

Example Trust Series 2005-1 Term Sheet

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1. Summary of Notes

Tranche	Currency	Amount (FX)	Amount (AUD)	Spread	Benchmark
A1	AUD	450,000,000	450,000,000	15	BBSW 3M
A2	USD	581,000,000	450,000,000	16*	BBSW 3M*
AB	AUD	60,000,000	60,000,000	19	BBSW 3M
B	AUD	40,000,000	40,000,000	35	BBSW 3M
Total			1,000,000,000		

*Hedged spread to BBSW on the AUD leg of the USD/AUD cross-currency interest rate swap contract

2. Transaction Information

Pricing Date	1st February 2005.
Pool Close Date	22 nd February 2005.
Payment Date	22nd (or following business day) of last month of each calendar quarter.

3. Structure

Liquidity facility	
<i>Size</i>	\$10 million.
<i>Interest rate</i>	34 basis points over 3 month BBSW.
Redraw facility	
<i>Size</i>	\$6 million.
<i>Interest rate</i>	21 basis points over 3 month BBSW.
Principal draw	Available to meet all income payments in the income waterfall down to and including coupon payments to the B notes.
Excess spread retention	Excess spread is not retained.
Swaps	USD/AUD cross-currency interest rate swap and FX swap for the income and principal payments on the Class A2 notes.
	Unlike actual RMBS deals, Example Trust Series 2005-1 does not have a swap to hedge the basis risk between income received from

	the collateral pool and income paid on the notes. The RBA expects reported RMBS deals to have a basis swap in place, in line with market convention, which would be reflected in the income available to the trust.
Serial pay down of principal payments	Yes, if serial pay down conditions are met. See <i>Serial Pay Conditions</i> . This trigger is not discretionary; as soon as the trigger conditions are met, serial pay down is triggered within the principal waterfall.
Clean up call	<p>Yes, once the outstanding value of the collateral pool is less than or equal to 10 per cent of the value of the collateral pool on the Pool Close Date. This is a discretionary trigger; clean up call does not have to occur once the clean up call conditions are satisfied.</p> <p>If the trust manager fails to meet a clean-up call on the first payment date on which a clean-up call can be made, the coupon spreads on each note will be doubled.</p>

4. Facility Draws

Income shortfalls:

If trust income collections are insufficient to meet payment priorities 1-6 of the 'Order of Distributions in the Income Waterfall' (section 9) of this Term Sheet in full, then additional income sources available to the trust will be drawn in this order:

1. Principal Draw;
2. Liquidity Facility Draw.

Principal shortfalls:

If trust principal collections are insufficient to meet payment priority 1 of the 'Order of Distributions in the Principal Waterfall' (section 10) of this Term Sheet in full, then additional principal sources available to the trust will be drawn in this order:

3. Redraw Facility Draw;
4. Issuance of Redraw Notes (if possible).

5. Additional Note Information

All classes of notes pay interest on an actual/365 day count basis.

The interest rate used in the Australian Dollar leg of the cross-currency basis swap to hedge Class A2 income payments is 16 basis points over 90 day BBSW. The exchange rate used in the Australian Dollar leg of the FX swap used to hedge Class A2 principal payments is 0.7737 US Dollars per Australian Dollars. Payments on this swap contract are calculated on an actual/365 day count basis.

Coupons on the notes will be payable quarterly in arrears on each distribution date. The BBSW rate used to calculate coupon payments is the BBSW rate on the previous distribution date.

6. Collateral

This section describes the parameters used in order to generate income, principal and charge off flows from a collateral pool underlying Example Trust Series 2005-1.

- \$1 billion of prime Australian residential mortgages.
- Principal prepayment (CPR) at a nominal annual rate of 26 per cent.
- Interest on the mortgages accrues at the Standard Variable Rate for Australian mortgages (available at [RBA Statistical Table F5](#)) minus 20 basis points. Note: this example assumes no basis swap provider.
- No charge offs on the collateral pool over the life of the deal.

7. Serial Pay Down Trigger Conditions

1. The current Determination Date is at least two years after the Pool Close Date.
2. The aggregate Invested Amount of all notes as at the Determination Date is at least 10 per cent of the value of the Invested Amount of the notes on the closing date of the deal.
3. Credit support provided to the Class A Notes from the subordination of the B Note is at least two times that provided at the Closing Date.
4. There are no chargeoffs that remain unreimbursed on any Note.

8. Order of Distributions in the Charge offs Waterfall

1. Allocate principal losses to the Class B Notes until the stated amounts of the B Notes are equal to zero.
2. Allocate principal losses to the Class AB Notes until the stated amounts of the AB Notes are equal to zero.
3. Rateably allocate principal losses to the Class A1 Notes, Class A2 Notes, Redraw Notes, and outstanding draw on the Redraw Facility.

9. Order of Distributions in the Income Waterfall

1. \$100 to the Residual Income Unit Holder.
2. Senior expenses and any senior termination payments payable on the Basis Swap and Fixed Rate Swap contracts.
3. Repayment of any outstanding draws on the Liquidity Facility.
4. Payment of coupons/interest due (including unpaid coupons/interest from previous periods) on the Class A1 Notes, Class A2 Notes (currency swap contract), Redraw Notes, Redraw Facility, and Liquidity Facility.
5. Payment of coupons on the Class AB Notes.

6. Payment of coupons on the Class B Notes.
7. Reimbursement of current period and carryover Principal Charge offs on the Class A1 Notes, Class A2 Notes, Redraw Notes, Redraw Facility, and Liquidity Facility.
8. Reimbursement of current period and carryover Principal Charge offs on the Class AB Notes.
9. Reimbursement of current period and carryover Principal Charge offs on the Class B Notes.
10. Reimbursement of any outstanding Principal Draws.
11. Residual Income Unitholder payment.

10. Order of Distributions in the Principal Waterfall

1. Payment to the servicer of any redraws that borrowers have made during the payment period.
2. Repayment of any outstanding draws on the Redraw Facility.
3. Payment of principal to Redraw Notes until the stated amount of the Redraw Notes is equal to zero.

4. *Sequential payment:*

- i. Payment of principal pari passu and rateably to the Class A1 and Class A2 until the stated amounts of these notes are equal to zero.
- ii. Payment of principal to the Class AB Notes until the stated amounts of the AB Notes are equal to zero.
- iii. Payment of principal to the Class B Notes until the stated amounts of the B Notes are equal to zero.
- iv. Payment of principal to the Residual Capital Unitholder.

5. *Serial pay down (if serial pay down conditions are satisfied):*

- i. Payment of principal pari passu and rateably to the Class A1, Class A2, Class AB, and Class B Notes until the stated amounts of these notes are equal to zero.
- ii. Payment of principal to the Residual Capital Unitholder.