (i) enter into one or more replacement swaps on terms and with a counterparty in respect of which the Manager has provided a Rating Affirmation Notice in relation to each Rating Agency; or
- (ii) enter into other arrangements in respect of which the Manager has provided a Rating Affirmation Notice in relation to each Rating Agency.

(h) **Other Fixed Rate Swaps**

The Trustee and the Interest Rate Swap Provider may agree to enter into separate fixed rate swaps in relation to one or more of the Housing Loans under which, on each Distribution Date, the Trustee will pay to the Interest Rate Swap Provider an amount calculated by reference to the fixed interest payable by borrowers on those Housing Loans on a proportion of those Housing Loans. In return the fixed rate swap provider will pay to the Trustee an amount calculated by reference to the respective Bank Bill Rate plus a margin.

In addition, if the Servicer offers interest rate cap products to borrowers, the Trustee and the fixed rate swap provider will enter into swaps to hedge the Trustee's risks in relation to such interest rate caps.

(i) **Break Costs for Fixed Rate Swaps**

If a borrower prepays a loan subject to a fixed rate of interest, or otherwise terminates a fixed rate period under a Mortgage Loan, the Trustee will normally be entitled to receive from the borrower a break cost.

A break cost is currently payable by the borrower to the Trustee where the terminated fixed rate under the Mortgage Loan is greater than the current equivalent fixed rate product offered by Commonwealth Bank of Australia for the remaining term of the Mortgage Loan. Under Commonwealth Bank of Australia's current policies and procedures, prepayments of up to \$10,000 in any 12 month period may be made by a borrower without incurring break costs, see Section 7.4(e) ("*Special Features of the Mortgage Loans*").

The method for calculation of break costs may change from time to time according to the business judgment of the Servicer.

10.14 Clean-Up

Commonwealth Bank of Australia will have the right to extinguish the Trustee's interest in the Mortgage Loan Rights, or to otherwise regain the benefit of the Mortgage Loan Rights on any Distribution Date occurring on or after the Call Date ("**Clean-Up Settlement Date**").

Commonwealth Bank of Australia may only exercise such a right by paying to the Trustee on the Clean-Up Settlement Date the Fair Market Value (as at the last day of the Collection

Period ending immediately before the Clean-Up Settlement Date) of each Mortgage Loan (“**Clean-Up Settlement Price**”). However, Commonwealth Bank of Australia may not exercise its rights described in this Section 10.14 unless the Clean-Up Settlement Price together with any other Assets of the Trust available to the Trustee will be sufficient to redeem in full (after paying all amounts ranking in priority to the Notes in accordance with Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”) and Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”)) the Invested Amount (or Stated Amount, if the Trustee is permitted to redeem Notes at their Stated Amount) of the Notes together with, other than in the case of the Class B Notes, their accrued but unpaid interest to but excluding the Clean-Up Settlement Date.

10.15 Changes to Transaction Documents

Subject to the provisions described above in relation to amendments to the Master Trust Deed, the Series Supplement or the Security Trust Deed, the Trustee and the Manager may agree to amend any Transaction Document, and may enter into new Transaction Documents, after the relevant Notes have been issued and without the consent of Noteholders, provided that the Manager has provided a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed amendment or entry into a new Transaction Document (as applicable).

11 The Servicer

11.1 Servicing of the Housing Loans

Under the Series Supplement, Commonwealth Bank of Australia will be appointed as the initial Servicer of the Mortgage Loans with a power to delegate to related companies within the Commonwealth Bank of Australia group. The day to day servicing of the Mortgage Loans will be performed by the Servicer at Commonwealth Bank of Australia's loan processing centres, presently located in Sydney, Melbourne, Brisbane and Perth, and at the retail branches and telephone banking and marketing centres of Commonwealth Bank of Australia. Servicing procedures undertaken by loan processing centres include partial loan security discharges, loan security substitutions and consents for subsequent mortgages. Arrears management is undertaken by the collections area of the Commonwealth Bank of Australia. Customer enquiries are dealt with by the retail branches and telephone banking and marketing centres of Commonwealth Bank of Australia.

(a) Appointment and Obligations of Servicer

The Servicer is required to administer the Mortgage Loans in the following manner:

- (i) in accordance with the Series Supplement;
- (ii) in accordance with the Servicer's procedures manual and policies as they apply to those Mortgage Loans, which are under regular review and may change from time to time in accordance with business judgment and changes to legislation and guidelines established by relevant regulatory bodies; and
- (iii) to the extent not covered by the preceding paragraphs, in accordance with the standards and practices of a prudent lender in the business of originating and servicing retail home loans.

The Servicer's actions in servicing the Mortgage Loans are binding on the Trustee, whether or not such actions are in accordance with the Servicer's obligations. The Servicer is entitled to delegate its duties under the Series Supplement. The Servicer at all times remains liable for the acts or omissions of any delegate to the extent that those acts or omissions constitute a breach of the Servicer's obligations.

(b) Powers of Servicer

The function of servicing the Mortgage Loans is vested in the Servicer and it is entitled to service the Mortgage Loans to the exclusion of the Trustee. The Servicer has a number of express powers, which include the power:

- (i) to release a borrower from any amount owing where the Servicer has written-off or determined to write-off that amount or where it is required to do so by a court or other binding authority;
- (ii) subject to the preceding paragraph, to waive any right in respect of the Mortgage Loans and their securities, except that the Servicer may not increase the term of a Mortgage Loan beyond 30 years from its settlement date unless required to do so by law or by the order of a court or other binding authority or if, in its opinion, such an increase would be made or required by a court or other binding authority;

- (iii) to release or substitute any security for a Mortgage Loan in accordance with the relevant mortgage insurance policy;
- (iv) to consent to subsequent securities over a mortgaged property for a Mortgage Loan, provided that the security for the Mortgage Loan retains priority over any subsequent security for at least the principal amount and accrued and unpaid interest on the Mortgage Loan plus any extra amount determined in accordance with the Servicer's procedures manual and policies;
- (v) to institute litigation to recover amounts owing under a Mortgage Loan, but it is not required to do so if, based on advice from internal or external legal counsel, it believes that the Mortgage Loan is unenforceable or such proceedings would be uneconomical;
- (vi) to take other enforcement action in relation to a Mortgage Loan as it determines should be taken; and
- (vii) to compromise, compound or settle any claim in respect of a mortgage insurance policy or a general insurance policy in relation to a Mortgage Loan or a mortgaged property for a Mortgage Loan.

(c) **Undertakings by the Servicer**

The Servicer has undertaken, among other things, the following:

- (i) upon being directed by the Trustee following a Perfection of Title Event, it will promptly take all action required or permitted by law to assist the Trustee to perfect the Trustee's legal title to the Mortgage Loans and related securities;
- (ii) to make reasonable efforts to collect all moneys due under the Mortgage Loans and related securities and, to the extent consistent with the Series Supplement, to follow such normal collection procedures as it deems necessary and advisable;
- (iii) to comply with its material obligations under each mortgage insurance policy which is an Asset of the Series Trust;
- (iv) it will notify the Trustee if it becomes actually aware of the occurrence of any Servicer Default or Perfection of Title Event;
- (v) it will obtain and maintain all authorisations, filings and registrations necessary to properly service the Mortgage Loans;
- (vi) it will only consent to the creation of a security interest in favour of a party, other than the Trustee or the Seller, if by way of priority agreement or otherwise the Servicer ensures that the relevant mortgage will rank ahead in priority to the third party's interest on enforcement for an amount not less than the principal amount (plus accrued unpaid interest) outstanding on the mortgage loan plus such extra amount as is determined in accordance with the servicing guidelines; and
- (vii) subject to the provisions of the Australian Privacy Act and its duty of confidentiality to its clients, it will promptly make available to the Manager, the auditor of the Series Trust and the Trustee any books, reports or other oral or written information and supporting evidence of which the Servicer is

aware that they reasonably request with respect to the Series Trust or the Assets of the Series Trust or with respect to all matters in respect of the activities of the Servicer to which the Series Supplement relates.

(d) **Administer Interest Rates**

The Servicer must set the interest rates to be charged on the variable rate Mortgage Loans and the monthly instalment to be paid in relation to each Mortgage Loan. Subject to the next paragraph, while Commonwealth Bank of Australia is the Servicer, it must charge the same interest rates on the variable rate Mortgage Loans in the pool as it does for Mortgage Loans of the same product type which have not been assigned to the Trustee.

If a basis swap has been terminated while any Notes are outstanding then, unless the Trustee has entered into a replacement basis swap or other arrangements in respect of which the Manager has provided a Rating Affirmation Notice in relation to each Rating Agency, the Servicer must, subject to applicable laws, adjust the rates at which interest set-off benefits are calculated under the mortgage interest saver accounts to rates which produce an amount of income which is sufficient to ensure that the Trustee has sufficient funds to comply with its obligations under the Transaction Documents as they fall due. If rates at which such interest set-off benefits are calculated have been reduced to zero and the amount of income produced by the reduction of the rates on the mortgage interest saver accounts is not sufficient, the Servicer must ensure that the weighted average of the variable rates charged on the Mortgage Loans is sufficient, subject to applicable laws, including the Consumer Credit Code and the National Credit Code, assuming that all relevant parties comply with their obligations under the Mortgage Loans and the Transaction Documents, to ensure that Trustee has sufficient funds to comply with its obligations under the Transaction Documents as they fall due.

(e) **Collections**

The Servicer will receive collections on the Mortgage Loans from borrowers. The Servicer must deposit any collections into the Collections Account within 5 Business Days following its receipt. However if the Servicer is an Eligible Depository, the Collections Account is permitted to be maintained with the Servicer and the Servicer is entitled to retain any collections in respect of a Collection Period until 10:00am on the Business Day prior to the Distribution Day for that Collection Period.

After the applicable period referred to above, the Servicer must deposit the collections into the Collections Account.

If collections are retained by the Servicer as described above where the Collections Account is maintained with the Servicer, the Servicer may retain any interest and Other Income Amounts derived from those collections but must when depositing the collections into the Collections Account also deposit interest on the collections retained equal to the interest that would have been earned on the collections if they had been deposited in the Collections Account within 5 Business Days of their receipt by the Servicer.

(f) **Servicing Compensation and Expenses**

The Servicer is entitled to a fee, payable monthly in arrears on each Distribution Date.

The Servicer's fee may be varied by agreement between the Income Unitholder, the Manager and the Servicer provided that the Rating Agencies are notified and the Manager has first provided to the Trustee a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed variation.

The Servicer must pay from its own funds all expenses incurred in connection with servicing the Mortgage Loans except for certain specified expenses in connection with, amongst other things, the enforcement of any Mortgage Loan or its related securities, the recovery of any amounts owing under any Mortgage Loan or any amount repaid to a liquidator or trustee in bankruptcy pursuant to any applicable law, binding code, order or decision of any court, tribunal or the like or based on advice of the Servicer's legal advisers, which amounts are recoverable from the Assets of the Series Trust.

(g) **Liability of the Servicer**

The Servicer will not be liable for any loss incurred by any Noteholder, any creditor of the Series Trust or any other person except to the extent that such loss is caused by a breach by the Servicer or any delegate of the Servicer or any fraud, negligence or wilful default by the Servicer. In addition, the Servicer will not be liable for any loss in respect of a default in relation to a Mortgage Loan in excess of the amount outstanding under the Mortgage Loan at the time of default less any amounts that the Trustee has received or is entitled to receive under a mortgage insurance policy in relation to that Mortgage Loan.

(h) **Removal, Resignation and Replacement of the Servicer**

If the Trustee has determined that the performance by the Servicer of its obligations under the Series Supplement is no longer lawful and there is no reasonable action that the Servicer can take to remedy this, or a Servicer Default is subsisting, the Trustee must by notice to the Servicer immediately terminate the rights and obligations of the Servicer and appoint another bank or appropriately qualified organisation to act in its place.

A “**Servicer Default**” occurs if:

- (i) the Servicer fails to remit any collections or other amounts received within the time periods specified in the Series Supplement and that failure is not remedied within 5 Business Days, or such longer period as the Trustee may agree, of notice of that failure given by the Manager or the Trustee;
- (ii) the Servicer fails to prepare and transmit the information required by the Manager by the date specified in the Series Supplement and that failure is not remedied within 20 Business Days, or such longer period as the Trustee may agree, of notice of that failure given by the Manager or the Trustee and has or will have an Adverse Effect as reasonably determined by the Trustee;
- (iii) a representation, warranty or certification made by the Servicer in a Transaction Document or in any certificate delivered pursuant to a Transaction Document proves incorrect when made and has or will have an Adverse Effect as reasonably determined by the Trustee and is not remedied within 60 Business Days after receipt by the Servicer of notice from the Trustee requiring remedy;
- (iv) an Insolvency Event occurs in relation to the Servicer;

- (v) if the Servicer is the Seller and is acting as custodian, it fails to deliver all the mortgage documents to the Trustee following a document transfer event in accordance with the Series Supplement and does not deliver to the Trustee the outstanding documents within 20 Business Days of receipt of a notice from the Trustee specifying the outstanding documents;
- (vi) the Servicer fails to adjust the rates on the mortgage interest saver accounts or fails to maintain the required threshold rate on the Mortgage Loans following termination of a basis swap and that failure is not remedied within 20 Business Days of its occurrence; or
- (vii) the Servicer breaches its other obligations under a Transaction Document and that breach has or will have an Adverse Effect as reasonably determined by the Trustee and:
 - A. the breach is not remedied within 20 Business Days after receipt of notice from the Trustee or Manager requiring its remedy; and
 - B. the Servicer has not paid satisfactory compensation to the Trustee.

The Servicer will, within two Business Days after the Servicer becomes aware of any Servicer Default, give notice of such Servicer Default to the Trustee, the Manager and the Rating Agencies. The Manager will give notice or cause notice to be given of the Servicer Default to the Noteholders.

The Servicer indemnifies the Trustee in respect of all costs, damages, losses and expenses incurred by the Trustee as a result of any Servicer Default (including, without limitation, legal costs charged at the usual commercial rate of the relevant legal services provider and the costs of the transfer of the servicing functions to the new servicer) but excluding any costs, damages, losses and expenses which the Servicer is not liable or responsible for under the Series Supplement.

The Servicer may voluntarily retire if it gives the Trustee 3 months' notice in writing or such lesser period as the Servicer and the Trustee agree. Upon retirement the Servicer may appoint in writing any other corporation approved by the Trustee, acting reasonably. If the Servicer does not propose a replacement by one month prior to its proposed retirement, the Trustee may appoint a replacement.

Pending the appointment of a new Servicer, the Trustee will act as Servicer and will be entitled to the Servicer's fee.

The appointment of a new servicer is subject to:

- (i) the new servicer executing a deed under which it covenants to act as servicer in accordance with the Series Supplement and all other Transaction Documents to which the Servicer is a party;
- (ii) written notice by the Servicer to the Manager of the appointment; and
- (iii) the Manager first providing to the Trustee a Rating Affirmation Notice in relation to the proposed appointment of a new servicer.

Upon any retirement or termination of the Servicer, or appointment of a new servicer, the Trustee will give or cause to be given notice of that retirement, termination or appointment to the Manager, the Noteholders and the Rating Agencies.

The Servicer and the Manager agree to provide their full co-operation with the transfer of the servicing functions to a new servicer. The Servicer and Manager must, subject to Australian privacy legislation and the Servicer's duty of confidentiality to its customers under general law or otherwise, provide the new servicer with copies of all paper and electronic files, information and other materials as the Trustee or the new servicer may reasonably request within 90 days of the removal of the Servicer.

The Servicer's duties and obligations under the Series Supplement continue until the date of the Servicer's retirement or removal as Servicer under the Series Supplement.

11.2 Custody of the Mortgage Loan Documents

(a) Document Custody

The Servicer will act as custodian in relation to all documents relating to the Mortgage Loans, the Seller's securities and, where applicable, the certificates of title to property subject to those securities, until a transfer of the Mortgage Loan documents to the Trustee as described below. The Servicer may appoint another party to hold documents relating to the Mortgage Loans on behalf of the Servicer ("**Sub-Custodian**"). If the Servicer appoints a Sub-Custodian, the Servicer will remain liable for the performance (or non-performance) of the Servicer's duties and responsibilities as custodian in relation to the Series Trust under the Transaction Documents. The Servicer (and not the Trustee) will also be solely responsible for the payment of the fees and expenses of any Sub-Custodian.

(b) Responsibilities as Custodian

The Servicer's duties and responsibilities as custodian include:

- (i) holding the Mortgage Loan documents in accordance with its standard safe keeping practices and in the same manner and to the same extent as it holds its own documents;
- (ii) marking and segregating the security packages containing the Mortgage Loan documents in a manner to enable easy identification by the Trustee when the Trustee is at the premises where the Mortgage Loan documents are located with a letter provided by the Seller explaining how those security packages are marked or segregated;
- (iii) maintaining reports on movements of the Mortgage Loan documents;
- (iv) providing to the Trustee prior to the Closing Date and quarterly thereafter a file containing certain information in relation to the storage of the Mortgage Loan documents and the borrower, mortgaged property and Mortgage Loan account number in relation to each Mortgage Loan; and
- (v) curing any deficiencies noted by the auditor in a document custody auditor report.

(c) Audit

The Servicer will be audited by the auditor of the Series Trust on an annual basis in relation to its compliance with its obligations as custodian of the Mortgage Loan documents and will be instructed to provide a document custody audit report. The document custody audit report will grade the Servicer from "A" (good) to "D"

(adverse). If the Servicer receives an adverse document custody audit report, the Trustee must instruct the auditor to conduct a further document custody audit report.

(d) **Transfer of Housing Loan Documents**

If:

- (i) an adverse document custody audit report is provided by the auditor and a further report, conducted no earlier than one month nor later than two months after the first report, is also an adverse report; or
- (ii) the Trustee replaces Commonwealth Bank of Australia as the Servicer when entitled to do so,

the Servicer, upon notice from the Trustee, must transfer or procure transfer custody of the Mortgage Loan documents to the Trustee. This obligation will be satisfied if the Servicer delivers the Mortgage Loan documents in relation to 90% by number of the Mortgage Loans within 5 Business Days of that notice and the balance within 10 Business Days of that notice.

If the Servicer does not transfer or procure transfer custody of the Mortgage Loan documents as outlined above and the Trustee is not satisfied that the Servicer has used its best endeavours to do so, the Trustee must within a reasonable period:

- (i) execute and lodge caveats in respect of all land or mortgages for which all Mortgage Loan documents in respect of the Series Trust have not been delivered; and
- (ii) initiate legal proceedings to take possession of the Mortgage Loan documents that have not been delivered.

In addition, if:

- (i) the Trustee declares that a Perfection of Title Event has occurred other than a Servicer Default referred to in Section 11.1(h) ("*Servicing of the Housing Loans*"); or
- (ii) the Trustee considers in good faith that a Servicer Default has occurred as a result of a breach of certain of the Servicer's obligations which has or will have an Adverse Effect which is not remedied within the required period, and the Trustee serves a notice on the Servicer identifying the reasons why it believes that has occurred,

the Servicer must, immediately following notice from the Trustee, transfer or procure transfer of custody of the mortgage documents to the Trustee. The Trustee may commence legal proceedings to obtain possession of the mortgage documents relating to that trust.

The Servicer, as custodian, is not required to deliver Mortgage Loan documents that are deposited with a solicitor acting on behalf of the Servicer, a land titles office, a stamp duty office or a governmental agency or are lost but must provide a list of these to the Trustee and deliver them upon receipt or take steps to replace them, as applicable.

(e) **Reappointment of Servicer as Custodian**

The Trustee may, following a transfer of Mortgage Loan documents, reappoint the Servicer as custodian of the Mortgage Loan documents provided that the Rating Agencies confirm that this will not cause a reduction, qualification or withdrawal in the credit rating of any Note.

(f) **Indemnity**

The Servicer as custodian will indemnify the Trustee against all loss, costs, damages, charges and expenses incurred by the Trustee:

- (i) as a result of the Servicer as custodian (or any Sub-Custodian, as applicable) failing to transfer custody of the mortgage documents after the issuance of the further adverse audit report referred to above;
- (ii) in connection with the Trustee taking the action to lodge caveats and taking legal proceedings to take possession of the mortgage loan documents that have not been delivered;
- (iii) in connection with the Trustee taking legal proceedings to take possession of the mortgage loan documents following the failure of the Servicer as custodian (or any Sub-Custodian, as applicable) to deliver the mortgage loan documents as required after a Perfection of Title Event.

11.3 Commonwealth Bank of Australia - Collection and Enforcement Procedures

Pursuant to the terms of the Mortgage Loans, borrowers must make the minimum repayment due under the terms and conditions of the Mortgage Loans, on or before each monthly instalment due date. A borrower may elect to make his or her repayments weekly or fortnightly so long as the equivalent of the minimum monthly repayment is received on or before the monthly instalment due date. Borrowers often select repayment dates to coincide with receipt of their salary or other income. In addition to payment to a retail branch by cash or cheque, Mortgage Loan repayments may be made by direct debit to a nominated bank account or direct credit from the borrower's salary by their employer.

A Mortgage Loan is subject to action in relation to arrears of payment whenever the monthly repayment is not paid by the monthly instalment due date. However, under the terms of the Mortgage Loans, borrowers may prepay amounts which are additional to their required monthly repayments to build up a "credit buffer", being the difference between the total amount paid by them and the total of the monthly repayments required to be made by them. If a borrower subsequently fails to make some or all of a required monthly repayment, the servicing system will apply the amount not paid against the credit buffer until the total amount of missed payments exceeds the credit buffer. The Mortgage Loan will be considered to be arrears only in relation to that excess.

Commonwealth Bank of Australia's automated collections system identifies all Mortgage Loan accounts which are in arrears and produces lists of those Mortgage Loans. The collection system allocates overdue loans to designated collection officers within Commonwealth Bank of Australia who take action in relation to the arrears.

Actions taken by Commonwealth Bank of Australia in relation to delinquent accounts will vary depending on a number of elements, including the following and, if applicable, with the input of a mortgage insurer:

- (i) arrears history;
- (ii) equity in the property; and
- (iii) arrangements made with the borrower to meet overdue payments.

If satisfactory arrangements cannot be made to rectify a delinquent Mortgage Loan, legal notices are issued and recovery action is initiated by Commonwealth Bank of Australia. This includes, if Commonwealth Bank of Australia obtains possession of the mortgaged property, ensuring that the mortgaged property supporting the Mortgage Loan still has adequate general home owner's insurance and that the upkeep of the mortgaged property is maintained. Recovery action is arranged by experienced collections staff in conjunction with internal or external legal advisers. A number of sources of recovery are pursued including the following:

- (i) voluntary sale by the mortgagor;
- (ii) guarantees;
- (iii) government assistance schemes;
- (iv) mortgagee sale;
- (v) claims on mortgage insurance; and
- (vi) action against the mortgagor/borrower personally.

It should be noted that the Commonwealth Bank of Australia reports all actions that it takes on overdue Mortgage Loans to the relevant mortgage insurer where required in accordance with the terms of the mortgage insurance policies.

11.4 Collection and Enforcement Process

When a Mortgage Loan becomes delinquent a reminder letter is issued to the borrower to seek full and immediate clearance of all arrears. When this letter is sent depends on the risk profile of the account, but this will generally be in the first seven days. In the absence of successful contact, a phone call is made to the borrower. If the Mortgage Loans have a direct debit payment arrangement and there are sufficient funds available, a sweep of the nominated account is made to rectify the arrears.

If an arrangement has not been entered into to rectify the arrears, a default notice is sent advising the borrower that if the matter is not rectified within a period of 30 days, Commonwealth Bank of Australia is entitled to commence enforcement proceedings without further notice. The days delinquent that the notice is sent is dependent on the risk profile of the account. Generally, a default notice will be sent by day 60. Normally a further notice will be issued to a borrower on an account which is 90 days delinquent advising the borrower that failure to comply within 30 days will result in Commonwealth Bank of Australia exercising its power of sale. At 120 days delinquent, a letter of demand and notice to vacate is issued to the borrower, followed by a statement of claim at 150 days delinquent.

Service of a statement of claim is the initiating process in the relevant Supreme Court.

Once a borrower is served with a statement of claim, the borrower is given up to 40 days to file a notice of appearance and defence and, failing this, Commonwealth Bank of Australia will apply to the court to have judgment entered in its favour. Commonwealth Bank of Australia will then apply for a writ of possession whereby the sheriff will set an eviction date. Appraisals and valuations are ordered and a reserve price is set for sale by way of public

auction, tender or private treaty. These time frames assume that the borrower has either taken no action or has not honoured any commitments made in relation to the delinquency to the satisfaction of the Commonwealth Bank of Australia and the mortgage insurers.

It should also be noted that Commonwealth Bank of Australia's ability to exercise its power of sale on the mortgaged property is dependent upon the statutory restrictions of the relevant state or territory as to notice requirements. In addition, there may be factors outside the control of the mortgagee such as whether the mortgagor contests the sale and the market conditions at the time of sale. These issues may affect the length of time between the decision of Commonwealth Bank of Australia to exercise its power of sale and final completion of the sale.

The collection and enforcement procedures may change from time to time in accordance with business judgment and changes to legislation and guidelines established by the relevant regulatory bodies.

12 Taxation considerations

The following is a summary of the material Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “Australian Tax Act”) of the purchase, ownership and disposition of the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes and the Class B Notes by Noteholders who purchase the Notes on original issuance at the stated offering price and do not hold the Notes as trading stock. It is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (including, dealers in securities, custodians or other third parties who hold Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes or Class B Notes on behalf of any Noteholders).

The following is a general guide and should be treated with appropriate caution. Each prospective Noteholder should consult his or her own tax advisors concerning the tax consequences, in their particular circumstances, of the purchase, ownership and disposition of the Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes or Class B Notes.

12.1 Tax Issues for the Series Trust

The Series Trust will form part of a consolidated group for Australian income tax purposes. Under consolidation, the head company of the consolidated group has the liability to pay the income tax of the group. Further comments on consolidation are in Section 12.4(a) below.

12.2 Interest Withholding Tax

(a) Exemption in section 128F

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**IWT**”) is available, in respect of the Notes issued by the Trustee under section 128F of the Australian Tax Act, if the following conditions are met:

- (i) the Trustee is a company as defined in section 128F(9) (which includes certain companies acting in their capacity as trustee) and a resident of Australia when it issues those Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- (ii) those Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Trustee is offering those Notes for issue. In summary, the five methods are:
 - A. offers to 10 or more unrelated financiers or securities dealers;
 - B. offers to 100 or more investors;
 - C. offers of listed Notes;
 - D. offers via publicly available information sources; and
 - E. offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods.

The issue of any of the Notes (whether in global form or otherwise) and the offering of interests in any of those Notes by one of these methods should satisfy the public offer test;

- (iii) the Trustee does not know or have reasonable grounds to suspect, at the time of issue, that those Notes or interests in those Notes were being, or would later be, acquired, directly or indirectly, by an “associate” of the Trustee, except as permitted by section 128F(5) of the Australian Tax Act; and
- (iv) at the time of the payment of interest, the Trustee does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Trustee, except as permitted by section 128F(6) of the Australian Tax Act.

(b) **Associates**

Since the Trustee is a trustee of a trust, the entities that are “associates” of the Trustee for the purposes of section 128F of the Australian Tax Act include:

- (i) any entity that benefits, or is capable of benefiting, under the trust (“**Beneficiary**”), either directly or through any interposed entities; and
- (ii) any entity that is an “associate” of a Beneficiary. If the Beneficiary is a company, an “associate” of that Beneficiary for these purposes includes:
 - A. a person or entity that holds more than 50% of the voting shares in, or otherwise controls, the Beneficiary;
 - B. an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Beneficiary;
 - C. a trustee of a trust where the Beneficiary is capable of benefiting (whether directly or indirectly) under that trust; and
 - D. a person or entity that is an “associate” of another person or entity that is an “associate” of the Beneficiary under any of the foregoing.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (a)(iii) and (a)(iv) above), the issue of the Notes to, and the payment of interest to, the following “associates” may still qualify for the exemption from IWT under section 128F:

- (iii) onshore “associates” (ie Australian resident “associates” who do not hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident “associates” who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- (iv) offshore “associates” (ie Australian resident “associates” that hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident “associates” who do not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:
 - A. in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes or a clearing house,

custodian, funds manager or responsible entity of a registered managed investment scheme; or

- B. in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme.

(c) **Compliance with section 128F of the Australian Tax Act**

The Notes are “debentures” for the purposes of section 128F of the Australian Tax Act. Interest payable on the Notes would be “interest” for the purposes of the withholding tax provisions.

Unless otherwise specified in the Series Supplement (or another relevant supplement to this Information Memorandum), the Trustee intends to issue the Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes and Class B Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

(d) **Exemptions under recent Tax Treaties**

The Australian Government has signed new or amended double tax conventions with a number of countries (each a “**Specified Country**”) which contain certain exemptions from IWT.

In broad terms, those treaties prevent IWT being imposed on payments of interest derived by either:

- (i) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or
- (ii) a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with the Australian Trustee. The term “financial institution” refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public through the Federal Treasury’s Department’s website at:

<http://www.treasury.gov.au/contentitem.asp?pageId=&ContentID=625>.

(e) **No payment of additional amounts**

Despite the fact that the Class A1 Notes, Class A2 Notes, Class AB Notes, Class AC Notes and Class B Notes are intended to be issued in a manner which will satisfy the requirements of section 128F of the Australian Tax Act and unless expressly provided to the contrary in the Series Supplement (or another relevant supplement to this Information Memorandum), if the Trustee is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Notes, the Trustee is not obliged to pay any additional amounts in respect of such deduction or withholding.

12.3 Other tax matters that are relevant to Noteholders

Discussed below is a general discussion of certain matters that are relevant to Noteholders, under Australian laws as presently in effect.

(a) Other taxes

- (i) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (ii) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes;
- (iii) *supply withholding tax* - payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under Section 12-190 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“**Taxation Administration Act**”); and
- (iv) *goods and services tax* - The receipt of the Notes will not give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply.

(b) Non-Australian Noteholders

- (i) *income tax* - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, payments of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a Noteholder of the Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;
- (ii) *gains on disposal or redemption of Notes* - a Noteholder of the Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of Notes by a non-Australian resident Noteholder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not be expected to have an Australian source;
- (iii) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for IWT purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold by a non-Australian Noteholder to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia. If the Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Notes. These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F of the

Australian Tax Act if the Notes had been held to maturity by a non-resident;
and

- (iv) *additional withholdings from certain payments to non-residents* - Section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, Section 12-315 expressly provides that the regulations will not apply to interest and other payments which are treated as interest under the IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations that have so far been promulgated under Section 12-315 prior to the date of this Information Memorandum are not applicable to any payments in respect of the Notes. Any further regulations also should not apply to repayments of principal under the Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored; and
- (v) *other withholding taxes on payments in respect of Notes* - Section 12-140 of Schedule 1 to the Taxation Administration Act imposes a type of withholding tax at the rate of (currently) 46.5% on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“TFN”) or an Australian Business Number (“ABN”) (in certain circumstances) or provided proof of some other exemption (as appropriate). Assuming that the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then the requirements of Section 12-140 do not apply to payments to a Noteholder of Notes in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia; and
- (vi) *mutual assistance in the collection of debts* - The Commissioner of Taxation has some powers to collect a taxation debt on behalf of certain foreign taxation authorities if formally requested to do so, or to take conservancy measures to ensure the collection of that debt. Conservancy is concerned with preventing a taxpaying entity from dissipating their assets when they have a tax related liability. The provisions also treat Australian tax debts collected and remitted to Australia by a foreign tax authority as tax debts collected in Australia. In certain circumstances, any foreign tax liabilities of a non-resident Noteholder of the Notes the subject of the measures may be collected by Australia on behalf of another country.

(c) **Australian Noteholders**

- (i) *income tax* - Australian residents or non-Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (“**Australian Noteholders**”), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Noteholder and the terms and conditions of the Notes. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside

Australia which vary depending on the country in which that permanent establishment is located;

- (ii) *gains on disposal of Notes* - Australian Noteholders will be required to include any gain or loss on disposal of the Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;
- (iii) *other withholding taxes on payments in respect of Notes* - Payments to Australian Noteholders of Notes in registered form may be subject to a withholding where the Noteholder does not quote a TFN or ABN or provide proof of an appropriate exemption (as appropriate); and
- (iv) *taxation of foreign exchange gains and losses* - Divisions 230, 775 and 960 of the Australian Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions. As all payments under the Notes will be in Australian dollars, these rules should not apply to the Australian Noteholders.

(d) **Taxation of Financial Arrangements**

Division 230 of the Income Tax Assessment Act contains rules which represent a new code for the taxation of receipts and payments for certain taxpayers in relation to “financial arrangements”. The rules in Division 230 contain a number of different methods for bringing to account gains and losses in relation to “financial arrangements” (including fair value, accruals, retranslation, realisation, hedging and financial records).

Division 230 does not affect the provisions relating to the imposition of IWT. In particular, the rules do not apply in a manner which overrides the exemption available under section 128F of the Australian Tax Act.

12.4 Other tax matters that are relevant to the Series Trust

(a) **Tax Consolidation Rules**

Under the tax consolidation rules, the Series Trust will be a member of a consolidated group. Under consolidation, the transactions entered into by the members of the consolidated group are effectively ignored for income tax purposes and attributed to the head company. The head company has the liability to pay the income tax of the group. However, if the head company fails to make a relevant tax payment promptly, then there is (prima facie) joint and several liability on all group members to pay that tax. That joint and several liability can be avoided by allocating the relevant tax obligation to the group members on a reasonable basis under a tax sharing agreement. The Series Trust will be party to a tax sharing agreement that provides a reasonable allocation of the group’s tax liabilities to the Series Trust (which should effectively be a nil allocation).

(b) **Goods and Services Tax**

The issue of the Notes will not give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply. Furthermore, neither

the payment of principal or interest by the Series Trust, nor the disposal of the Notes, would give rise to any GST liability on the part of the Series Trust.

The supply of some services made to the Series Trust may give rise to a liability for GST on the part of the relevant service provider.

In relation to the acquisition of these taxable services by the Series Trust:

- (i) in the ordinary course of business, the service provider would charge the Series Trust an additional amount on account of GST unless the agreed fee is already GST-inclusive.
- (ii) assuming that the Series Trust exceeds the financial acquisitions threshold for the purposes of Division 189 of the GST Act, which is likely to be the case, the Series Trust would not be entitled to a full input tax credit from the ATO to the extent that the acquisition relates to:
 - A. the Series Trust's input taxed supply of issuing Notes (ie Notes issued to:
 - (aa) Australian residents; or
 - (bb) to non-residents acting through a fixed place of business in Australia); and
 - B. the acquisition by the Series Trust of the Mortgage Loans.

In the case of acquisitions which relate to the making of supplies of the nature described above, the Series Trust may still be entitled to a "reduced input tax credit" (which is currently equal to 75% of 1/11th of the GST-inclusive consideration payable by the Series Trust to the person making the taxable supply) in relation to certain acquisitions prescribed in the GST regulations, but only where the Series Trust is the recipient of the taxable supply and the Series Trust either provides or is liable to provide the consideration for the taxable supply.

- (iii) Where services are provided to the Series Trust by an entity comprising an associate of the Series Trust for income tax purposes, those services are provided for nil or less than market value consideration, and the Series Trust would not be entitled to a full input tax credit, the relevant GST (and any input tax credit) would be calculated by reference to the market value of those services. The associate may be entitled to recover the GST calculated by reference to the market value of the services from the Series Trust. Depending on the nature of the services supplied the Series Trust, if the associate charges the Series Trust GST in relation to those services, the Series Trust may be entitled to partly recover the GST charged to it as a "reduced input tax credit".

In the case of supplies performed outside Australia for the purposes of the Series Trust's business, these may attract a liability for Australian GST if they are supplies of a kind which would have been taxable if they occurred in Australia and if the Series Trust would not have been entitled to a full input tax credit if the supply had been performed in Australia. This is known as the "reverse charge" rule. Where the rule applies, the liability to pay GST to the ATO falls not on the supplier, but on the Series Trust.

Where services are performed offshore for the Series Trust and the supplies relate solely to the issue of Notes by the Series Trust to Australian non-residents who subscribe for the Notes through a fixed place of business outside Australia, the “reverse charge” rule should not apply to these offshore supplies. This is because the Series Trust would have been entitled to a full input tax credit for the acquisition of these supplies if the supplies had been performed in Australia, as the supplies would be GST-free and not taxable.

Where GST is payable on a taxable supply made to the Series Trust in respect of the Series but a full input tax credit is not available, this will mean that less money is available to pay interest on the Notes or other liabilities of the Series.

13 Ratings of the Notes

The issuance of the Class A1 Notes, the Class A2 Notes, the Class AB Notes and the Class AC Notes will be conditioned on obtaining ratings of AAA (sf) by S&P and AAAsf by Fitch Ratings. You should independently evaluate the security ratings of each Class of Notes from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities. A rating does not address the market price or suitability of the Notes for an investor. A rating may be subject to revision or withdrawal at any time by the Rating Agencies. The rating does not address the expected schedule of principal repayments other than to say that principal will be returned no later than the Final Maturity Date of the Notes. None of the Rating Agencies have been involved in the preparation of this Information Memorandum.

14 Selling Restrictions

14.1 Introduction

No action has been taken by the Trustee or the Lead Manager which would or is intended to permit a public offer of the Class A1 Notes, the Class A2 Notes, the Class AB Notes, the Class AC Notes or the Class B Notes (together the “**Relevant Notes**”) in any country or jurisdiction where action for that purpose is required. Neither this Information Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction except under circumstances which will result in compliance with applicable laws and regulations.

14.2 US Selling Restrictions

The Relevant Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Trustee has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (“**Investment Company Act**”). An interest in the Relevant Notes may not be offered or sold within the United States or to, or for the account or benefit of, a “U.S. person” (as defined in Regulation S under the Securities Act (“**Regulation S**”)) at any time except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

14.3 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Relevant Notes has been or will be lodged with ASIC or the ASX and:

- (a) no invitation or offer of the Relevant Notes has been or will be made for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) no Information Memorandum or any other offering material or advertisement relating to any Relevant Notes in Australia may be distributed or published, unless:
 - (i) the minimum aggregate consideration payable by each offeree or invitee on acceptance of the offer is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding monies lent by the offeror or its associates) or more, or the offer does not otherwise require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act;
 - (ii) the offer does not constitute an offer to a “retail client” for the purposes of Chapter 7 of the Corporations Act; and
 - (iii) such action complies with other applicable laws and directives and does not require any document to be lodged with ASIC.

14.4 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) no person may make an offer of Relevant Notes to the public in that Relevant Member State except that it may, with effect from and including the

Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Trustee for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (d) above shall require the Trustee or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Relevant Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Relevant Notes to be offered so as to enable an investor to decide to purchase or subscribe the Relevant Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State. The expression “**European Economic Area**” means the European Union. The expression “**Member State of the European Economic Area**” means any Member State of the European Union.

14.5 The Republic of Ireland

No person may:

- (a) offer or sell any Notes, except in accordance with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (“**Prospectus Regulations**”) and the provisions of the Irish Companies Act 1963-2005 and any rules issued under section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland;
- (b) offer or sell any Notes other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EU) Regulations 2005 (Ireland) and any rules issued under section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland;
- (c) it will not underwrite the issue of, or place, the Notes in the Republic of Ireland, otherwise than in conformity with the provisions of the Central Bank Acts 1942-1999 (Ireland) (as amended) and any codes of conduct made under Section 117(1) thereof; and

- (d) underwrite the issue or place the Notes otherwise than in accordance with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including without limitation section 9, 23 (including any advertising restrictions made under that section), 50 and 37 (including any codes of conduct issued under that section) and the provisions of the Irish Investor Compensation Act 1998, including without limitation, section 21.

14.6 The United Kingdom

In relation to each Class of Notes, each person subscribing for the Notes:

- (a) may only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Relevant Notes in circumstances in which section 21(1) of the FSMA does not or would not, if the Trustee was not an authorised person, apply to the Series Trust; and
- (b) must comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

14.7 Hong Kong

In Hong Kong, interests in the Notes may not be offered or sold by any document other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether a principal or agent); or (ii) to “professional investors” as defined in the Securities and Futures Ordinance (cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (cap. 32) of Hong Kong. No person may or shall issue, or have in its possession for the purpose of issue, any advertisement, invitation or document relating to the Relevant Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to those of the Relevant Notes which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made thereunder.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Relevant Notes. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

14.8 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan as amended and reviewed (the “**Financial Instruments and Exchange Law**”) and, accordingly, no person may offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity having its principal office in Japan or organised under the laws of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ordinances promulgated by

the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

14.9 New Zealand

The Trustee does not intend that the Notes be offered for sale or subscription to the public in New Zealand in terms of the *Securities Act 1978* of New Zealand. Accordingly, no person may subscribe for, offer, sell or deliver any Notes or distribute any Information Memorandum, advertisement or offering material relating to the Notes in breach of the *Securities Act 1978* of New Zealand and, in particular, no person may sell or offer for sale Notes to any member of the public in New Zealand in breach of the *Securities Act 1978* of New Zealand.

14.10 Switzerland

This Information Memorandum does not constitute a prospectus within the meaning of Article 652A of the *Swiss Code of Obligations* and Article 1156 et seq. of the *Swiss Code of Obligations*. The Notes may not be publicly offered or distributed in or from Switzerland, and neither the preliminary Information Memorandum, the final Information Memorandum nor any other offering materials relating to any of the Notes may be publicly distributed in connection with any such offering or distribution.

14.11 Singapore

The Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the “**Securities and Futures Act**”). The Notes must not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person falling within section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in section 275 of the Securities and Futures Act, or (c) otherwise than pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Any person offering the Notes must notify (whether through the distribution of this Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes or otherwise) each of the following relevant persons specified in section 275 of the Securities and Futures Act which has subscribed or purchased Relevant Notes from and through that person, namely a person who is:

- (a) a corporation (which is not an accredited investor as defined in section 4A of the Securities and Futures Act) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

that shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that

corporation or that trust has acquired the Relevant Notes under section 275 of the Securities and Futures Act except:

- (i) to an institutional investor (for corporations, under section 274 of the Securities and Futures Act) or to a relevant person, or any person defined in section 275(2) of the Securities and Futures Act or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations in accordance with the conditions, specified in section 275 of the Securities and Futures Act;
- (ii) where no consideration is given for the transfer; or
- (iii) by operation of law.

14.12 Republic of China

The Notes may not be sold or offered in the Republic of China and may only be offered and sold to Republic of China resident investors from outside the Republic of China in such a manner as complies with securities laws and regulations applicable to such cross border activities in the Republic of China.

14.13 General

These selling restrictions may be modified by the Lead Manager following a change in or clarification of a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in interpretation or administration.

15 Listing on the Irish Stock Exchange

15.1 Application for Listing

This Information Memorandum constitutes a prospectus for the purposes of the Prospectus Directive. Securitisation Advisory Services Pty Limited as Manager, may apply to the Central Bank, as competent authority under the Prospectus Directive, for the Information Memorandum relating to the Class A1 Notes to be approved, although as at the Closing Date the Manager has no intention of doing so. Securitisation Advisory Services Pty Limited, as Manager, may also apply to the Irish Stock Exchange for the Class A1 Notes to be admitted to the Official List and trading on its regulated market or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area, although as at the Closing Date the Manager has no intention of doing so. If any such application is made, Perpetual Trustee Company Limited will not be taken to have authorised or made the application for admission to listing and/or trading. No application has been made to list the Class A1 Notes on any other stock exchange. If any listing application is in fact made, there can be no assurance that such listing will be granted.

15.2 Additional Information

If and for so long as any Class A1 Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, copies of notices to holders of the Class A1 Notes must be forwarded in final form to the Company Announcement Office of the Irish Stock Exchange, no later than the day of dispatch and copies of any Transaction Documents required to be made publicly available will be made available during normal business hours at the registered office of the Manager or any listing agent appointed by the Manager for the purposes of listing on the Irish Stock Exchange.

If any application is to be made for listing of Class A1 Notes on the Irish Stock Exchange, the Manager will undertake that, for as long as any of the Class A1 Notes are listed on the Irish Stock Exchange, it will notify the Irish Stock Exchange of any material amendment to any Transaction Document and if any party to any Transaction Document resigns or is replaced, together with details of any relevant replacement party.

Except for the transactions described in this Information Memorandum relating to the issuance of the Notes, as at the date of this Information Memorandum the Series Trust has not commenced operations and no financial statements relating to the Series Trust have been prepared.

The Series Trust was established on 6 April 2011 in the State of New South Wales, Australia by the Trustee, the Manager, Commonwealth Bank of Australia as the Servicer and the Seller, executing a series supplement and the Manager settling A\$100 on the Trustee. The Series Trust is governed by the laws of New South Wales, Australia. The Series Trust is a special purpose entity established to issue Notes and Redraw Notes, to apply the proceeds thereof to acquire the Mortgage Loans from the Seller and to hold the Mortgage Loans in accordance with the Transaction Documents.

As at the date of this Information Memorandum, the Series Trust has no borrowings or indebtedness and there has been no change in the capitalisation of the Series Trust since it was established.

The Trustee is not involved in any litigation, arbitration or governmental proceedings which may have, or have had during the 12 months preceding the date of this Information

Memorandum, a significant effect on the Trustee's financial position nor, as far as the Trustee is aware, are any such litigation, arbitration or governmental proceedings pending or threatened.

From the date of creation of the Series Trust, to the date of issue of the Class A1 Notes, the Trustee will not, in its capacity as trustee of the Series Trust, carry on any business. The Series Trust is not required by Australian law and does not intend to publish annual reports and accounts, and no accounts with respect to the Series Trust have been prepared prior to the date of this Information Memorandum.

The Manager is the administrator of the Series Trust. The Manager can be contacted on +61 2 9118 7214. The Trustee can be contacted on + 61 2 9229 9000.

16 Transaction Documents

The documents referred to below are the Transaction Documents in respect of the Series Trust:

- (a) the Master Trust Deed between the Trustee and the Manager, dated 8 October 1997 (as amended);
- (b) the Series Supplement between the Trustee, the Manager, Commonwealth Bank of Australia (as the Seller and the Servicer), dated 6 April 2011;
- (c) the Security Trust Deed between the Trustee, the Manager, the Security Trustee, dated 6 April 2011;
- (d) the Liquidity Facility Agreement between the Trustee, the Manager and the Liquidity Facility Provider, dated 6 April 2011;
- (e) the GIC Account Agreement between the GIC Provider, the Manager, the Trustee and the Security Trustee, dated 6 April 2011;
- (f) the basis swaps and fixed rate swaps between the Trustee, the Manager, the Basis Swap Provider and the Fixed Rate Swap Provider dated on or about 19 April 2011, entered into pursuant to the ISDA Master Agreement and related schedule between the Trustee, the Manager, the Basis Swap Provider, the Fixed Rate Swap Provider and the Class A2 Note Fixed Swap Provider dated as of 6 April 2011;
- (g) the Master Mortgage Insurance Policy between Commonwealth Bank of Australia, the Trustee, QBE Lenders' Mortgage Insurance Limited dated on or about 19 April 2011; and
- (h) the Dealer Agreement between the Trustee, the Manager, the Arranger and the Lead Manager dated 6 April 2011.

17 Glossary

Accrual Period	This is described in Section 8.4 (“ <i>Key Dates and Periods</i> ”).
Accrued Interest Adjustment	means the amount of interest accrued on the Mortgage Loans for, and any fees in relation to the Mortgage Loans falling due for payment during, the period commencing on and including the date on which interest is debited to the relevant Mortgage Loan accounts by the Servicer for that Mortgage Loan immediately prior to the Cut-Off Date and ending on but excluding the Closing Date and any accrued interest and fees due but unpaid in relation to the Mortgage Loan prior to the date that interest is debited to the relevant Mortgage Loan accounts.
Acquiring Trust	This is described in Section 5.3 (“ <i>Transfer of assets between Trusts</i> ”).
Adjustment Advance	in relation to Assigned Assets and an Assignment Date, means an amount, as determined by the Manager and specified in the corresponding Transfer Proposal, not exceeding an amount equal to the accrued and unpaid interest in respect of the Assigned Assets (less any accrued and unpaid costs and expenses in respect of the Assigned Assets) during the period up to (but not including) that Assignment Date.
Adverse Effect	means any event which, determined by the Manager unless specifically provided otherwise, materially and adversely affects the amount or timing of any payment due to any Noteholder.
Amortisation Conditions	<ul style="list-style-type: none">(a) no Liquidity Shortfall Advance has been made under the Facility on the prior Distribution Date;(b) the Stated Amount of each Note is equal to the Invested Amount of each Note on that Distribution Date;(c) there are no outstanding Principal Draws on a Distribution Date;(d) the unreimbursed Principal Chargeoffs in respect of each of the Class A Notes, the Redraw Notes, the Class AB Notes, the Class AC Notes and the Class B Notes is equal to zero; and(e) that Distribution Date occurs on or after the Class A2 Refinancing Date.
Approved Prior Mortgage	This is described in Section 10.10(b)(iii)(M) (“ <i>Amounts Outstanding in a Claim</i> ”).

APRA	means the Australian Prudential Regulatory Authority.
Assets	means all assets and property, real and personal (including choses in action and other rights), tangible and intangible, present and future, held by the Trustee as trustee of the Series Trust, from time to time.
Assigned Assets	<p>in relation to a Transfer Proposal and a Disposing Trust, means the Trustee’s entire right, title and interest (including the beneficial interest of each Unitholder in relation to the Disposing Trust) as trustee of the Disposing Trust in:</p> <ul style="list-style-type: none"> (a) the assets of the Disposing Trust insofar as they relate to the Mortgage Loans referred to in that Transfer Proposal; and (b) unless otherwise specified in that Transfer Proposal, the benefit of all representations and warranties given to the Trustee by the seller of the Mortgage Loans referred to in that Transfer Proposal, the Servicer or any other person in relation to those assets.
Assignment Date	in relation to a Transfer Proposal, means the date specified as such in that Transfer Proposal on which the Mortgage Loans are transferred from the Disposing Trust to the Acquiring Trust.
Austraclear	means Austraclear Services Limited ABN 28 003 284 419.
Austraclear Regulations	means the regulations and related operating procedures established from time to time by Austraclear.
Australian Privacy Act	means the Privacy Act 1988 of Australia.
Australian Tax Act	This is described in Section 12 (“ <i>Taxation considerations</i> ”).
Authorised Investments	<p>in relation to the Series Trust, means:</p> <ul style="list-style-type: none"> (a) bonds, debentures, stock or treasury bills issued by or notes or other securities issued by the Commonwealth of Australia or the government of any State or Territory of the Commonwealth of Australia; (b) deposits with, or the acquisition of certificates of deposit issued by, a Bank; (c) bills of exchange accepted or endorsed (with recourse) by a Bank; (d) certificates of deposit, commercial paper or any

other debt security; and

- (e) debentures or stock of any public statutory body constituted under the laws of the Commonwealth of Australia or any State of the Commonwealth where the repayment of the principal secured and the interest payable on that principal is guaranteed by the Commonwealth or the State,

in each case held in the name of the Trustee or its nominee and denominated in Australian Dollars and provided such investments:

- (i) or the issuer of such investments have the GIC Required Credit Rating at the time of the acquisition of such investments by the Trustee; and
- (ii) do not constitute a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority including any amendment or replacement of that Prudential Standard).

Authorised Short-Term Investments

means:

- (a) bonds, debentures, stock or treasury bills issued by or Notes or other securities issued by the Commonwealth of Australia or the government of any State or Territory of the Commonwealth of Australia;
- (b) deposits with, or the acquisition of certificates of deposit issued by, an ADI;
- (c) bills of exchange, which at the time of acquisition have a maturity date of not more than 200 days and which have been accepted, drawn on or endorsed by an ADI and provide a right of recourse against that ADI by a holder in due course who purchases them for value;
- (d) debentures or stock of any public statutory body constituted under the laws of the Commonwealth of Australia or any State or Territory of the Commonwealth where the repayment of the principal secured and the interest payable on that principal is guaranteed by the Commonwealth or the State or Territory,

in each case denominated in Australian Dollars and

provided such investments:

- (e) must have a Required Credit Rating at the time of the acquisition of such investments by the Trustee;
- (f) must mature on or before the next Distribution Date or be capable of being converted to immediately available funds in an amount at least equal to the aggregate outstanding principal amount of that investment plus any accrued interest on or before the next Distribution Date; and
- (g) must not constitute a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority including any amendment or replacement of that Prudential Standard).

Available Income Amount

This is described in Section 8.5 (“*Determination of the Available Income Amount*”).

Available Principal Amount

This is described in Section 8.12 (“*Determination of the Available Principal Amount*”).

Bank Bill Rate

in relation to an Accrual Period, means the rate appearing at approximately 10.00 am Sydney time on the first day of that Accrual Period on the Reuters Screen page “BBSW” as being the average of the mean buying and selling rates appearing on that page for a bill of exchange having a tenor of one month and rounded upwards to 4 decimal places. If:

- (a) on the first day of an Accrual Period fewer than 4 banks are quoted on the Reuters Screen page “BBSW”; or
- (b) for any other reason the rate for that day cannot be determined in accordance with the foregoing procedures,

then the Bank Bill Rate means the rate as is specified by the Manager having regard to comparable indices then available. Notwithstanding the foregoing, the Bank Bill Rate for the initial Accrual Period will be determined by the Manager by straight line interpolation between the Bank Bill Rate determined as above for a bill of exchange having a tenor of 1 and 2 months.

Basis Swap

means the basis swap entered into under the Interest Rate Swap Agreement in the form of the Annexure 1 to the Interest Rate Swap Agreement between the Trustee, the Manager and the Seller dated prior to the Closing Date or

on the terms of any other Interest Rate Swap Agreement that replaces that Interest Rate Swap Agreement.

Basis Swap Provider

This is described in Section 2.1 (*“Parties to the Transaction”*).

Business Day

means any day on which banks are open for business in Sydney which is also a day other than a Saturday, a Sunday or a public holiday in Sydney

Call Date

means the later of:

- (a) the first Distribution Date on which the aggregate principal outstanding on the Mortgage Loans which are then part of the Assets of the Series Trust is less than 10% of the aggregate principal outstanding on the Mortgage Loans that were part of the Assets of the Series Trust as at the Closing Date; and
- (b) the Class A2 Refinancing Date.

Capital Unit

means the unit in the Trust which is designated as a “Capital Unit” for that Trust.

Capital Unitholder

means the Unitholder of a Capital Unit.

Cash Deposit

means the amount credited to the Liquidity Facility Reserve Deposit Account by the Liquidity Facility Provider to meet a Cash Deposit Advance (after taking into account any application of, allocation to and repayment of the Cash Deposit in accordance with the Liquidity Facility Agreement).

Cash Deposit Advance

means an advance made by the Liquidity Facility Provider to the Trustee under the Liquidity Facility Agreement during a Cash Deposit Period.

Cash Deposit Period

means each period commencing immediately following the date that the Liquidity Facility Provider makes a Cash Deposit and ending on the earliest of the following dates which occur after the making of that Cash Deposit:

- (a) any date on which the Liquidity Facility Provider obtains the Designated Credit Rating; and
- (b) the Liquidity Facility Termination Date.

CBA Trust

This is described in Section 6.4 (*“Transfer and Assignment of the Mortgage Loans”*).

Central Bank

means the Central Bank of Ireland.

Charge

This is described in Section 10.6(a) (*“General”*).

Class	means, depending upon the context, the Redraw Notes, the Class A Notes, the Class AB Notes, the Class AC Notes, the Class B Notes, the Capital Unit or the Income Unit (or any of them).
Class A Chargeoff Percentage	<p>in relation to a Determination Date, means the amount (expressed as a percentage) calculated as follows:</p> $CACP = \frac{CASA}{CASA + RNSA}$ <p>where:</p> <p>CACP = the Class A Chargeoff Percentage in relation to that Determination Date;</p> <p>CASA = the aggregate Stated Amount of the Class A Notes on that Determination Date; and</p> <p>RNSA = the aggregate Stated Amount of the Redraw Notes on that Determination Date.</p>
Class A Noteholders	means the Class A1 Noteholders, the Class A2 Noteholders and the Class A2-R Noteholders (or any of them).
Class A Notes	means the Class A1 Notes, Class A2 Notes and Class A2-R Notes (or any of them).
Class A Principal Allocation	<p>(a) the aggregate of:</p> <ul style="list-style-type: none"> (i) the Invested Amount of the Class A1 Notes and the Class A2-R Notes on the immediately preceding Determination Date; and (ii) the GIC Shortfall on the immediately preceding Determination Date; and <p>(b)</p> <ul style="list-style-type: none"> (i) if the Stepdown Conditions have not been satisfied on that Distribution Date, the remainder of the Available Principal Amount following the allocations described in paragraphs (a), to (c) (inclusive) in Section 8.13 (“<i>Payment of the Available Principal Amount on a Distribution Date</i>”); or (ii) if the Stepdown Conditions have been satisfied on that Distribution Date: $CAPA = (A / Z) \times C$

where:

CAPA is the Class A Principal Allocation;

A is the aggregate Invested Amount of the Class A1 Notes, the Class A2-R Notes and the GIC Shortfall on the immediately preceding Determination Date;

Z is the aggregate Invested Amount of the Class A1 Notes, the Class A2-R Notes, the Class AB Notes, the Class AC Notes, the Class B Notes and the GIC Shortfall, on the immediately preceding Determination Date; and

C is the remainder of the Available Principal Amount following the allocations described in under paragraphs (a) to (c) (inclusive) in Section 8.13 (“*Payment of the Available Principal Amount on a Distribution Date*”).

Class A1 Interest Amount

in relation to a Distribution Date and an Accrual Period ending on a Distribution Date, means the aggregate interest accrued on each Class A1 Note during that Accrual Period.

Class A1 Note

means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a “Class A1 Note”.

Class A1 Noteholder

means, at any time, the person recorded at that time in the Register as the holder of a Class A1 Note.

Class A1 Unpaid Interest Amount

in relation to a Distribution Date, means the aggregate of:

- (a) any Class A1 Interest Amounts remaining unpaid pursuant to Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”) from prior Distribution Dates; and
- (b) interest on the interest amounts referred to in paragraph (a).

Class A2 Interest Amount

in relation to a Fixed Interest Payment Date and an Accrual Period ending on a Fixed Interest Payment Date (or ending on 22 October 2011, in the case of the first Accrual Period for the Class A2 Notes), means the aggregate interest accrued on each Class A2 Note during

	that Accrual Period.
Class A2 Interest Rate	means 6.50%.
Class A2 Note	means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a “Class A2 Note”.
Class A2 Note Fixed Swap	means the fixed rate swap entered into on the terms set out in Annexure 3 to the Interest Rate Swap Agreement or on the terms of any other Interest Rate Swap Agreement that replaces that Interest Rate Swap Agreement provided the Manager has issued a Rating Affirmation Notice in relation to each Rating Agency in respect of the entering into of that Interest Rate Swap Agreement.
Class A2 Note Fixed Swap Notional Amount	This is described in Section 10.13(d) (“ <i>Class A2 Note Fixed Swap</i> ”).
Class A2 Note Fixed Swap Provider	This is described in Section 2.1 (“ <i>Parties to the Transaction</i> ”).
Class A2 Refinancing Date	means the Distribution Date falling in April 2016.
Class A2 Stepped Up Margin	means the Class A2 Swap Margin plus 0.50%.
Class A2 Swap Margin	means the margin determined by the Manager and notified as such in writing by the Manager to the Trustee prior to the Closing Date.
Class A2 Unpaid Interest Amount	in relation to a Fixed Interest Payment Date, means the aggregate of: <ul style="list-style-type: none"> (a) any Class A2 Interest Amounts remaining unpaid pursuant to Section 8.10 (“<i>Payment of the Available Income Amount on a Distribution Date</i>”) from prior Fixed Interest Payment Dates; and (b) interest on the interest amounts referred to in paragraph (a).
Class A2-R Interest Amount	in relation to a Distribution Date and an Accrual Period ending on a Distribution Date, means the aggregate interest accrued on each Class A2-R Note during that Accrual Period.
Class A2-R Interest Rate	in relation to a Class A2-R Note and an Accrual Period, means the aggregate of the Bank Bill Rate for that Accrual Period and the Class A2-R Margin.
Class A2-R Margin	in relation to a Class A2-R Note, means: <ul style="list-style-type: none"> (a) if the Trustee is able to issue Class A2-R Notes in accordance with Section 8.19 (“<i>Class A2-R</i>”

Notes”), the margin on those Notes as determined under Section 8.19 (“Class A2-R Notes”); and

- (b) if the Trustee is unable to issue Class A2-R Notes in accordance with Section 8.19 (“Class A2-R Notes”), the Class A2 Stepped Up Margin.

Class A2-R Note

means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a “Class A2-R Note”.

Class A2-R Noteholder

means, at any time, the person recorded at that time in the Register as the holder of a Class A2-R Note.

Class AB Interest Amount

in relation to a Distribution Date and an Accrual Period ending on a Distribution Date, means the aggregate interest accrued on each Class AB Note during that Accrual Period.

Class AB Note

means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a “Class AB Note”.

Class AB Noteholder

means, at any time, the person recorded at that time in the Register as the holder of a Class AB Note.

Class AB Principal Allocation

means, on any Distribution Date, the lesser of:

- (a) the aggregate Invested Amount of the Class AB Notes on the immediately preceding Determination Date; and
- (b)
 - (i) if the Stepdown Conditions have not been satisfied on that Distribution Date, zero; or
 - (ii) if the Stepdown Conditions have been satisfied on that Distribution Date:

$$CAPAB = (AB / (AB + AC)) \times ((AB + AC + B) / Z) \times C$$

where:

CAPAB is the Class AB Principal Allocation;

AB is the aggregate Invested Amount of the Class AB Notes on the immediately preceding Determination Date;

AC is the aggregate Invested Amount of the Class AC Notes on the immediately

preceding Determination Date

B is the aggregate Invested Amount of the Class B Notes on the immediately preceding Determination Date;

Z is the aggregate Invested Amount of the Class A1 Notes, the Class A2-R Notes, the Class AB Notes, the Class AC Notes, the Class B Notes and the GIC Shortfall on the immediately preceding Determination Date; and

C is the remainder of the Available Principal Amount following the allocations described in paragraphs (a), (b) and (c) in Section 8.13 (*“Payment of the Available Principal Amount on a Distribution Date”*).

Class AB Unpaid Interest Amount

in relation to a Distribution Date, means the aggregate of:

- (a) any Class AB Interest Amounts remaining unpaid pursuant to Section 8.10 (*“Payment of the Available Income Amount on a Distribution Date”*) from prior Distribution Dates; and
- (b) interest on the interest amounts referred to in paragraph (a).

Class AC Note

means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a “Class AC Note”.

Class AC Noteholder

means, at any time, the person recorded at that time in the Register as the holder of a Class AC Note.

Class AC Principal Allocation

means, on any Distribution Date, the lesser of:

- (a) the aggregate Invested Amount of the Class AC Notes on the immediately preceding Determination Date; and
- (b)
 - (i) if the Stepdown Conditions have not been satisfied on that Distribution Date, zero; or
 - (ii) if the Stepdown Conditions have been

satisfied on that Distribution Date:

$$\text{CAPAC} = \text{AC} / (\text{AB} + \text{AC}) \times ((\text{AB} + \text{AC} + \text{B}) / \text{Z}) \times \text{C};$$

where:

CAPAC is the Class AC Principal Allocation;

AB is the aggregate Invested Amount of the Class AB Notes on the immediately preceding Determination Date;

AC is the aggregate Invested Amount of the Class AC Notes on the immediately preceding Determination Date;

B is the aggregate Invested Amount of the Class B Notes on the immediately preceding Determination Date;

Z is the aggregate Invested Amount of the Class A1 Notes, the Class A2-R Notes, the Class AB Notes, the Class AC Notes, the Class B Notes and the GIC Shortfall, on the immediately preceding Determination Date; and

C is the remainder of the Available Principal Amount following the allocations described in paragraphs (a), (b) and (c) in Section 8.13 (*“Payment of the Available Principal Amount on a Distribution Date”*).

Class AC Unpaid Interest Amount

in relation to a Distribution Date, means the aggregate of:

- (a) any Class AC Interest Amounts remaining unpaid pursuant to Section 8.10 (*“Payment of the Available Income Amount on a Distribution Date”*) from prior Distribution Dates; and
- (b) interest on the interest amounts referred to in paragraph (a).

Class B Interest Amount

in relation to a Distribution Date and an Accrual Period ending on a Distribution Date, means the aggregate interest accrued on each Class B Note during that Accrual Period, provided that if the Trustee, at the direction of the Manager, is to redeem the Class B Notes without paying accrued interest on those Class B Notes, the Class B Interest Amount on the Distribution Date on which the Class B Notes are redeemed (or deemed to be redeemed, as applicable) will be taken to be zero.

Class B Note

means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a

	“Class B Note”.
Class B Noteholder	means at any time the person recorded at that time in the Register as the holder of a Class B Note.
Class B Unpaid Interest Amount	<p>in relation to a Distribution Date, means the aggregate of:</p> <p>(a) any Class B Interest Amounts remaining unpaid pursuant to Section 8.10 (“<i>Payment of the Available Income Amount on a Distribution Date</i>”) from prior Distribution Dates; and</p> <p>(b) interest on the interest amounts referred to in paragraph (a),</p> <p>provided that if the Trustee, at the direction of the Manager is to redeem the Class B Notes without paying accrued interest on those Class B Notes, the Class B Unpaid Interest Amount on the Distribution Date on which the Class B Notes are redeemed (or deemed to be redeemed, as applicable) will be taken to be zero.</p>
Clean-Up Settlement Date	This is described in Section 10.14 (“ <i>Clean-Up</i> ”).
Clean-Up Settlement Price	This is described in Section 10.14 (“ <i>Clean-Up</i> ”).
Closing Date	This is described in Section 2.2 (“ <i>Summary of the Notes</i> ”).
Collateral Security	This is described in Section 6.1(d) (“ <i>Assets of the Series Trust</i> ”).
Collections Account	means each bank account opened in accordance with the Transaction Documents in respect of the Series Trust.
Collection Period	This is described in Section 8.4 (“ <i>Key Dates and Periods</i> ”).
Commonwealth Bank of Australia	means the Commonwealth Bank of Australia ABN 48 123 123 124.
Consumer Credit Code	means the Consumer Credit Code set out in the Appendix to the Consumer Credit (Queensland) Act 1994, as amended, as in force or applied as a law of any jurisdiction in Australia.
Corporations Act	means the Corporations Act 2001 of Australia.
Credit Support Notes	This is described in Section 2.4(d) (“ <i>Allocation of losses</i> ”).
Cut-Off Date	This is described in Section 2.2 (“ <i>Summary of the Notes</i> ”).

Dealer Agreement	This is described in Section 16 (“ <i>Transaction Documents</i> ”).
Delinquent Percentage	<p>in relation to a Collection Period, means the amount (expressed as a percentage) calculated as follows:</p> $DP = \frac{DMLP}{AMLP}$ <p>where:</p> <p>DP = the Delinquent Percentage;</p> <p>DMLP = the aggregate, on the last day of the Collection Period, of the principal outstanding with respect to those Mortgage Loans in relation to which a payment due from the borrower has been in arrears (on that day) by more than 60 days; and</p> <p>AMLP = the aggregate principal outstanding in relation to the Mortgage Loans on the last day of the Collection Period.</p>
Designated Credit Rating	This is described in Section 10.8(f) (“ <i>Downgrade of Liquidity Facility Provider</i> ”).
Determination Date	This is described in Section 8.4 (“ <i>Key Dates and Periods</i> ”).
Disposing Trust	This is described in Section 5.3 (“ <i>Transfer of assets between Trusts</i> ”).
Distribution Date	means each date referred to as such in the table in Section 2.2 (“ <i>Summary of the Notes</i> ”).
Eligible Depository	<p>means a financial institution which has assigned to it the following ratings from each of S&P and Fitch Ratings:</p> <p>(a) in respect of S&P:</p> <ul style="list-style-type: none"> (i) a long term credit rating equal to or higher than BBB+; (ii) a long-term credit rating equal to or higher than BBB, together with a short-term credit rating equal to or higher than A-2; or (iii) if the relevant entity does not have a long term credit rating from S&P, a short-term credit rating equal to or greater than A-2; and <p>(b) in respect of Fitch Ratings, a short term credit</p>

rating of F1, together with a long term credit rating of A (or A+ if Fitch Ratings has placed the relevant entity on ratings watch negative at the relevant time),

or such other credit rating or ratings as may be notified in writing by the Manager to the Trustee and in respect of which the Manager has issued a Rating Affirmation Notice in respect of each Rating Agency.

Event of Default	This is described in Section 10.6(e) (“ <i>The Security Trust Deed</i> ”).
Extraordinary Expense Reserve	This is described in Section 8.9 (“ <i>Extraordinary Expense Reserve</i> ”).
Extraordinary Expense Reserve Draw	This is described in Section 8.9(b) (“ <i>Extraordinary Expense Reserve</i> ”).
Extraordinary Expense Reserve Required Amount	means \$150,000
Extraordinary Resolution	in relation to Voting Secured Creditors or a class of Voting Secured Creditors, means a resolution passed at a duly convened meeting of the Voting Secured Creditors or a class of Voting Secured Creditors under the Security Trust Deed by a majority consisting of not less than 75% of the votes of such Voting Secured Creditors or their representatives present and voting or, if a poll is demanded, by such Voting Secured Creditors holding or representing between them Voting Entitlements comprising in aggregate not less than 75% of the aggregate number of votes comprised in the Voting Entitlements held or represented by all the persons present and voting at the meeting or a written resolution signed by all the Voting Secured Creditors or the class of Voting Secured Creditors (as the case may be).
Fair Market Value	in relation to a Mortgage Loan means the fair market value for that Mortgage Loan as agreed between the Trustee (acting on expert advice taken pursuant to the Master Trust Deed, if necessary) and the Seller (or, in the absence of agreement, determined by the Seller’s external auditors) and which value reflects the performance status and underlying nature of that Mortgage Loan. If the price offered to the Trustee in respect of a Mortgage Loan is equal to, or more than, the principal outstanding plus accrued interest in respect of that Mortgage Loan, the Trustee is entitled to assume that this price represents the Fair Market Value in respect of that Mortgage Loan.
Final Maturity Date	This is described in Section 2.2 (“ <i>Summary of the Notes</i> ”).

Finance Charge Collections	This is described in Section 8.5(a) (“ <i>Determination of the Available Income Amount</i> ”).
Fitch Ratings	means Fitch Australia Pty Limited ABN 93 081 339 184.
Fixed Rate Swap	means the fixed rate swap entered into under the Interest Rate Swap Agreement in the form of the Annexure 2 to the Interest Rate Swap Agreement or on the terms of any other Interest Rate Swap Agreement that replaces that Interest Rate Swap Agreement provided the Manager has issued a Rating Affirmation Notice in relation to each Rating Agency in respect of the entering into of that fixed rate swap.
Fixed Rate Swap Notional Amount	This is described in Section 10.13(c) (“ <i>Fixed Rate Swaps</i> ”).
Fixed Rate Swap Provider	This is described in Section 2.1 (“ <i>Parties to the Transaction</i> ”).
Genworth	Genworth Financial Mortgage Insurance Pty Limited ABN 60 106 974 305.
GIC Account	This is described in Section 10.9 (“ <i>GIC Account</i> ”).
GIC Authorised Investments	means any Authorised Investments acquired using amounts standing to the credit of the GIC Account.
GIC Account Balance	means, at any time, the balance standing to the credit of the GIC Account at that time.
GIC Balance	means the aggregate of: <ul style="list-style-type: none"> (a) the GIC Account Balance at that time; and (b) the outstanding principal amount of any GIC Authorised Investments.
GIC Required Credit Rating	in respect of an Authorised Investment, means: <ul style="list-style-type: none"> (a) a long term credit rating of at least AA by S&P and a short term credit rating of at least A-1+ from S&P; and (b) <ul style="list-style-type: none"> (i) a short term credit rating of at least F1+ or a long term credit rating of at least AA- from Fitch if the Authorised Investment has a maturity of 365 days or less; or (ii) a long term credit rating of AAA from Fitch if the Authorised Investments has a maturity of greater than 365 days.

GIC Surplus	This is described in Section 8.15 (“ <i>Repayment of Class A2 Notes on Class A2 Refinancing Date</i> ”).
GST	means a goods and services or similar tax imposed in Australia.
GST Act	means A New Tax System (Goods and Services Tax) Act 1999.
Gross Income Shortfall	This is described in Section 8.6(b) (“ <i>Principal Draw</i> ”).
High LTV Policy	This is described in Section 10.10(a)(i) (“ <i>The High LTV Master Mortgage Insurance Policy</i> ”).
Income Reserve	This is described in Section 8.8 (“ <i>Income Reserve</i> ”).
Income Reserve Draw	This is described in Section 8.8(b) (“ <i>Income Reserve</i> ”).
Income Reserve Required Amount	means \$15,000,000.
Income Unit	means the unit in the Trust which is designated as an “Income Unit” for that Trust.
Income Unitholder	means the Unitholder of an Income Unit.
Insolvency Event	means, in relation to: <ul style="list-style-type: none"> (a) the Trustee in its capacity as trustee of the Series Trust, the occurrence of any of the following events in relation to the Trustee in that capacity (and not in any other capacity): <ul style="list-style-type: none"> (i) an application is made and not dismissed or stayed on appeal within 30 days or an order is made that the Trustee be wound up or dissolved; (ii) an application for an order is made and not dismissed or stayed on appeal within 30 days appointing a liquidator, a provisional liquidator, a receiver or a receiver and manager in respect of the Trustee or one of them is appointed; (iii) except on terms approved by the Security Trustee, the Trustee enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them; (iv) the Trustee resolves to wind itself up, or

otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate while solvent on terms approved by the Security Trustee or is otherwise wound up or dissolved;

- (v) the Trustee is or states that it is unable to pay its debts when they fall due;
 - (vi) as a result of the operation of section 459F(1) of the Corporations Act, the Trustee is taken to have failed to comply with a statutory demand;
 - (vii) the Trustee is, or makes a statement from which it may be reasonably deduced by the Security Trustee that the Trustee is, the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act;
 - (viii) the Trustee takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to the Trustee or the board of directors of the Trustee propose to appoint an administrator to the Trustee or the Trustee becomes aware that a person who is entitled to enforce a charge on the whole or substantially the whole of the Trustee's property proposes to appoint an administrator to the Trustee; or
 - (ix) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction; and
- (b) any other body corporate and the Trustee in its personal capacity, each of the following events:
- (i) an order is made that the body corporate be wound up;
 - (ii) a liquidator, provisional liquidator, controller or administrator is appointed in respect of the body corporate or a substantial portion of its assets whether or not under an order;
 - (iii) except to reconstruct or amalgamate on

terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation of the Trustee in its personal capacity or the Security Trustee, on terms reasonably approved by the Manager), the body corporate enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors;

- (iv) the body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of its intention to do so, except to reconstruct or amalgamate on terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation of the Trustee in its personal capacity or the Security Trustee, except on terms reasonably approved by the Manager) or is otherwise wound up or dissolved;
- (v) the body corporate is or states that it is insolvent;
- (vi) as a result of the operation of section 459F(1) of the Corporations Act, the body corporate is taken to have failed to comply with a statutory demand;
- (ix) the body corporate takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation;
- (x) any writ of execution, attachment, distress or similar process is made, levied or issued against or in relation to a substantial portion of the body corporate's assets and is not satisfied or withdrawn or contested in good faith by the body corporate within 21 days; or
- (xi) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

Insurance Policy

means any insurance policy (whether present or future) under which the improvements on the land the subject of a mortgage or a collateral security are insured against destruction or damage by events which include fire.

Interest Amount	in relation to a Note and the relevant Accrual Period, means the aggregate interest accrued on that Note during that Accrual Period.
Interest Rate Swap Agreement	This is described in Section 10.13 (“ <i>The Interest Rate Swaps</i> ”).
Interest Rate Swap Provider	means initially Commonwealth Bank of Australia and includes any other person that subsequently enters into an Interest Rate Swap Agreement with the Trustee and the Manager.
Invested Amount	in relation to a Note, means the principal amount of that Note upon issue less the aggregate of all principal payments made on that Note.
Liquidity Event of Default	This is described in Section 10.8(g) (“ <i>Events of Default under the Liquidity Facility Agreement</i> ”).
Liquidity Facility	means the facility provided to the Series Trust under the Liquidity Facility Agreement.
Liquidity Facility Advance	This is described in Section 8.5 (“ <i>Determination of the Available Income Amount</i> ”).
Liquidity Facility Agreement	This is described in Section 16 (“ <i>Transaction Documents</i> ”).
Liquidity Facility Commitment Fee	in relation to a Determination Date and the immediately following Distribution Date, means the commitment fee payable to the Liquidity Facility Provider on that Distribution Date pursuant to the Liquidity Facility Agreement.
Liquidity Facility Interest	in relation to a Distribution Date, means the interest due on that Distribution Date pursuant to the terms of the Liquidity Facility Agreement.
Liquidity Facility Limit	This is described in clause 10.8(a) (“ <i>Advances and Facility Limit</i> ”).
Liquidity Facility Provider	This is described in Section 2.1 (“ <i>Parties to the Transaction</i> ”).
Liquidity Facility Reserve Deposit Account	means the interest bearing account established by the Trustee with an Eligible Depository as the “Liquidity Facility Reserve Deposit Account”.
Liquidity Facility Termination Date	means the date on which the Liquidity Facility will terminate, as described in Section 10.8(i) (“ <i>Termination</i> ”).
Loss Date	This is described in Section 10.10(b)(ii) (“ <i>Cover for Losses</i> ”).

Manager

This is described in Section 2.1 (“*Parties to the Transaction*”) and Section 10.4 (“*The Manager*”).

Manager Default

means:

- (a) an Insolvency Event occurs in relation to the Manager;
- (b) the Manager does not instruct the Trustee to pay the required amounts to the Noteholders within the time periods specified in the Series Supplement and that failure is not remedied within 10 Business Days, or such longer period as the Trustee may agree, of notice of such failure being delivered to the Manager by the Trustee;
- (c) the Manager does not prepare and transmit to the Trustee the monthly or quarterly certificates or any other reports required to be prepared by the Manager and such failure is not remedied within 10 Business Days, or such longer period as the Trustee may agree, of notice being delivered to the Manager by the Trustee. However, such a failure by the Manager does not constitute a Manager Default if it is as a result of a Servicer Default referred to in the second paragraph of the definition of that term provided that, if the Servicer subsequently provides the information to the Manager, the Manager prepares and submits to the Trustee the outstanding monthly or quarterly certificates or other reports within 10 Business Days, or such longer period as the Trustee may agree to, of receipt of the required information from the Servicer;
- (d) any representation, warranty, certification or statement made by the Manager in a Transaction Document or in any document provided by the Manager under or in connection with a Transaction Document proves to be incorrect when made or is incorrect when repeated, in a manner which as reasonably determined by the Trustee has an Adverse Effect and is not remedied to the Trustee’s reasonable satisfaction within 60 Business Days of notice to the Manager by the Trustee;
- (e) the Manager has breached its other obligations under a Transaction Document or any other deed, agreement or arrangement entered into by the Manager relating to the Series Trust or the Notes, other than an obligation which depends upon information provided by, or action taken by, the Servicer and the Manager has not received the

information, or the action has not been taken by the Servicer, and that breach has had or, if continued, will have an Adverse Effect as reasonably determined by the Trustee, and either:

- (i) such breach is not remedied so that it no longer has or will have to such an Adverse Effect, within 20 Business Days of notice delivered to the Manager by the Trustee; or
- (ii) the Manager has not, within 20 Business Days of receipt of such notice, paid compensation to the Trustee for its loss from such breach in an amount satisfactory to the Trustee acting reasonably.

The Trustee must, in such notice, specify the reasons why it believes an Adverse Effect has occurred, or will occur, as the case may be.

Master Mortgage Insurance Policy

This is described in Section 10.11 (“*The Master Mortgage Insurance Policy*”).

Master Trust Deed

This is described in Section 16 (“*Transaction Documents*”).

Modified Following Business Day Convention

means that the date is postponed to the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day.

Mortgage Insurance Income Proceeds

This is described in Section 8.5 (“*Determination of the Available Income Amount*”).

Mortgage Insurance Policy

This is described in Section 10.10 (“*The Mortgage Insurance Policies*”) and Section 10.11 (“*The Master Mortgage Insurance Policy*”).

Mortgage Insurance Principal Proceeds

in relation to a Determination Date, means all amounts received by the Trustee pursuant to any Mortgage Insurance Policy in relation to any Mortgage Loan then forming part of the Assets of the Series Trust which the Manager determines should be accounted for on that Determination Date in respect of a Principal Loss.

Mortgage Loan

means each mortgage loan assigned or to be assigned (as the context requires) to the Trustee.

Mortgage Loan Rights

This is described in Section 9.1(b) (“*Sale of Housing Loans Upon Termination*”).

National Consumer Credit Protection Laws

means each of the following:

- (a) the **NCCP** (including the National Credit Code);
- (b) the National Consumer Credit Protection (Fees) Act 2009 (Cth);
- (c) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth) (“**Transitional Act**”);
- (d) any acts or other legislation enacted in connection with any of the acts set out in paragraphs (a) to (c) above, the NCCP Regulations and any other regulations made under any of the acts set out in paragraphs (a) to (c) above; and
- (e) Division 2 of Part 2 of the Australian Securities and Investments Commission Act 2001, so far as it relates to the obligations in respect of an Australian Credit Licence (as defined in the NCCP) issued under the NCCP or registration as a registered person under the Transitional Act.

National Credit Code	This is described in Section 3.12 (“ <i>Consumer credit legislation</i> ”).
NCCP	means the National Consumer Credit Protection Act 2009 of Australia.
NCCP Regulations	means the National Consumer Credit Protection Regulations 2010 (Cth).
Net Income Shortfall	This is described in Section 8.7(b) (“ <i>Liquidity Facility Advance</i> ”).
Notes	means, as the context requires, a Class A Note, a Class AB Note, a Class AC Note, a Class B Note, a Redraw Note or all or any of the foregoing.
Noteholder	means, as the context requires, a Class A Noteholder, a Class AB Noteholder, a Class AC Noteholder, a Class B Noteholder, a Redraw Noteholder or all or any of the foregoing.
Offshore Associate	<p>in relation to the Trustee or Commonwealth Bank of Australia, means an associate (as defined in section 128F(9) of the Tax Act) of the relevant entity (other than an associate acquiring the Notes or an interest in the Notes in the capacity of dealer, manager or underwriter in relation to the placement of the Notes, or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme), that is either:</p> <ul style="list-style-type: none"> (a) a non resident of Australia that does not acquire the Notes or an interest in the Notes in carrying on a business in Australia at or through a

permanent establishment of the associate in Australia; or

- (b) a resident of Australia that acquires the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

Other Income Amounts

This is described in Section 8.5 (“*Determination of the Available Income Amount*”).

Other Principal Amounts

This is described in Section 8.12 (“*Determination of the Available Principal Amount*”).

Perfection of Title Event

means:

- (a) the Seller makes any representation or warranty under a Transaction Document that proves to be incorrect when made, other than a representation or warranty in respect of which damages have been paid or for which payment is not yet due, for breach, or breaches any covenant or undertaking given by it in a Transaction Document, and that has or, if continued will have, an Adverse Effect and:
 - (i) the same is not satisfactorily remedied so that it no longer has or will have, an Adverse Effect, within 20 Business Days of notice being delivered to the Seller by the Manager or the Trustee; or
 - (ii) if the preceding paragraph is not satisfied, the Seller has not within 20 Business Days of such notice paid compensation to the Trustee for its loss from that breach in an amount satisfactory to the Trustee acting reasonably. Such compensation cannot exceed the aggregate of the principal amount outstanding in respect of the corresponding Mortgage Loan and any accrued or unpaid interest in respect of the Mortgage Loan, calculated in both cases at the time of payment of the compensation.

The Trustee must, in such notice, specify the reasons why it believes an Adverse Effect has occurred, or will occur;

- (b) if the Seller is the Servicer, a Servicer Default occurs;

- (c) an Insolvency Event occurs in relation to the Seller;
- (d) if the Seller is the swap provider under the Fixed Rate Swap, the Class A2 Note Fixed Swap or a basis cap, the Seller fails to make any payment due under any such swap or cap and that failure:
 - (i) has or will have an Adverse Effect as reasonably determined by the Trustee; and
 - (ii) is not remedied by the Seller within 20 Business Days, or such longer period as the Trustee agrees, of notice to the Seller by the Manager or the Trustee; or
- (e) a downgrading in the long term credit rating of the Seller below BBB by S&P or a long term credit rating of BBB+ by Fitch Ratings (or A- if Fitch Ratings has placed the Seller on ratings watch negative at the relevant time) together with a short term credit rating of F2 by Fitch Ratings or such other rating in respect of the Seller as is agreed between the Manager and the Seller and in respect of which the Manager has issued a Rating Affirmation Notice in respect of the relevant Rating Agency.

Performing Mortgage Loans Amount

means the aggregate of the following:

- (a) the amount outstanding under Mortgage Loans under which no payment due from the borrower has been in arrears by more than 90 days; and
- (b) the amount outstanding under Mortgage Loans under which a payment due from the borrower has been in arrears by more than 90 days and which are insured under a mortgage insurance policy.

Potential Termination Event

means:

- (a) as a result of the introduction, imposition or variation of any law it is or becomes unlawful for the Trustee, and would also be unlawful for any new Trustee, to carry out any of its obligations under the Series Supplement, the Master Trust Deed (in so far as it relates to the Series Trust), or the Security Trust Deed; or
- (b) all or any part of the Series Supplement, the Master Trust Deed (in so far as it relates to the Series Trust) or the Security Trust Deed is or has become void, illegal, unenforceable or of limited

force and effect

Preparation Date	This is described in Section 1.6 (<i>“Date of this Information Memorandum”</i>).
Prescribed Period	This is described in Section 6.6 (<i>“Breach of Representations and Warranties”</i>).
Prescribed Rating	in relation to Fitch Ratings, means a long term credit rating of at least A (or A+ if Fitch Ratings has placed the relevant entity on ratings negative at the relevant time) and a short term credit rating of at least F1 by Fitch Ratings.
Pricing Date	means 6 April 2011.
Principal Chargeoff	<p>in relation to a Determination Date, means an amount calculated as follows:</p> $\text{PCO} = \text{PL} - \text{MIPP} - \text{PD}$ <p>where:</p> <p>PCO = the Principal Chargeoff as at that Determination Date;</p> <p>PL = the total of the Principal Loss on each Mortgage Loan for which the Manager determines a Principal Loss should be accounted for over the preceding Accrual Period on that Determination Date (provided that the Manager must not account for a Principal Loss on a Mortgage Loan until the Servicer reasonably believes that no further amounts in respect of the Mortgage Loan constituting Mortgage Insurance Principal Proceeds or damages which are to be treated as Other Principal Amounts will be received);</p> <p>MIPP = the total Mortgage Insurance Principal Proceeds with respect to such Mortgage Loans determined over the preceding Accrual Period ending immediately prior to the following Distribution Date; and</p> <p>PD = any damages received by the Trustee from the Commonwealth Bank of Australia as described in Section 3.10 (<i>“Breach of Representation and Warranty”</i>) or from the Commonwealth Bank of Australia or the Servicer in respect of the servicing of the Mortgage Loans which are determined to be Other Principal Amounts.</p>
Principal Chargeoff Reimbursement	This is described in Section 8.12 (<i>“Determination of the Available Principal Amount”</i>).

Principal Collections	This is described in Section 8.12 (<i>“Determination of the Available Principal Amount”</i>).
Principal Draw	This is described in Section 8.6 (<i>“Principal Draw”</i>).
Principal Draw Available	<p>in relation to a Determination Date, means the amount calculated as follows:</p> $\text{PDA} = \text{PPA} - \text{SAP}$ <p>where:</p> <p>PDA = the Principal Draw Available as at that Determination Date;</p> <p>PPA = the Preliminary Principal Amount as at that Determination Date; and</p> <p>SAP = the principal allocated to repay Seller Advances on the immediately following Distribution Date in accordance with clause 10.3(a) (<i>“Application of the Available Principal Amount on each Distribution Date”</i>),</p> <p>provided that if the Available Principal Amount for that Determination Date is insufficient to repay the Seller Advances in full in accordance with Section 8.13 (<i>“Payment of the Available Principal Amount on a Distribution Date”</i>), the Principal Draw Available will be zero.</p>
Principal Draw Reimbursement	This is described in Section 8.12 (<i>“Determination of the Available Principal Amount”</i>).
Prior Interest	means the Trustee’s lien over, and right of indemnification from, the Assets of the Series Trust calculated in accordance with the Master Trust Deed for fees and expenses payable to the Trustee, other than the Secured Moneys and the arranging fees payable to the Manager, which are unpaid, or paid by the Trustee but not reimbursed to the Trustee from the Assets of the Series Trust.
Principal Loss	<p>in respect of a Mortgage Loan, means an amount determined in accordance with the following formula as at the date on which that Mortgage Loan is liquidated:</p> $\text{PL} = \text{MLP} + \text{RE} - \text{BC} - \text{LP}$ <p>where:</p> <p>PL = the Principal Loss on that date;</p> <p>MLP = the principal outstanding of that Mortgage Loan</p>

on that date;

RE = the restoration expenses reasonably and necessarily incurred up to and including that date;

BC = the break costs as at that date provided that break costs will only be included in the calculation of Principal Loss if the Trustee is then a party to a Fixed Rate Swap; and

LP = any liquidation proceeds received up to and including that date provided that for the purposes of this paragraph, liquidation proceeds will not include any liquidation proceeds which have been, or are to be, applied against any loss attributable to income on that Mortgage Loan on that date.

Privacy Act

means the Privacy Act (1988) (Cth).

Rating Affirmation Notice

in relation to an event or circumstances and a Rating Agency, means a notice in writing from the Manager to the Trustee confirming that it has notified that Rating Agency of the event or circumstances and that the Manager is reasonably satisfied following discussions with that Rating Agency that the event or circumstances, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by that Rating Agency to each of the Class A Notes, the Class AB Notes or the Class AC Notes.

Rating Agencies

means, as the context requires, Fitch Ratings, S&P or all or any of the foregoing.

RBA Bond Basis

in respect of the Class A2 Notes, means:

(a) subject to paragraphs (b) and (c) below, for each Accrual Period for the Class A2 Notes, one divided by the number of Fixed Interest Payment Dates in a year;

(b) for the first Accrual Period for the Class A2 Notes only, the amount determined in accordance with the following formula:

$$(1 / \text{FP}) \times (\text{AP} / \text{RP})$$

where:

FP is the number of Fixed Interest Payment Dates in a year;

AP is the number of days in the first Accrual Period for the Class A2 Notes; and

RP is the number of days from and including

22 April 2011 up to (and excluding) 22 October 2011; and

- (c) for the last Accrual Period for the Class A2 Notes only:
- (i) if that Accrual Period ends on the Class A2 Refinancing Date, the amount determined in accordance with paragraph (a) of this definition; or
 - (ii) if that Accrual Period ends prior to the Class A2 Refinancing Date as a result of the occurrence of the Termination Date for the Series Trust, the amount determined in accordance with the following formula:

$$(1 / FP) \times (AP / RP)$$

where:

- FP is the number of Fixed Interest Payment Dates in a year;
- AP is the number of days in the last Accrual Period for the Class A2 Notes; and
- RP is the number of days from and including the Fixed Interest Payment Date immediately preceding the date on which the Class A2 Notes are redeemed in full up to (and excluding) the date on which the Class A2 Notes are redeemed in full.

Redraw Interest Amount in relation to a Distribution Date and an Accrual Period ending on a Distribution Date, means the aggregate interest accrued on each Redraw Note during that Accrual Period.

Redraw Note means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a “Redraw Note”.

Redraw Note Amount in relation to a Determination Date, means the proceeds (if any) received by the Trustee from any issue of Redraw Notes on that Determination Date or during the Collection Period ending on that Determination Date (but excluding the immediately preceding Determination Date).

Redraw Note Chargeoff Percentage in relation to a Determination Date means the amount (expressed as a percentage) calculated as follows:

$$RNCP = \frac{RBSA}{RBSA + CASA}$$

where:

RNCP = the Redraw Note Chargeoff Percentage in relation to that Determination Date;

RBSA = the aggregate Stated Amounts of the Redraw Notes on that Determination Date; and

CASA = the aggregate Stated Amount of the Class A Notes on that Determination Date.

Redraw Noteholder

means at any time the person recorded at that time in the Register as the holder of a Redraw Note.

Register

means the register of Notes maintained by the Trustee in accordance with the Transaction Documents.

Required Credit Rating

means, in respect of Authorised Short-Term Investments:

- (a) a short term credit rating of A-1 by S&P and F1 by Fitch Ratings together with a long term credit rating of A by Fitch Ratings in relation to Authorised Short-Term Investments which:
 - (i) are deposits with, or are issued, endorsed (with recourse) or accepted by, a bank or financial institution with a short term credit rating of A-1 by S&P and F1 by Fitch Ratings together with a long term credit rating of A by Fitch Ratings (or A+ if Fitch Ratings has placed the relevant entity on ratings watch negative at the relevant time); and
 - (ii) are redeemable on demand or have a scheduled maturity date on or prior to the next occurring Distribution Date; and
- (b) a short term credit rating of A-1+ by S&P and F1+ by Fitch Ratings or a long term credit rating of AA- by Fitch Ratings (or AA if Fitch Ratings has placed the relevant entity on ratings watch negative at the relevant time) in relation to all other Authorised Short-Term Investments,

or such other rating as is notified by the Manager to Trustee and in respect of which the Manager has issued a Rating Affirmation Notice in relation to each Rating Agency.

Retail Client

This has the meaning given in section 761G of the

Corporations Act.

Review Date	means 30 June 2011 and each anniversary of that date.
S&P	means Standard & Poor's (Australia) Pty Ltd ABN 62 007 324 852.
Secured Creditor	This is described in Section 10.6(a) (" <i>The Security Trust Deed</i> ").
Secured Moneys	means the aggregate of all moneys owing to the Security Trustee or to a Secured Creditor under any of the Transaction Documents whether such amounts are liquidated or not or are contingent or presently accrued due, and including rights sounding in damages only, provided that the amount owing by the Trustee in relation to the principal component of a Note is to be calculated by reference to the Invested Amount of that Note.
Security Certificate	This is described in Section 8.2(a) (" <i>Form of the Notes</i> ").
Security Transfer	This is described in Section 8.2(c) (" <i>Form of the Notes</i> ").
Security Trust Deed	This is described in Section 16 (" <i>Transaction Documents</i> ").
Security Trustee	This is described in Section 2.1 (" <i>Parties to the Transaction</i> ").
Seller	Commonwealth Bank of Australia.
Seller Advance	This is described in Section 8.13 (" <i>Payment of the Available Principal Amount on a Distribution Date</i> ").
Senior Secured Moneys	means any obligation of the Trustee in relation to the Secured Money: <ul style="list-style-type: none">(a) owing in respect of the Class A Notes and any obligations ranking equally or senior to the Class A Notes (as determined in accordance with the order of priority set out in Section 8.10 ("<i>Payment of the Available Income Amount on a Distribution Date</i>")), at any time while the Class A Notes are outstanding;(b) owing in respect of the Class AB Notes and any obligations ranking equally or senior to the Class AB Notes (as determined in accordance with the order of priority set out in Section 8.10 ("<i>Payment of the Available Income Amount on a Distribution Date</i>")), at any time while the Class AB Notes are outstanding but no Class A Notes are outstanding;(c) owing in respect of the Class AC Notes and any obligations ranking equally or senior to the Class

AC Notes (as determined in accordance with the order of priority set out in Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”)), at any time while the Class AC Notes are outstanding but no Class AB Notes or Class A Notes are outstanding;

- (d) owing in respect of the Class B Notes and any obligations ranking equally or senior to the Class B Notes (as determined in accordance with the order of priority set out in Section 8.10 (“*Payment of the Available Income Amount on a Distribution Date*”)), at any time while the Class B Notes are outstanding but no Class A Notes, Class AB Notes or Class AC Notes are outstanding; and
- (e) under the Transaction Documents generally, at any time while no Notes are outstanding.

Series Supplement

This is described in Section 16 (“*Transaction Documents*”).

Series Trust

This is described in Section 1.2 (“*Purpose*”).

Servicer

This is described in Section 11.1 (“*Servicing of the Housing Loans*”).

Servicer Default

This is described in Section 11.1(h) (“*Removal, Resignation and Replacement of the Servicer*”).

Settlement Date

This is described in Section 10.11(c)(i) (“*The Master Mortgage Insurance Policy*”).

Standard Rate

This is described in Section 10.10(b)(iii)(C) (“*Amounts outstanding in a Claim*”).

Stated Amount

for a Note, means:

- (a) the principal amount of that Note upon issue; less
- (b) the aggregate of principal payments previously made on that Note; less
- (c) the aggregate of all then unreimbursed Principal Chargeoffs on that Note.

Stepdown Conditions

This is described in Section 8.16 (“*Stepdown Conditions*”).

Subordinated Termination Payment

means any termination payment due from the Trustee under the Interest Rate Swap Agreement:

- (a) following an Event of Default (as defined in the Interest Rate Swap Agreement) and where the Interest Rate Swap Provider is the Defaulting

	Party or the sole Affected Party (each as defined in the Interest Rate Swap Agreement); or
	(b) where the termination payment arises as a result of a transaction being terminated due to the prepayment of any related Mortgage Loan and there are insufficient break costs or early termination amounts (without double counting) recovered from the relevant borrowers to pay such termination payment.
Support Facility	means the basis swaps, the fixed rate swaps, the Liquidity Facility and the mortgage insurance policies.
Support Facility Provider	means the Liquidity Facility Provider, the Basis Swap Provider, the Fixed Rate Swap Provider, the Class A2 Note Fixed Swap Provider and any provider of a mortgage insurance policy.
Tax Act	The Income Tax Assessment Act 1936 (as amended), the Income Tax Assessment Act 1997 (as amended) and the Taxation Administration Act 1953 (as amended) of Australia, as the context requires.
Taxation Administration Act	This is described in Section 12.3(a)(iii) (“ <i>Other tax matters that are relevant to Noteholders</i> ”).
Termination Date	means the earliest of the following dates to occur: <ul style="list-style-type: none"> (a) if Notes have been issued by the Trustee, the date appointed by the Manager as the Termination Date by notice in writing to the Trustee (which must not be a date earlier than: <ul style="list-style-type: none"> (i) the date that all Notes have been redeemed in full; or (ii) if an Event of Default has occurred, the date of the final distribution by the Security Trustee under the Security Trust Deed); (b) if Notes have not been issued by the Trustee, the date appointed by the Manager as the Termination Date by notice in writing to the Trustee; (c) the date which is 80 years after the date of the constitution of the Series Trust in accordance with the Series Supplement and the Master Trust Deed; and (d) the date on which the Trustee is required under the Series Supplement to liquidate the Assets of the Trust following a Potential Termination Event.

Transaction Documents	These are described in Section 16 (“ <i>Transaction Documents</i> ”).
Transfer Amount	<p>in relation to a Transfer Proposal, means the amount specified as such in that Transfer Proposal, as determined by the Manager, which must be:</p> <ul style="list-style-type: none"> (a) the aggregate principal outstanding of the Assigned Assets in relation to that Transfer Proposal as at close of business on the Business Day immediately preceding the cut-off date in relation to that Transfer Proposal; or (b) such other amount as is agreed between the Trustee and the Manager provided that the Manager has given written confirmation to the Trustee that the Manager has received confirmation from each Rating Agency in relation to the Acquiring Trust that the transfer of the Assigned Assets in relation to that Transfer Proposal for that amount will not result in a reduction, qualification or withdrawal of any ratings then assigned by it in relation to any Note in relation to the Acquiring Trust or the Disposing Trust.
Transfer Proposal	means a proposal from the Manager to the Trustee given in accordance with the Master Trust Deed, for the Trustee to transfer Assigned Assets from one series trust under the Master Trust Deed to another series trust under the Master Trust Deed.
Trustee	This is described in Section 10.3 (“ <i>The Trustee</i> ”).
Trustee Default	<p>means:</p> <ul style="list-style-type: none"> (a) the Trustee fails within 20 Business Days, or such longer period as the Manager may agree to, after notice from the Manager to carry out or satisfy any material duty or obligation imposed by the Master Trust Deed or any other Transaction Document in respect of a Medallion Trust Programme trust established under the Master Trust Deed; (b) an Insolvency Event occurs with respect to the Trustee in its personal capacity; (c) the Trustee ceases to carry on business; (d) the Trustee merges or consolidates into another entity, unless approved by the Manager, which approval will not be withheld if, in the Manager’s reasonable opinion, the commercial reputation and standing of the surviving entity will not be

less than that of the Trustee prior to such merger or consolidation, and unless the surviving entity assumes the obligations of the Trustee under the Transaction Documents in respect of a Medallion Trust Programme trust established under the Master Trust Deed; or

- (e) there is a change in the ownership of 50 per cent or more of the issued equity share capital of the Trustee from the position as at the date of the Master Trust Deed, or effective control of the Trustee alters from the position as at the date of the Master Trust Deed, unless in either case approved by the Manager, which approval will not be withheld if, in the Manager's reasonable opinion, the change in ownership or control of the Trustee will not result in a lessening of the commercial reputation and standing of the Trustee.

Unit

means a unit in the Series Trust.

Unitholder

means at any given time means the person then appearing in the Register as a holder of a Unit.

Voting Entitlements

on a particular date, means the number of votes which a Voting Secured Creditor would be entitled to exercise if a meeting of Voting Secured Creditors were held on that date, being the number calculated by dividing the Secured Moneys owing to that Voting Secured Creditor by 10 and rounding the resultant figure down to the nearest whole number.

Voting Secured Creditors

means:

- (a) while any Class A Notes or Redraw Notes then remain outstanding, the Class A Noteholders or the Redraw Noteholders;
- (b) if no Class A Notes or Redraw Notes then remain outstanding, the Class AB Noteholders;
- (c) if no Class A Notes, Redraw Notes or Class AB Notes then remain outstanding, the Class AC Noteholders,
- (d) if no Class A Notes, Redraw Notes, Class AB Notes or Class AC Notes then remain outstanding, the Class B Noteholders, or
- (e) if no Class A Notes, Redraw Notes, Class AB Notes or Class B Notes remain outstanding, each other Secured Creditor.

Directory

Trustee	Perpetual Trustee Company Limited Level 12, 123 Pitt Street Sydney NSW 2000
Security Trustee	P.T. Limited Level 12, 123 Pitt Street Sydney NSW 2000
Manager	Securitisation Advisory Services Pty. Limited Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Liquidity Facility Provider and Interest Rate Swap Provider	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Seller	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Servicer	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Lead Manager	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000
Arranger and Bookrunner	Commonwealth Bank of Australia Ground Floor Darling Park Tower 1 201 Sussex Street Sydney NSW 2000

**Solicitors to Commonwealth Bank of
Australia and Securitisation Advisory
Services Pty. Limited**

Mallesons Stephen Jaques
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Appendix A

Housing Loan Information

Pool Profile by Originator

<u>Originator</u>	<u>No. of Loans</u>	<u>Total Loan Balance (A\$)</u>	<u>% by Loan Balance (%)</u>	<u>Weighted Average Interest Rate (%)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Weighted Average Term to Maturity (in months)</u>
Commonwealth Bank	7,816	1,806,746,336.32	60.23	7.19	55.48	321
Commonwealth Bank approved mortgage-broker originated (Colonial Brand)	4,321	1,193,100,420.97	39.77	7.18	60.97	329
Total:	12,137	2,999,846,757.29	100.00	7.19	57.67	324

Pool Profile by Year of Origination (Quarterly)

<u>Year of Origination</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
2002Q1	17	7,570,172.00	2,961,799.66	42.20	174,223.51	0.10
2002Q2	9	3,632,000.00	1,590,821.64	48.88	176,757.96	0.05
2002Q3	14	6,346,920.00	2,387,419.45	40.61	170,529.96	0.08
2002Q4	17	8,298,000.00	2,944,454.38	36.51	173,203.20	0.10
2003Q1	9	4,229,500.00	2,122,245.42	52.91	235,805.05	0.07
2003Q2	11	6,482,000.00	2,437,703.43	41.48	221,609.40	0.08
2003Q3	14	6,201,785.00	2,626,177.09	46.57	187,584.08	0.09
2003Q4	19	11,265,500.00	4,855,607.04	48.12	255,558.27	0.16
2004Q1	11	7,749,500.00	3,135,165.56	44.19	285,015.05	0.10
2004Q2	22	9,870,105.00	4,301,733.52	50.24	195,533.34	0.14
2004Q3	24	12,354,760.00	5,677,690.98	55.35	236,570.46	0.19
2004Q4	28	14,594,320.00	5,933,384.07	44.93	211,906.57	0.20
2005Q1	33	19,305,586.00	8,703,633.70	51.16	263,746.48	0.29
2005Q2	39	20,545,872.00	8,352,216.01	47.45	214,159.38	0.28
2005Q3	50	26,302,217.00	12,584,499.18	53.16	251,689.98	0.42
2005Q4	64	31,772,048.00	13,884,662.02	49.30	216,947.84	0.46
2006Q1	60	32,341,401.00	15,377,119.83	54.66	256,285.33	0.51
2006Q2	95	48,425,550.00	23,673,926.66	55.97	249,199.23	0.79
2006Q3	88	42,217,184.00	21,301,242.00	57.10	242,059.57	0.71
2006Q4	68	36,501,070.00	18,810,118.66	58.88	276,619.39	0.63
2007Q1	125	54,147,788.00	30,536,420.47	65.68	244,291.36	1.02
2007Q2	190	82,910,738.00	45,674,510.99	63.91	240,392.16	1.52
2007Q3	152	69,935,200.00	42,290,698.08	67.98	278,228.28	1.41
2007Q4	189	85,091,122.00	48,962,568.92	66.22	259,061.21	1.63
2008Q1	190	84,066,393.00	49,383,459.01	66.97	259,912.94	1.65
2008Q2	268	108,827,348.00	66,583,965.78	68.39	248,447.63	2.22
2008Q3	621	276,973,593.00	161,118,170.92	64.41	259,449.55	5.37
2008Q4	1,492	649,494,604.00	361,931,029.45	61.68	242,581.12	12.06

<u>Year of Origination</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
2009Q1	1,730	783,259,683.00	407,684,844.09	56.90	235,655.98	13.59
2009Q2	1,755	835,113,602.00	454,970,375.47	59.40	259,242.38	15.17
2009Q3	1,339	680,784,659.00	322,858,998.63	51.81	241,119.49	10.76
2009Q4	1,509	784,173,669.00	398,851,907.77	55.70	264,315.38	13.30
2010Q1	689	337,384,685.00	163,539,522.49	52.72	237,357.80	5.45
2010Q2	711	337,120,844.00	167,870,535.58	54.44	236,104.83	5.60
2010Q3	485	238,951,232.00	113,928,129.34	51.45	234,903.36	3.80
Total:	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00

Pool Profile by Geographic Distribution

Region	No. of Loans	Total Security Valuations (A\$)	Total Loan Balance (A\$)	Weighted Average Current LTV (%)	Average Loan Balance (A\$)	% by Loan Balance
Australian Capital Territory						
Metro	126	63,071,625.00	32,184,589.53	57.33	255,433.25	1.07
New South Wales						
Inner City	18	8,646,290.00	5,097,221.61	63.23	283,178.98	0.17
Metro	2,853	1,630,294,212.00	851,376,625.20	57.98	298,414.52	28.38
Non Metro	1,424	553,427,370.00	294,956,049.39	59.16	207,132.06	9.83
Queensland						
Metro	671	330,655,123.00	186,228,113.40	61.50	277,538.17	6.21
Non Metro	826	373,652,216.00	207,157,355.67	60.62	250,795.83	6.91
Victoria						
Inner City	88	45,506,293.00	23,200,570.66	56.18	263,642.85	0.77
Metro	2,631	1,286,548,031.00	619,372,684.86	53.76	235,413.41	20.65
Non Metro	1,021	320,774,673.00	172,127,959.41	59.81	168,587.62	5.74
Western Australia						
Inner City	27	16,949,500.00	8,975,663.54	57.96	332,431.98	0.30
Metro	878	492,763,946.00	256,430,014.79	56.65	292,061.52	8.55
Non Metro	211	108,165,385.00	55,779,002.60	56.31	264,355.46	1.86
South Australia						
Inner City	16	7,068,850.00	3,794,833.49	57.51	237,177.09	0.13
Metro	612	269,365,752.00	142,989,166.92	58.00	233,642.43	4.77
Non Metro	136	45,944,800.00	26,032,014.87	61.65	191,411.87	0.87
Northern Territory						
Metro	69	34,160,982.00	18,748,938.26	59.48	271,723.74	0.62
Non Metro	37	16,041,850.00	9,115,380.15	61.64	246,361.63	0.30
Tasmania						
Inner City	16	6,505,500.00	3,297,125.75	54.76	206,070.36	0.11
Metro	227	81,683,690.00	42,991,065.53	58.36	189,387.95	1.43
Non Metro	250	73,014,562.00	39,992,381.66	60.73	159,969.53	1.33
Total for all Regions:						
	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00

Pool Profile by Balance Outstanding

<u>Current Loan Balance (A\$)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
50,000.00 < A\$ <= 100,000.00	964	219,561,330.00	78,368,884.38	39.53	81,295.52	2.61
100,000.00 < A\$ <= 150,000.00	1,956	609,313,960.00	250,167,335.37	45.90	127,897.41	8.34
150,000.00 < A\$ <= 200,000.00	2,292	851,345,564.00	402,717,001.69	52.28	175,705.50	13.42
200,000.00 < A\$ <= 250,000.00	2,066	867,967,289.00	466,206,813.42	58.80	225,656.73	15.54
250,000.00 < A\$ <= 300,000.00	1,621	802,948,696.00	443,338,810.59	60.25	273,497.11	14.78
300,000.00 < A\$ <= 350,000.00	1,124	637,138,603.00	364,328,489.21	62.19	324,135.67	12.14
350,000.00 < A\$ <= 400,000.00	804	538,758,091.00	300,674,553.55	61.05	373,973.33	10.02
400,000.00 < A\$ <= 450,000.00	425	327,191,379.00	179,790,445.42	59.91	423,036.34	5.99
450,000.00 < A\$ <= 500,000.00	283	244,730,257.00	134,156,546.74	59.70	474,051.40	4.47
500,000.00 < A\$ <= 550,000.00	186	171,850,200.00	97,543,757.46	61.75	524,428.80	3.25
550,000.00 < A\$ <= 600,000.00	133	135,316,550.00	76,605,814.60	61.04	575,983.57	2.55
600,000.00 < A\$ <= 650,000.00	79	90,119,500.00	49,182,721.95	59.90	622,566.10	1.64
650,000.00 < A\$ <= 700,000.00	65	77,355,400.00	43,756,788.36	61.53	673,181.36	1.46
700,000.00 < A\$ <= 750,000.00	46	56,622,300.00	33,327,151.61	62.68	724,503.30	1.11
750,000.00 < A\$ <= 800,000.00	30	41,074,000.00	23,355,535.70	61.47	778,517.86	0.78
800,000.00 < A\$ <= 850,000.00	15	21,583,500.00	12,336,148.42	59.29	822,409.89	0.41
850,000.00 < A\$ <= 900,000.00	20	26,753,030.00	17,421,680.49	67.00	871,084.02	0.58
900,000.00 < A\$ <= 950,000.00	14	19,841,001.00	12,934,490.63	67.26	923,892.19	0.43
950,000.00 < A\$ <= 1,000,000.00	14	24,770,000.00	13,633,787.70	59.11	973,841.98	0.45
Total:	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00

Pool Profile by Current Loan to Value Ratio (LTV)

<u>Current LTV (%)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
20.00 < LTV <= 25.00	1	1,000,000.00	250,000.00	25.00	250,000.00	0.01
25.00 < LTV <= 30.00	968	552,577,241.00	152,772,741.24	27.72	157,823.08	5.09
30.00 < LTV <= 35.00	1,082	612,784,864.00	198,672,522.32	32.48	183,616.01	6.62
35.00 < LTV <= 40.00	1,125	624,351,771.00	234,328,975.78	37.59	208,292.42	7.81
40.00 < LTV <= 45.00	949	508,365,182.00	215,194,459.04	42.38	226,759.18	7.17
45.00 < LTV <= 50.00	1,118	563,056,900.00	267,188,972.41	47.50	238,988.35	8.91
50.00 < LTV <= 55.00	892	441,338,127.00	232,674,506.86	52.76	260,845.86	7.76
55.00 < LTV <= 60.00	821	390,362,692.00	224,828,736.84	57.63	273,847.43	7.49
60.00 < LTV <= 65.00	1,584	664,290,279.00	416,172,294.22	62.68	262,735.03	13.87
65.00 < LTV <= 70.00	1,013	433,858,964.00	292,638,181.81	67.48	288,882.71	9.76
70.00 < LTV <= 75.00	820	335,029,870.00	242,691,601.20	72.47	295,965.37	8.09
75.00 < LTV <= 80.00	903	365,281,146.00	284,780,964.42	78.00	315,372.05	9.49
80.00 < LTV <= 85.00	239	81,556,184.00	67,611,688.14	82.92	282,894.09	2.25
85.00 < LTV <= 90.00	406	127,693,440.00	112,026,912.99	87.75	275,928.36	3.73
90.00 < LTV <= 95.00	216	62,693,990.00	58,014,200.02	92.55	268,584.26	1.93
Total:	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00

Pool Profile by Year of Maturity

Maturity Year	No. of Loans	Total Security Valuations (A\$)	Total Loan Balance (A\$)	Weighted Average Current LTV (%)	Average Loan Balance (A\$)	% by Loan Balance
2014	3	1,669,500.00	801,853.67	53.18	267,284.56	0.03
2015	4	2,255,000.00	765,944.53	34.11	191,486.13	0.03
2016	4	700,000.00	305,616.21	44.81	76,404.05	0.01
2017	5	1,300,000.00	469,639.02	40.80	93,927.80	0.02
2018	8	1,998,000.00	894,770.08	47.71	111,846.26	0.03
2019	40	11,724,000.00	4,473,226.19	41.60	111,830.65	0.15
2020	45	16,466,407.00	6,444,244.11	43.74	143,205.42	0.21
2021	22	8,761,200.00	3,569,721.41	45.17	162,260.06	0.12
2022	28	9,676,072.00	3,758,395.20	44.65	134,228.40	0.13
2023	41	17,583,213.00	6,951,815.19	43.59	169,556.47	0.23
2024	82	30,796,255.00	13,009,015.41	46.52	158,646.53	0.43
2025	99	41,042,851.00	16,940,637.20	44.50	171,117.55	0.56
2026	34	13,232,800.00	5,399,940.86	43.75	158,821.79	0.18
2027	47	18,755,676.00	8,372,733.51	48.53	178,143.27	0.28
2028	56	20,127,076.00	9,459,802.15	51.92	168,925.04	0.32
2029	226	88,692,850.00	41,468,212.95	51.01	183,487.67	1.38
2030	171	77,635,431.00	34,609,675.48	48.72	202,395.76	1.15
2031	55	27,077,837.00	13,103,140.12	53.55	238,238.91	0.44
2032	85	40,822,135.00	17,850,568.49	48.19	210,006.69	0.60
2033	113	55,747,240.00	26,680,283.42	52.95	236,108.70	0.89
2034	377	181,965,253.00	85,688,820.85	52.48	227,291.30	2.86
2035	389	186,985,045.00	87,479,152.76	52.39	224,882.14	2.92
2036	351	180,797,965.00	90,343,325.01	56.54	257,388.39	3.01
2037	666	300,513,516.00	168,358,041.98	64.19	252,789.85	5.61
2038	1,799	795,242,803.00	460,064,718.33	64.37	255,733.58	15.34
2039	5,525	2,682,022,698.00	1,406,771,012.31	57.46	254,619.19	46.89
2040	1,861	950,309,827.00	485,602,622.84	55.66	260,936.39	16.19
2041	1	340,000.00	209,828.01	61.71	209,828.01	0.01
Total:	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00

Pool Profile by Loan Purpose

<u>Loan Purpose</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Owner Occupied	9,542	4,361,544,052.00	2,299,778,072.81	58.18	241,016.36	76.66
Investment	2,595	1,402,696,598.00	700,068,684.48	55.96	269,775.99	23.34
Total:	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00

Pool Profile by Amortization

<u>Payment Type</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Principal and Interest	10,333	4,655,634,659.00	2,407,348,098.80	57.34	232,976.69	80.25
Interest Only	1,804	1,108,605,991.00	592,498,658.49	58.99	328,436.06	19.75
Total:	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00

Pool Profile by Mortgage Insurer

<u>Mortgage Insurer</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
QBE Pool Policy LMI	10,649	5,209,321,429.00	2,599,720,173.87	54.70	244,128.10	86.66
Genworth Primary LMI	1,488	554,919,221.00	400,126,583.42	76.92	268,902.27	13.34
Total:	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00

Pool Profile by Loan Type

<u>Loan Type</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Standard Variable Rate Loans	6,588	3,699,583,769.00	1,923,324,752.23	57.35	291,943.65	64.11
Fixed Rate Loans						
1yr Fixed	104	48,778,470.00	26,417,744.65	60.79	254,016.78	0.88
2yr Fixed	123	61,618,615.00	31,377,614.51	56.23	255,102.56	1.05
3yr Fixed	368	169,599,658.00	94,587,943.60	61.89	257,032.46	3.15
4yr Fixed	36	15,415,534.00	7,554,187.68	56.19	209,838.55	0.25
5yr Fixed	201	95,973,500.00	49,642,107.18	59.34	246,975.66	1.65
7yr Fixed	9	4,024,680.00	2,412,251.08	68.30	268,027.90	0.08
15yr Fixed	15	5,716,660.00	3,740,308.05	71.62	249,353.87	0.12
Economiser Loans	4,693	1,663,529,764.00	860,789,848.31	57.69	183,419.95	28.69
Total:	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00

Pool Profile by Current Interest Rates

<u>Current Interest Rate (%)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
5.00 < rate <= 5.50	2	724,000.00	340,928.79	48.61	170,464.40	0.01
5.50 < rate <= 6.00	38	19,608,840.00	10,284,763.64	58.37	270,651.67	0.34
6.00 < rate <= 6.50	43	24,009,400.00	11,641,135.56	54.27	270,724.08	0.39
6.50 < rate <= 7.00	342	217,004,970.00	113,231,320.76	57.83	331,085.73	3.77
7.00 < rate <= 7.50	10,880	5,199,649,133.00	2,701,996,581.38	57.50	248,345.27	90.07
7.50 < rate <= 8.00	654	236,150,807.00	123,464,418.57	58.94	188,783.51	4.12
8.00 < rate <= 8.50	90	33,165,000.00	18,655,901.21	63.67	207,287.79	0.62
8.50 < rate <= 9.00	70	27,667,500.00	16,763,633.20	66.38	239,480.47	0.56
9.00 < rate <= 9.50	18	6,261,000.00	3,468,074.18	69.76	192,670.79	0.12
Total:	12,137	5,764,240,650.00	2,999,846,757.29	57.67	247,165.42	100.00