



# Medallion Trust Series 2014-2

26 August 2019

## Contacts

### Commonwealth Bank of Australia

#### **Group Treasury**

Ed Freilikh  
Executive Manager, Group Funding  
+61 2 9118 1337  
[edward.freilikh@cba.com.au](mailto:edward.freilikh@cba.com.au)

Monica Stephens-Saliba  
Senior Manager, Group Funding  
+61 2 9303 1677  
[Monica.Stephens-Saliba@cba.com.au](mailto:Monica.Stephens-Saliba@cba.com.au)

Debbie Koeck  
Manager, Group Funding  
+61 2 9117 0089  
[debbie.koeck@cba.com.au](mailto:debbie.koeck@cba.com.au)

#### **Securitisation**

Justin Mineeff  
Executive Director  
+61 2 9118 1234  
[justin.mineeff@cba.com.au](mailto:justin.mineeff@cba.com.au)

Victoria Gao  
Associate Director  
+61 2 9303 1148  
[victoria.gao@cba.com.au](mailto:victoria.gao@cba.com.au)

#### **Capital Markets Syndication**

Paul O'Brien  
Head of Fixed Income Syndication  
+61 2 9117 0046  
[paul.edward.obrien@cba.com.au](mailto:paul.edward.obrien@cba.com.au)

Lauren Holtsbaum  
Director  
+612 9117 0097  
[lauren.holtsbaum@cba.com.au](mailto:lauren.holtsbaum@cba.com.au)

## Final Term Sheet for issuance of Class A1-R Notes Medallion Trust Series 2014-2

**Class A1-R Notes**  
**AAA(sf)/AAAsf (S&P/Fitch)**  
**A\$1,022,700,000**

**Arranger, Lead Manager and Book-Runner**  
Commonwealth Bank of Australia  
ABN 48 123 123 124

All investors are advised to carefully read the **Important Notice** of this Term Sheet before considering any investment.

This Term Sheet cannot be distributed to any U.S. Person or into the United States of America.



# Medallion Trust Series 2014-2

## Draft Term Sheet for issuance of Class A1-R Notes Medallion Trust Series 2014-2 Prime Residential Mortgage-Backed Securities

Class	ISIN	Credit Support <sup>1</sup>	Amount (A\$)	Expected Rating (S&P / Fitch)	Coupon	Weighted Average Life (yrs) <sup>2</sup>	Legal Maturity
Class A1-R	AU3FN0049508	16.1%	1,022,700,000	AAA(sf) / AAAsf	BBSW1M + 0.83%	2.6	The Distribution Date in October 2046

1: As 26 July 2019.

2: WAL is based on a constant CPR of 20%, Step-Down Conditions continuing to being met and exercise of the Call Option when the pool balance reaches 10% of the amount outstanding at the Closing Date.

The Notes outlined below were issued on the Closing Date for the Medallion Trust Series 2014-2 (17 September 2014) and are **not** offered under this term sheet.

### Notes issued on the Closing Date

Class	ISIN	Amount (%)	Credit Support (%)	Amount (AUD) (At Issue)	Amount (AUD) (At 26 July 2019)	Rating at Issuance (S&P / Fitch)	Coupon	Weighted Average Life (yrs) <sup>3</sup>	Legal Maturity
Class A1	AU3FN0024501	92.0%	8.0%	3,680,000,000	1,042,241,136	AAA(sf) / AAAsf	BBSW1M + 0.70%	2.8	The Distribution Date in October 2046
Class B	AU3FN0024519	6.0%	2.0%	240,000,000	119,655,480	A+(sf) / A+sf	Undisclosed	5.2	
Class C	AU3FN0024535	2.0%	0.0%	80,000,000	80,000,000	NR / NR	Undisclosed	9.4	
<b>Total</b>		<b>100.0</b>		<b>4,000,000,000</b>	<b>1,241,896,616</b>				

3. WAL is based on a flat Conditional Prepayment Rate ("CPR") of 20%, Step-Down Conditions being met at the first available opportunity, refinancing of the Class A1 Notes at the Class A1-Refinancing Date in August 2019 and exercise of the Call Option when the pool balance reaches 10% of the amount outstanding at the Cut-Off Date.

This document relates solely to the issue of Class A1-R Notes from Medallion Trust Series 2014-2, and does not relate to and is not relevant for any other purpose. For complete details of the transaction, investors should refer to the Medallion Trust Series 2014-2 Supplemental Information Memorandum dated 26 August 2019 together with the Medallion Trust Series 2014-2 Information Memorandum dated 12 September 2014.

### No Guarantee by Commonwealth Bank of Australia

The Notes do not represent deposits or other liabilities of Commonwealth Bank of Australia ("Commonwealth Bank of Australia", "Seller", "Servicer" and "Manager"), or any other member of the Commonwealth Bank of Australia. Neither Commonwealth Bank of Australia, nor any other member of the Commonwealth Bank of Australia groups guarantee the payment or repayment or the return of any principal invested in, or any particular rate of return on, the Notes or the performance of the Assets of the Series Trust. In addition, none of the obligations of the Manager, the Seller or the Servicer are guaranteed in any way by Commonwealth Bank of Australia or any other member of the Commonwealth Bank of Australia groups.



# Medallion Trust Series 2014-2

## Transaction Parties

<b>Issue Trust</b>	Medallion Trust Series 2014-2
<b>Trustee</b>	Perpetual Trustee Company Limited (ABN 42 000 001 007) in its capacity as trustee of the Issue Trust
<b>Security Trustee</b>	P.T. Limited (ABN 67 004 454 666)
<b>Manager</b>	Securitisation Advisory Services Pty Limited (ABN 88 064 133 946)
<b>Originator, Servicer, Basis Swap Provider, Interest Rate Swap Provider and Liquidity Facility Provider</b>	Commonwealth Bank of Australia
<b>Arranger, Lead Manager and Book-Runner</b>	Commonwealth Bank of Australia
<b>Rating Agencies</b>	Standard & Poor's (Australia) Pty Ltd (ABN 62 007 324 852) ("S&P"); and Fitch Australia Pty Ltd (ABN 93 081 339 184) ("Fitch")

## Transaction Structure

<b>Class A Notes Credit Support</b>	<p>Class A Notes are the: Class A1 Notes and Class A1-R Notes (post the Class A1 Refinancing Date).</p> <p>Credit Support as at 26 July 2019 is 16.1%.</p>
<b>Class A1-R Notes</b>	<p>The Manager is marketing a floating rate, amortising security (the Class A1-R Notes) with a WAL of 2.6 years (assuming the Issue prepays at a constant 20% CPR from the Class A1 Refinancing Date) to refinance the Class A1 Notes on the Class A1 Refinancing Date.</p> <p>If the Manager is successful in placing the Class A1-R Notes at a margin less than the Class A1 Stepped-Up Margin, existing Class A1 Note investors will be fully repaid at the Class A1 Refinancing Date via proceeds from Class A1-R Notes issuance.</p>

## The Notes

<b>Form and Denomination of the Notes</b>	Registered form and in denominations of AUD100,000
<b>Closing Date and Initial Note Issue Date</b>	17 September 2014
<b>Class A1-R Pricing Date</b>	16 August 2019
<b>Class A1 Refinancing Date and Class A1-R Issue Date</b>	26 August 2019



# Medallion Trust Series 2014-2

<b>First Payment Date (Class A1-R Notes)</b>	26 September 2019
<b>Note Distribution Date</b>	26 <sup>th</sup> of each calendar month subject to modified following business day convention. The first Note Distribution Date occurred on 27 October 2014.
<b>Ex-Interest Date</b>	Two Business Days prior to each Distribution Date
<b>Legal Final Maturity</b>	The Distribution Date occurring in October 2046
<b>Day Count Basis</b>	Actual/365
<b>Class A1-R Issue Margin</b>	BBSW1M + 0.83%
<b>Class A1-R Issue Price</b>	100.000%
<b>Call Date</b>	The first Distribution Date on which the aggregate Mortgage Loan Principal in relation to Mortgage Loans which are then part of the Assets of the Series Trust is less than 10% of the aggregate Mortgage Loan Principal in relation to Mortgage Loans that were part of the Assets of the Series Trust as at the Closing Date
<b>Minimum Parcel Size</b>	Minimum amount payable, by each investor on acceptance of the offer or application (as the case may be) of at least AUD500,000 (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001) or does not otherwise require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a Retail Client.
<b>Interest Withholding Tax</b>	The Manager intends to offer the Class A1-R Notes in a manner that satisfies the public offer test under existing Australian taxation law.
<b>Principal Draws</b>	To cover possible liquidity shortfalls in the payments of interest on the Notes (other than the Class C Notes) and the other senior expenses of the Series Trust, the Manager will direct the Trustee to allocate available principal collections towards meeting the shortfall.
<b>Liquidity Facility</b>	<p>The Liquidity Facility is \$11.5m (as at 31 July 2019) and will amortise subject to a floor of \$3,000,000. The Liquidity Facility will amortise annually in line with the rateable reduction of the outstanding pool balance.</p> <p>The Liquidity Facility will not amortise if:</p> <ol style="list-style-type: none"><li>1. unreimbursed charge-offs are outstanding;</li><li>2. the Liquidity Facility has been drawn in the prior period;</li><li>3. Principal Draws are outstanding.</li></ol>
<b>Business Days</b>	Sydney
<b>RBA Repo Status</b>	Application is intended to be made by the Manager to the Reserve Bank of Australia ("RBA") for the Class A1-R Notes to be added to the list of eligible securities for repurchase agreements conducted by the RBA.
<b>Governing Law</b>	New South Wales



# Medallion Trust Series 2014-2

<b>Clearing</b>	Austraclear; Euroclear; Clearstream
<b>European Union Securitisation Due Diligence and Retention Rules</b>	<p>European Union (“EU”) legislation comprising Regulation (EU) 2017/2402 (as amended, the “EU Securitisation Regulation”) and certain related regulatory technical standards, implementing technical standards and official guidance (together, the “EU Due Diligence and Retention Rules”) imposes certain restrictions and obligations with regard to securitisations (as such term is defined for purposes of the EU Securitisation Regulation). The EU Due Diligence and Retention Rules are in force throughout the EU (and are expected also to be implemented in the non-EU member states of the European Economic Area (“EEA”)) in respect of securitisations the securities of which were issued (or the securitisation positions of which were created) on or after 1 January 2019. Article 5 of the EU Securitisation Regulation, places certain conditions on investments in securitisations by “institutional investors” (as such term is defined for the purposes of the EU Securitisation Regulation), being persons of the following types which are supervised in the EU in respect of the relevant activities (each an “EU Institutional Investor”): (a) a credit institution or an investment firm as defined in and for purposes of Regulation (EU) No 575/2013, as amended, known as the Capital Requirements Regulation (the “CRR”) (or a consolidated affiliate thereof, as provided by Article 14 of the CRR), (b) an insurance undertaking or a reinsurance undertaking as defined in Directive 2009/138/EC, as amended, known as Solvency II, (c) an alternative investment fund manager as defined in Directive 2011/61/EU that manages or markets alternative investment funds in the EU, (d) an undertaking for collective investment in transferable securities (“UCITS”) management company, as defined in Directive 2009/65/EC, as amended, known as the “UCITS Directive”, or an internally managed UCITS, which is an investment company that is authorised in accordance with that Directive and has not designated such a management company for its management, and (e) with certain exceptions, an institution for occupational retirement provision (“IORP”) falling within the scope of Directive (EU) 2016/2341, or an investment manager or an authorised entity appointed by such an institution for occupational retirement provision as provided in that Directive.</p> <p>Prior to investing in (or otherwise holding an exposure to) a securitisation, an EU Institutional Investor other than the originator, sponsor or original lender (each as defined in the EU Securitisation Regulation) must, among other things: (a) verify that, where the originator or original lender is established in a third country (that is, not within the EU or the EEA), the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor’s creditworthiness, (b) verify that, if established in a third country, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of the EU Securitisation Regulation, and discloses the risk retention to institutional investors, (c) verify that the originator, sponsor or securitisation special purpose entity (“SSPE”) has, where applicable, made available the information required by Article 7 of the EU Securitisation Regulation (which sets out transparency requirements for originators, sponsors and SSPEs), and (d) carry out a due-diligence assessment which enables the EU Institutional Investor to assess the risks involved, considering at least (i) the risk characteristics of the securitisation position and the underlying exposures, and (ii) all the structural features of the securitisation that can materially impact the performance of the securitisation position.</p>



## Medallion Trust Series 2014-2

While holding a securitisation position, an EU Institutional Investor must also (a) establish appropriate written procedures in order to monitor, on an ongoing basis, its compliance with the foregoing requirements and the performance of the securitisation position and of the underlying exposures, (b) regularly perform stress tests on the cash flows and collateral values supporting the underlying exposures, (c) ensure internal reporting to its management body to enable adequate management of material risks, and (d) be able to demonstrate to its regulatory authorities that it has a comprehensive and thorough understanding of the securitisation position and its underlying exposures and has implemented written policies and procedures for managing risks of the securitisation position and maintaining records of the foregoing verifications and due diligence and other relevant information.

If any EU Institutional Investor fails to comply with the requirements described above, it may be subject (where applicable) to an additional regulatory capital charge with respect to any securitisation position acquired by it or on its behalf, and it may be subject to other regulatory sanctions.

The Series Trust was established prior to the introduction of the EU Due Diligence and Retention Rules. Pursuant to the EU risk retention rules which applied at the time the Series Trust was established (under Articles 405 – 410 of the CRR) (“the CRR Rules”), Commonwealth Bank of Australia (as the originator of the mortgage loans securitised and included in the Series Trust) has undertaken to the Trustee to retain on an ongoing basis a net economic interest in this securitisation transaction by holding 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 405 paragraph (1) sub-paragraph (c) of the CRR. The Manager will include information in any reports provided to Noteholders:

1. confirming Commonwealth Bank of Australia’s continued retention of the interest described above; and
2. 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.

The EU Due Diligence and Retention Rules do not expressly provide that compliance with the CRR Rules will be taken to satisfy risk retention requirements under the EU Due Diligence and Retention Rules. However, the requirements that applied under Article 405 paragraph (1) sub-paragraph (c) of the CRR (according to which Commonwealth Bank of Australia holds a net economic interest in this securitisation transaction) are substantially similar to the current retention requirements under Article 6 paragraph (3) sub-paragraph (c) of the EU Due Diligence and Retention Rules. Investors are themselves responsible for monitoring and assessing changes to the EU Due Diligence and Retention Rules and their regulatory capital requirements and should carefully consider whether the applicable conditions under the rules are satisfied at any time and the implications for the regulatory capital treatment of their investment or the liquidity of their investment. 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 EU Due Diligence and Retention Rules and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

The EU Due Diligence and Retention Rules and any similar requirements 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



# Medallion Trust Series 2014-2

	investors and, in addition, could have a negative impact on the price and liquidity of the Notes in the secondary market.
<p><b>Japan Due Diligence and Retention Rules</b></p>	<p>On 15 March 2019 the Japanese Financial Services Agency (“<b>JFSA</b>”) published new due diligence and risk retention rules as part of the regulatory capital regulation of certain categories of Japanese investors seeking to invest in securitisation transactions (“<b>Japan Due Diligence and Retention Rules</b>”). The Japan Due Diligence and Retention Rules became applicable to such Japanese financial institutions from 31 March 2019.</p> <p>Under the Japan Due Diligence and Retention Rules certain categories of Japanese investors will be required to apply higher risk weighting to securitisation exposures they hold for regulatory capital purposes unless (i) the relevant originator commits to hold a retention interest equal to at least 5% of the exposure of the total underlying assets in the transaction (the “<b>Japanese Retention Requirement</b>”) or (ii) such investors determine that the underlying assets were not “inappropriately originated.” In the absence of such a determination with respect to the mortgage loans in the Series Trust by such investors, the Japanese Retention Requirement as set out in the Japan Due Diligence and Retention Rules will apply to an investment by such affected investors in the Class A1-R Notes. The Japanese investors to which the Japan Due Diligence and Retention Rules applies include banks, bank holding companies, credit unions (shinyo kinko), credit cooperatives (shinyo kumiai), labour credit unions (rodo kinko), agricultural credit cooperatives (nogyo kyodo kumiai), ultimate parent companies of large securities companies and certain other financial institutions regulated in Japan (such investors, “<b>Japanese Affected Investors</b>”). Such Japanese Affected Investors may be subject to punitive capital requirements and/or other regulatory penalties with respect to investments in securitisations that fail to comply with the Japanese Retention Requirement.</p> <p>The Japan Due Diligence and Retention Rules came into effect on 31 March 2019. The Series Trust was established prior to the introduction of these rules. As noted above, Commonwealth Bank of Australia currently retains a material net economic interest of at least 5% of the aggregate principal balance of the securitised exposures in this securitisation transaction in accordance with the European rules that applied under Article 405 paragraph (1) sub-paragraph (c) of the CRR. None of the Manager, the Trustee or Commonwealth Bank of Australia nor any other party will take any additional action in connection with this securitisation transaction for the purposes of compliance with the Japan Due Diligence and Retention Rules.</p> <p>Investors should understand that there are a number of unresolved questions and no established line of authority, precedent or market practice that provides definitive guidance with respect to the Japan Due Diligence and Retention Rules. Investors are themselves responsible for monitoring and assessing the Japan Due Diligence and Retention Rules and further developments in relation to these rules and should carefully consider whether the applicable conditions under the rules are satisfied at any time and the implications for the regulatory capital treatment of their investment or the liquidity of their investment.</p> <p>The Japan Due Diligence and Retention Rules or other similar requirements 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.</p>
<p><b>US Selling Restrictions</b></p>	<p>The Class A1-R Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (“<b>Securities Act</b>”) and the Trustee has</p>



# Medallion Trust Series 2014-2

	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 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.
<b>EU MiFID II Product Governance/Professional Investors and ECPs only target market</b>	Solely for the purposes of the manufacturers’ product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended “MiFID II”; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.
<b>PRIIPS – EEA Retail Investors</b>	<p>The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of:</p> <ol style="list-style-type: none"> <li>1. a Retail Client as defined in point (11) of article 4(1) of MiFID II;</li> <li>2. a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or</li> <li>3. not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”).</li> </ol> <p>Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.</p>

## Investor Reporting

<b>Transaction Reporting</b>	Investor reporting will be provided as for all Medallion transactions (trustee reports and reporting on Commonwealth Bank’s website <a href="http://www.commbank.com.au/securitisation">http://www.commbank.com.au/securitisation</a> )
<b>Bloomberg / Intex / ABSNet</b>	<p>Bloomberg ticker: MEDL 2014-2 &lt;&lt;MTGE&gt;&gt;          Intex deal name : MDLT1402          Moody’s Structured Finance Portal: Medallion Trust Series 2014-2</p>

## Trust Cash Flows

<b>Cash flow Waterfall Summary (prior to</b>	<ol style="list-style-type: none"> <li>1. Senior Expenses</li> <li>2. Pari-passu and rateably:             <ol style="list-style-type: none"> <li>a. Redraw Note Interest (if any);</li> </ol> </li> </ol>
--	--





# Medallion Trust Series 2014-2

<b>enforcement of the Charge) - Income</b>	<p>b. Class A Note Interest;</p> <ol style="list-style-type: none"> <li>3. Class B Note Interest;</li> <li>4. Repayment of Principal Draws (if any);</li> <li>5. Reinstatement of Class A Notes and Redraw Note Charge-Offs (if any);</li> <li>6. Reinstatement of Class B Note Charge-Offs (if any);</li> <li>7. Reinstatement of Class C Note Charge-Offs (if any);</li> <li>8. Reinstatement of draws on the Extraordinary Expense Reserve (if any);</li> <li>9. Subordinated amounts owing (if any) to the Liquidity Facility Provider;</li> <li>10. Subordinated swap termination payments (if any) to the Interest Rate Swap Provider;</li> <li>11. Class C Note interest;</li> <li>12. The Manager's establishment fee reimbursement;</li> <li>13. Excess Available Income.</li> </ol> <p>Refer to the Medallion Trust Series 2014-2 Information Memorandum for further detail regarding allocation of principal and interest payments pre and post enforcement of the Charge.</p>																						
<b>Note Class Principal Allocations</b>	<p>Definitions</p> <table border="1"> <tr> <td><b>A1R</b></td> <td>The aggregate Invested Amount of the Class A1-R Notes on the immediately preceding Determination Date;</td> </tr> <tr> <td><b>B</b></td> <td>The aggregate Invested Amount of the Class B Notes on the immediately preceding Determination Date</td> </tr> <tr> <td><b>C</b></td> <td>The aggregate Invested Amount of the Class C Notes on the immediately preceding Determination Date</td> </tr> <tr> <td><b>Z</b></td> <td>The aggregate Invested Amount of the Class A1-R Notes, the Class B Notes and the Class C Notes on the immediately preceding Determination Date</td> </tr> <tr> <td><b>P</b></td> <td>The available principal less distribution to Redraw Notes (if any)</td> </tr> </table> <table border="1"> <thead> <tr> <th></th> <th style="background-color: #2e8b57; color: white;">Stepdown Criteria met</th> <th style="background-color: #ff0000; color: white;">Stepdown Criteria NOT met</th> </tr> </thead> <tbody> <tr> <td><b>Class A1R Principal Allocation</b> is equal to P multiplied by:</td> <td style="text-align: center;"><math>\frac{A1R}{Z}</math></td> <td>i) zero if A1R = 0 ii) 100% if A1R &gt; 0</td> </tr> <tr> <td><b>Class B Note Principal Allocation</b> is equal to P multiplied by:</td> <td style="text-align: center;"><math>\frac{B + C}{Z}</math></td> <td>i) zero if A1R &gt; 0 or B = 0 ii) 100% if A1R = 0 and B &gt; 0</td> </tr> <tr> <td><b>Class C Note Principal Allocation</b></td> <td></td> <td>i) zero; if A1R or B &gt; 0 ii) 100%; if A1R and B = 0</td> </tr> </tbody> </table>	<b>A1R</b>	The aggregate Invested Amount of the Class A1-R Notes on the immediately preceding Determination Date;	<b>B</b>	The aggregate Invested Amount of the Class B Notes on the immediately preceding Determination Date	<b>C</b>	The aggregate Invested Amount of the Class C Notes on the immediately preceding Determination Date	<b>Z</b>	The aggregate Invested Amount of the Class A1-R Notes, the Class B Notes and the Class C Notes on the immediately preceding Determination Date	<b>P</b>	The available principal less distribution to Redraw Notes (if any)		Stepdown Criteria met	Stepdown Criteria NOT met	<b>Class A1R Principal Allocation</b> is equal to P multiplied by:	$\frac{A1R}{Z}$	i) zero if A1R = 0 ii) 100% if A1R > 0	<b>Class B Note Principal Allocation</b> is equal to P multiplied by:	$\frac{B + C}{Z}$	i) zero if A1R > 0 or B = 0 ii) 100% if A1R = 0 and B > 0	<b>Class C Note Principal Allocation</b>		i) zero; if A1R or B > 0 ii) 100%; if A1R and B = 0
<b>A1R</b>	The aggregate Invested Amount of the Class A1-R Notes on the immediately preceding Determination Date;																						
<b>B</b>	The aggregate Invested Amount of the Class B Notes on the immediately preceding Determination Date																						
<b>C</b>	The aggregate Invested Amount of the Class C Notes on the immediately preceding Determination Date																						
<b>Z</b>	The aggregate Invested Amount of the Class A1-R Notes, the Class B Notes and the Class C Notes on the immediately preceding Determination Date																						
<b>P</b>	The available principal less distribution to Redraw Notes (if any)																						
	Stepdown Criteria met	Stepdown Criteria NOT met																					
<b>Class A1R Principal Allocation</b> is equal to P multiplied by:	$\frac{A1R}{Z}$	i) zero if A1R = 0 ii) 100% if A1R > 0																					
<b>Class B Note Principal Allocation</b> is equal to P multiplied by:	$\frac{B + C}{Z}$	i) zero if A1R > 0 or B = 0 ii) 100% if A1R = 0 and B > 0																					
<b>Class C Note Principal Allocation</b>		i) zero; if A1R or B > 0 ii) 100%; if A1R and B = 0																					
<b>Cash flow Waterfall Summary (prior to enforcement of the Charge) – Principal</b>	<ol style="list-style-type: none"> <li>1. Fund Seller Advances (if any)</li> <li>2. Repay Redraw Notes (if any)</li> <li>3. Pari-passu and rateably, distribute the:             <ol style="list-style-type: none"> <li>a. Class A Principal Allocation to the Class A Notes;</li> <li>b. Class B Principal Allocation to the Class B Notes;</li> </ol> </li> <li>4. Distribute to the Class B Notes until fully repaid;</li> <li>5. Distribute to the Class C Notes until fully repaid;</li> <li>6. Any surplus (if any) to the Residual Capital Unitholder.</li> </ol> <p>Refer to the Medallion Trust Series 2014-2 Information Memorandum for further detail regarding allocation of principal and interest payments pre and post event of default.</p>																						



# Medallion Trust Series 2014-2

<b>Step-Down Conditions</b>	<ol style="list-style-type: none"><li>1. the Determination Date is at least two years after the Closing Date;</li><li>2. 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%;</li><li>3. Credit support provided to the Class A Notes (in the form of Class B and Class C Notes) is at least twice that provided at the Closing Date;</li><li>4. Credit support provided to the Class B Notes (in the form of Class C Notes) is at least twice that provided at the Closing Date;</li><li>5. 60+ day arrears at the most recent Determination Date is less than 4%;</li><li>6. there are no Charge-Offs which remain unreimbursed on any Note;</li><li>7. there are no unreimbursed Principal Draws as at that Determination Date; and</li><li>8. there are no outstanding draws under the Liquidity Facility.</li></ol>
-----------------------------	---

## Assets

<b>Collateral</b>	Portfolio of loans secured by first ranking mortgages over residential property in Australia originated by Commonwealth Bank of Australia.
-------------------	--



# Medallion Trust Series 2014-2

## Important Notice

The information contained in this document has been prepared by Commonwealth Bank of Australia (A.B.N. 48 123 123 124) in its capacity as lead manager (“**Lead Manager**”) and is made available only for persons who are wholesale clients as defined in the Corporations Act 2001. No warranty, guarantee or representation as to the accuracy, completeness of the contents of this document is given. No person shall act on the basis of any information contained herein without considering and if necessary taking appropriate professional advice upon his or her own particular circumstances.

This material is for information purposes only. It is neither an offer to sell securities, commodities or other instruments nor a solicitation (or a calculated invitation or solicitation) of an offer to buy or subscribe for securities, commodities or other instruments. This document does not constitute or imply any offer or commitment whatsoever on the part of the Lead Manager or their affiliates. The information set out in this document is subject to change, completion, supplement or amendment from time to time. This document does not purport to be complete nor contain all relevant information and terms and conditions which would be applicable.

The Lead Manager act solely in the capacity of an arm's length contractual counterparty and not in the capacity of your financial adviser or fiduciary.

The Lead Manager and/or its affiliates, officers, directors and employees may have long or short positions in or make markets in or otherwise buy or sell the instruments or economically equivalent instruments discussed herein, and may from time to time add to or dispose of any such instruments and may have acted as market maker or manager or co-manager of a public offering of any such instruments in relation to any companies referred to in this document, and may sell such instruments to or buy them from customers on a principal basis, and may also perform or seek to perform banking or underwriting services for or relating to those companies. As the Lead Manager is part of large global financial services organisations, they, or their affiliates may have certain relationships with the parties relevant to the proposed activities as set out in this document, and these proposed activities may give rise to a conflict of interest, which the intended recipient (each a “**Recipient**”) hereby acknowledges and which will be addressed accordingly. The Lead Manager may come or may have come into possession of information not contained in this document relating to the Notes that may be relevant to any decision by a potential investor of the Notes and which may or may not be publicly available to potential investors (the “**Relevant Information**”). To the maximum extent permitted by applicable law, the Lead Manager is not under any obligation to disclose any Relevant Information to any potential investor and this document and any subsequent conduct by the Lead Manager should not be construed as implying that it is not in possession of such Relevant Information.

Transactions of the type described herein may involve a high degree of risk, and the value of such instruments may be highly volatile. Such risks may include without limitation risk of adverse or unanticipated market developments, risk of counterparty or issuer default and risk of illiquidity. In certain transactions counterparties may lose their entire investment or incur an unlimited loss. **This summary does not disclose all the risks and other significant aspects in connection with transactions of the type described herein, and counterparties should ensure that they fully understand the terms of the transaction, including the relevant risk factors and any legal, regulatory, tax and accounting considerations applicable to them, prior to transacting.**

No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient. This document, which is not for public circulation, must not be copied transferred or the content disclosed to any third party and is not intended for use by any person other than the Recipient or the Recipient's professional advisers for the purposes of advising the Recipient hereon.

This document has been prepared for information purposes only. It does not constitute a prospectus or offering document in whole or in part and its terms are qualified in their entirety by such offering or other transaction document(s) issued in respect of the notes (the “**Notes**”) or the transaction(s) (the “**Transaction(s)**”) described in this material. The information contained herein is confidential and is intended for use only by the Recipient.

This document may contain statements that are “forward looking statements”. There can be no assurance that any forward looking statements will materialize or that any actual return or result will not be materially lower than those that may be presented or discussed. None of the Lead Manager and the other transaction parties nor their related entities and affiliates makes any representation or warranty as to the reasonableness of the assumptions or as to any other financial information contained in the models used herein.



# Medallion Trust Series 2014-2

This document does not purport to contain all relevant information and is subject to qualification and assumptions, and should be considered by investors only in the light of risk factors, disclaimers, lack of assurance, representations and precautionary matters, as will be disclosed in a definitive information memorandum prepared on behalf of the Issuer in respect of the Notes (“**Information Memorandum**”). The Information Memorandum will contain material information not contained herein and which shall supersede, amend and or supplement this information in its entirety. Any decision to invest in the Notes should be made after reviewing such definitive Information Memorandum, conducting such investigations as the recipient deems necessary and consulting the investor’s own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the Notes and not in reliance on this document.

None of the Lead Manager or any of its affiliates, officers, directors or employees:

1. stand behind the capital value or performance of the Notes or the assets of the Series; or
2. guarantee the payment of interest or the repayment of principal due on the Notes; or
3. guarantee in any way the performance of any obligations of any other party.

The investments and investment services referred to herein are available only to persons to whom this document may be lawfully delivered in accordance with applicable securities laws.

In Australia, this document is for distribution only to professional investors whose ordinary business includes the buying or selling of securities such as Notes in circumstances where disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia and in such other circumstances as may be permitted by applicable law. Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act 2001 and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Australian Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located.

In the United Kingdom, this document is being distributed only to, and is directed only at, persons who have professional experience in matters relating to investments, falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or to other persons to whom this document may otherwise be lawfully communicated. It must not be acted on or relied on by, nor are the Notes herein referred to available to any other persons. This document is not available to retail clients within the meaning of the rules of the Financial Services Authority.

This document is not available to any persons who are subject to US securities laws and it should not be distributed in the US or to any US person nor in any jurisdiction in which its distribution would be prohibited. The securities have not been and will not be registered under the US Securities Act of 1933 (as amended) or the laws of any state in the United States of America.

In Japan this document 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 of Japan (as amended) (the “**FIEL**”). The Notes have not been and will not be registered under the FIEL.

By reviewing this document each Recipient represents that it is a person into whose possession the document can be lawfully delivered in accordance with the laws of the jurisdiction in which the Recipient is located. Anyone who is not such a person is not entitled to receive this document and anyone who receives this document must not distribute it to any person who is not entitled to receive it.

This document should not be construed as an offer or solicitation to buy or sell the Notes or any other securities, or any interest in any securities, and nothing herein should be construed as a recommendation or advice to invest in any securities.