



Firstmac Mortgage Funding Trust No.4 Series 3PP-2014

PRICING TERM SHEET

Australian Prime RMBS – New Issue

AUD700M

11 December 2014

Pricing Date 11 December 2014	Settlement Date 17 December 2014
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Note	Issue Size (\$m)	Currency	Type	Expected Ratings ^{#3} (S&P /Fitch)	Initial Credit Support	Required CE S&P/Fitch	Benchmark + Coupon	Modelled WAL ^{#1} (Years)
A-1	595.0	AUD	Pass Through	AAA(sf)/AAAsf	15.00%	5.6%/6.8% ^{#2}	Not Disclosed	2.8
A-2	35.0	AUD	Pass Through	AAA(sf)/AAAsf	10.00%	5.6%/6.8% ^{#2}	Not Disclosed	2.8
AB	43.0	AUD	Pass Through	AAA(sf)	3.86%	3.20%	1M BBSW + 1.80%	4.3
B-1	16.0	AUD	Pass Through	AA-(sf)	1.57%	1.30%	Not Disclosed	4.3
B-2	4.0	AUD	Pass Through	A(sf)	1.00%	0.70%	Not Disclosed	4.3
B-3	4.9	AUD	Pass Through	BB(sf)	0.30%	0.30%	Not Disclosed %	4.3
C	2.1	AUD	Pass Through	NR	--	--	Not Disclosed	5.3
Total	700.0							

^{#1} The modelled WAL and Payment Window assume a portfolio constant prepayment rate (“CPR”) of 20%, no defaults, no arrears, no principal draws, the Pro-Rata Tests are satisfied and that the Notes are repaid on the “Payment Date Call Option” February 2020. No Additional Advances are permitted in the Trust.

^{#2} LMI independent at Issuance Date

^{#3} Ratings are subject to confirmation from S&P and Fitch

Disclaimer

This document contains an outline of some of the terms and conditions that may apply to the potential transaction, based on information provided by Firstmac Limited to National Australia Bank Limited (ABN 12 004 044 937) ("**NAB**") and J.P. Morgan Australia Limited (AFSL 238188) ("**JPM Australia**"), to date. It does not describe all of the terms and conditions which will apply, for example documentation for the potential transaction would contain representations and warranties, general undertakings, events of default and reporting requirements in a form customary or appropriate for this type of transaction.

There is no certainty that the parameters and assumptions used to prepare this document can be achieved in an actual transaction. In the event of any inconsistency between this document and the transaction documents for the potential transaction or any other transaction involving NAB, JPM Australia or any other transaction party the transaction documents shall prevail.

This document does not constitute a recommendation, offer or invitation to purchase Notes by any person or to engage in or refrain from engaging in any transaction and is not intended to be a complete summary or statement of the Notes. Any participation by NAB or JPM Australia in the potential transaction or any other transaction or provision of finance would be subject to, among other things, the obtaining of all required board, credit, legal, pricing and other internal approvals, due diligence being conducted on Firstmac Limited and the execution by all relevant parties of transaction documents satisfactory to NAB and JPM Australia.

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By accepting this material, you acknowledge and agree that each transaction party is acting, and will at all times act, as an independent contractor on an arm's-length basis and is not acting, and will not act, in any other capacity, including in a fiduciary capacity, with respect to you.

NAB, JPM Australia and the transaction parties specifically prohibit the redistribution of this document and accept no liability whatsoever for the actions of third parties in this respect.

Please also read the important disclaimer at the end of this document.

The information contained herein is preliminary as of the date hereof and will be superseded by the final offering document relating to the Notes and the underlying transaction documents referred to in that offering document. Any decision to invest in the Notes should be made after reviewing such definitive final offering document and underlying transaction documents.

Transaction Parties	
Trust	Firstmac Mortgage Funding Trust No.4 (the "Trust"). The Trust is a stand-alone trust established under the Firstmac Master Trust Programme (the "Programme").
Series	The assets of the Trust are allocated to the Series 3PP-2014 and are accounted for separately from any other series.
Issuer and Trustee	Firstmac Fiduciary Services Pty Ltd (ABN 60 105 052 515) as trustee for the Trust in respect of the Firstmac Mortgage Funding Trust No.4 Series 2-2014 (the "Series"). Assets included in this Series will be ring-fenced from other series established under the Trust.
Manager	Firstmac Limited (ABN 59 094 145 963)
Security Trustee	P.T. Limited (ABN 67 004 454 666)
Servicer	Firstmac Limited ("STRONG" Residential Loan Servicer Ranking from S&P at Issue Date)
Standby Servicer	Perpetual Trustee Company Limited (ABN 42 000 001 007)
Standby Trustee	Perpetual Corporate Trust Limited (ABN 99 000 341 533)
Arranger	National Australia Bank Limited (ABN 12 004 044 937) ("NAB")
Custodian	Perpetual Trustee Company (ABN 42 000 001 007)
Joint Lead Managers	NAB J.P. Morgan Australia Limited (ABN 52 002 888 011) ("JPM Australia") (in respect of Class A-1 Notes only).
Fixed Rate Swap Provider	NAB
Lenders Mortgage Insurers (LMI)	Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305) ("Genworth") QBE Lenders' Mortgage Insurance Limited (ABN 70 000 511 071) ("QBE")
Rating Agencies	Fitch Australia Pty Ltd ("Fitch") Standard and Poor's (Australia) Pty Ltd ("S&P")
Class C Note Subscriber	Firstmac Limited or Firstmac Limited controlled entity.

Notes & Structural Features	
Notes	Secured, limited recourse, pass through, floating rate debt instruments in registered form (the "Notes"). The Notes are divided into 7 Note classes; the Class A-1 Notes, Class A-2 Notes, Class AB Notes, Class B-1 Notes, Class B-2 Notes, Class B-3 Notes, and Class C Notes.
Class B Notes	The Class B Notes consist of Class B-1 Notes, Class B-2 and Class B-3 Notes
Underlying Assets	Fully amortising Australian dollar floating rate and fixed rate loans to prime borrowers secured by mortgages over Australian residential properties. The loans are originated by Firstmac Limited and First Mortgage Company Pty Limited.
FastPay Notes	Borrowers are permitted to redraw a portion of principal up to the scheduled balance of their loan. The funding of redraws will first be met from available principal collections. To the extent there are insufficient principal collections the Trustee may issue FastPay Notes to fund the redraws.

Loss Coverage	<ul style="list-style-type: none"> • Lenders Mortgage Insurance All Classes of Notes will benefit from in the first instance, credit support from the lenders mortgage insurance policies provided by the LMI for loans that have an original LVR greater than 80% being 19.0% by current balance. 36.6% of loans by current balance with an original LVR equal to or less than 80% in the pool benefit from lenders mortgage insurance. • Excess Spread All classes of Notes will benefit from excess spread to be utilised to cover any principal losses on defaulted loans and/or restore charge-offs on the Notes over the term of the transaction. • Spread Reserve In respect of the Class A-1, Class A-2, Class AB, Class B Notes, and Class C Notes, the Spread Reserve. • Note Subordination <ul style="list-style-type: none"> (i). The Class A-1 Notes will benefit from subordination of the Class A-2 Notes, Class AB, Class B Notes, and Class C Notes. (ii). The Class A-2 Notes will benefit from subordination of the Class AB, Class B Notes, and Class C Notes. (iii). The Class AB Notes will benefit from the subordination of the Class B Notes and Class C Notes. (iv). The Class B-1 Notes will benefit from the subordination of the Class B-2 and Class B-3 Notes, and Class C Notes (v). The Class B-2 Notes will benefit from the subordination of the Class B-3 Notes, and Class C Notes (vi). The Class B-3 Notes will benefit from the subordination of the Class C Notes.
Credit Support	<p>Credit support will be sized to achieve the indicated ratings based on the Class of Note.</p> <p>Class A-1 Notes: 'AAA(sf)/AAAsf' by S&P and Fitch respectively assuming no credit is given to the lenders mortgage insurance covering each loan.</p> <p>Class A-2 Notes: 'AAA(sf)/AAAsf' by S&P and Fitch respectively assuming no credit is given to the lenders mortgage insurance covering each loan.</p> <p>Class AB Notes: 'AAA(sf)' by S&P assuming credit is given to the lenders mortgage insurance covering each insured loan.</p> <p>Class B-1 Notes: 'AA-(sf)' by S&P assuming credit is given to the lenders mortgage insurance covering each insured loan.</p> <p>Class B-2 Notes: 'A(sf)' by S&P assuming credit is given to the lenders mortgage insurance covering each insured loan.</p> <p>Class B-3 Notes: 'BB(sf)' by S&P assuming credit is given to the lenders mortgage insurance covering each insured loan.</p>

Liquidity Support	<p>Liquidity support in order of application.</p> <ul style="list-style-type: none"> • Timely Payment Cover 55.6% of loans have LMI policies, of which 44.4% have 12 months or greater timely payment cover. • Spread Reserve If the Manager determines that there is insufficient income in the Trust to meet required payments on the Payment Date, then the balance standing to the Spread Reserve can be used to fund the payment shortfall. • Principal Draw If the Manager determines that there is insufficient income in the Trust to meet required payments on the Payment Date after application of the Spread Reserve Balance, principal collections for that period can be used to fund the payment shortfall (“Principal Draw”). • Liquidity Reserve The Liquidity Reserve will have a required limit equal to 0.90% of the aggregate Invested Amount of all Notes and subject to a floor of A\$630,000. The Liquidity Reserve will be funded by the issuance of Notes. The Liquidity Reserve is available to cover liquidity shortfalls after the application of the Spread Reserve and Principal Draw to meet any timing mismatches between the receipt of income and the payment of required payments on each Payment Date. • Extraordinary Expense Reserve A\$150,000, will be deposited by Firstmac Mortgage Company Pty Limited at settlement to cover out-of-pocket expenses properly and reasonably incurred by the Trustee that are not incurred in the ordinary course of business of the Trust. • Threshold Rate Represents the minimum mortgage rates required to be set on the receivables (excluding any Defaulted Receivables) which will ensure that Firstmac has sufficient funds available to meet the aggregate of the Required Payments in respect of that Payment Date, the Residual Class B-1 Interest payable on that Payment Period and any Unpaid Residual Class B-1 Interest, the Residual Class B-2 Interest payable on that Payment Period and any Unpaid Residual Class B-2 Interest, the Residual Class B-3 Interest payable on that Payment Period and any Unpaid Residual Class B-3 Interest. <p>The Threshold Margin is set at 0.25% per annum.</p>
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Spread Reserve subject to Excess Spread Trap Conditions	<p>The Spread Reserve will have a nil balance on the Issue Date.</p> <p>From the Issue Date to the Payment Date that is prior to the Call Option the Spread Reserve will have a maximum cap of A\$2,500,000 with Excess Spread being deposited into the Spread Reserve while the following conditions are subsisting:</p> <ol style="list-style-type: none"> 1) there are carryover charge-offs subsisting; or 2) there is a Servicer Termination Event; or 3) the Servicer Fee is equal to or greater than 0.20% per annum; or 4) average Arrears as calculated over the prior 4 months > 90 days exceeds 2.0% of the portfolio; or 5) where the monthly available amount after Income Distribution (pre-enforcement) item 30 is less than A\$90,000 and there is a non-LMI loan which is > 90 days in arrears on the previous Payment Date. <p>From the Payment Date that is on or after the Payment Date Call Option all Excess Spread will be deposited into the Spread Reserve and there will be no maximum cap.</p> <p>The Spread Reserve can be drawn to:</p> <ol style="list-style-type: none"> 1) cover shortfalls of the Trust's Required Payments on that Payment Date; 2) cover Liquidation Losses and Charge-Offs; or 3) be applied as Collections following the occurrence of an Event of Default.
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Terms	
Interest Payment Dates	Monthly
Benchmark	1-month BBSW
Interest Rate	Benchmark plus the relevant Margin
Day Count Basis	Actual/365
Issue Price	Par
Margin	<ul style="list-style-type: none"> • In respect of the Class A-1 Notes: <ul style="list-style-type: none"> - Prior to the Payment Date Call Option - the relevant margin as determined on the Pricing Date; and - from the Payment Date Call Option Date and any Payment Date thereafter - the relevant margin as determined on the Pricing Date, plus 0.25% per annum. • In respect of the Class A-2 and Class AB Notes: <ul style="list-style-type: none"> - Prior to the Payment Date Call Option Date - the relevant margin as determined on the Pricing Date; and - from the Payment Date Call Option Date and any Payment Date thereafter - the relevant margin as determined on the Pricing Date, plus 0.25% per annum. • In respect of Class B Notes: <ul style="list-style-type: none"> - Prior to the 10% Call Option – the relevant margin as determined on the Pricing Date; and - from the first 10% Call Option and any Payment Date thereafter the Class B margin for each respective note less the relevant Step down margin will be subordinated in the priority of payment (i.e. "Residual Interest").
Minimum Denominations	Denominations of A\$10,000, subject to a minimum subscription of A\$500,000.
Clearing Systems	Austraclear/Euroclear/Clearstream

ISIN / Common Code	<p>Class A-1 Notes AU3FN0025813 / 115076736</p> <p>Class A-2 Notes AU3FN0025821 / 115076779</p> <p>Class AB Notes AU3FN0025839 / 115076795</p> <p>Class B-1 Notes AU3FN0025847 / 115076833</p> <p>Class B-2 Notes AU3FN0025854 / 115076892</p> <p>Class B-3 Notes AU3FN0025862 / 115076906</p> <p>Class C Notes AU3FN0025870 / 115076914</p>
Selling Restrictions	Offered and sold only to non-U.S. persons outside the United States in offshore transactions within the meaning of and in reliance upon Regulations S.
Determination Date	2 Business Days before each Payment Date
Payment Date	means the 12th day of each month. The first Payment Date is February 2015.
Collection Period	For the first period, the period commencing on (but excluding) the cut-off date and ending on (but including) the last day of the next calendar month; and with respect to every other period, each calendar month.
Call Option	<p>Firstmac will be entitled to redeem all the Notes in full on a Call Date. The Call Date will be the earlier of:</p> <ol style="list-style-type: none"> 1. Payment Date Call Option: the Payment Date in February 2020 and each Payment Date thereafter; or 2. 10% Call Option: the following Determination Date on which the aggregate A\$ Equivalent of the Invested Amount of the Notes of the Series is equal to or less than 10% of the aggregate A\$ Equivalent of the Invested Amount of all Notes issued on the initial Issue Date for the Series, and each Payment Date thereafter.
Legal Final Maturity	The Payment Date in April 2046 (31 years).
Business Day	A day on which banks are open for business in, Melbourne, Sydney and Brisbane (not being a Saturday, Sunday or public holiday in that place).
Business Day Convention	Modified Following Business Day Convention
Prefunding/Substitution Period	None, closed pool
Withholding Tax	The Class AB Notes will be issued to comply with the public offer test provision under 128F of the Income Tax Assessment Act 1936 (as amended). All other Notes issued will not comply with the public offer test provision under 128F.
Repo Eligibility	Application will be made to the Reserve Bank of Australia for the Class A-1 Notes, Class A-2 and Class AB Notes to be repo-eligible securities after the Settlement Date.

Series Distributions	
Principal Distributions (pre-enforcement)	<p>On each Payment Date where the <u>Pro Rata Tests</u> are <u>not satisfied</u> the principal distribution to the Notes will be paid in the following order:</p> <ol style="list-style-type: none"> 1) to reimburse Principal Draws, 2) to reimburse any Redraws; 3) to FastPay Notes until repaid in full; 4) to the Class A-1 Noteholders and Class A-2 in accordance with the Senior Notes Principal Allocation until repaid in full; then 5) to Class AB Noteholders until repaid in full; then 6) to Class B-1 Noteholders until repaid in full; then 7) to Class B-2 Noteholders until repaid in full; then 8) to Class B-3 Noteholders until repaid in full; then 9) to Class C Noteholders until repaid in full. <p>On each Payment Date where the <u>Pro Rata Tests</u> are <u>satisfied</u> the principal distribution to the Notes will be paid on the following basis:</p> <ol style="list-style-type: none"> 1) to reimburse Principal Draws, 2) to reimburse any Redraws; 3) to FastPay Notes until repaid in full; 4) pari passu: <ol style="list-style-type: none"> (i) to the Class A-1 Noteholders; and (ii) to the Class A-2 Noteholders; and (iii) to Class AB Noteholders; and (iv) to Class B-1 Noteholders; and (v) to Class B-2 Noteholders; and (vi) to Class B-3 Noteholders. 5) The Class C Note receive no principal allocation whilst any other Notes are outstanding
Senior Note Principal Allocation (pre-enforcement)	Principal Distributions will be paid to Class A-1 Noteholders and Class A-2 Noteholders as on a pro rata basis.
Pro-Rata Tests	<p>The Pro Rata Tests will be satisfied on any Payment Date after the second anniversary of the Issue Date if, as at the immediately preceding Determination Date:</p> <ol style="list-style-type: none"> 1) there are no carryover charge-offs at that time; 2) average Arrears as calculated over the prior 4 months > 90 days do not exceed 2% of the portfolio; 3) the Payment Date is not on or after the Call Option (2) ("10% Call Option"); 4) the Class A-1 Notes subordination is at least 19.0%; and 5) the Class AB Notes subordination is at least 6.4%.

Income Distributions (pre-enforcement)	<p>Income received by the Trust in each collection period will be distributed in</p> <ol style="list-style-type: none"> 1) Taxes; 2) Security Trustee, each Custodian, Standby Trustee, Standby Servicer fees and expenses; 3) pari passu to the Interest Rate Swap provider interest and fees (provided the counterparty is not the defaulting party); 4) Fees and expenses due to Firstmac, the Manager and Servicer; 5) pari passu to: <ol style="list-style-type: none"> (i). FastPay Notes current and prior period interest due; (ii). Class A-1 Noteholders current and prior period interest due; 6) to the Class A-2 Noteholders current and prior period interest due; 7) to the Class AB Noteholders current and prior period interest due; 8) to the Class B-1 Noteholders current period interest (other than Class B-1 Residual Interest); 9) to the Class B-2 Noteholders current period interest (other than Class B-2 Residual Interest); 10) to the Class B-3 Noteholders current period interest (other than Class B-3 Residual Interest); 11) to the Class C Noteholders current period interest (other than Class C Residual Interest); 12) to reimburse Principal Draws; 13) to reimburse of Liquidity Reserve; 14) prior period Interest on Class B-1 Notes (other than Class B-1 Residual Interest); 15) prior period Interest on Class B-2 Notes (other than Class B-2 Residual Interest); 16) prior period Interest on Class B-3 Notes (other than Class B-3 Residual Interest); 17) prior period Interest on Class C Notes (other than Class C Residual Interest); 18) Excess Spread Reserve subject to Excess Spread Trap Conditions; 19) reimbursement of Class A-1 and FastPay current and prior period Charge-Offs; 20) reimbursement of Class A-2 current and prior period Charge-Offs; 21) reimbursement of Class AB current and prior period Charge-Offs; 22) reimbursement of Class B-1 current and prior period Charge-Offs; 23) reimbursement of Class B-2 current and prior period Charge-Offs; 24) reimbursement of Class B-3 current and prior period Charge-Offs; 25) reimbursement of Class C current and prior period Charge-Offs; 26) reimbursement of Extraordinary Expense Reserve Draws; 27) subordinated payments to each Interest Rate swap provider; 28) to the Class B-1 Noteholders Class B-1 current and prior period Residual Interest; 29) to the Class B-2 Noteholders Class B-2 current and prior period Residual Interest; 30) to the Class B-3 Noteholders Class B-3 current and prior period Residual Interest; 31) to the Class C Noteholders Class C current and prior period Residual Interest; 32) any Tax Shortfall; 33) any Tax Amount; and 34) to the Residual Income Unitholder.
Required Payments	<p>means:</p> <ol style="list-style-type: none"> (a) on any Determination Date where the Stated Amount of the Class C Notes is equal to or less than 95% of their Invested Amount, the aggregate of priority payments in Income Distribution (pre-enforcement) (1) to (10) (inclusive); (b) on any Determination Date where the Stated Amount of the Class B-3 Notes is equal to or less than 95% of their Invested Amount, the aggregate of priority payments in Income Distribution (pre-enforcement) (1) to (9) (inclusive); (c) in all other cases, the aggregate of priority payments in income Distribution (pre-enforcement) paragraphs (1) to (11) (inclusive).

Step-Down Margin	<p>From the date when the Aggregate Invested Amount of the Notes falls below 10% of the aggregate of the Initial Invested Amount of the Notes, the Margin on the Class B-1 Notes, Class B-2 Notes, Class B-3 Notes and Class C Notes will decrease by each of the Class B-1 Notes, Class B-2 Notes, Class B-3 Notes, and Class C Notes Step-Down Margin respectively and be calculated on the Stated Amount of that Class of Notes.</p> <p>The Residual Interest for each of the Class B-1, Class B-2, Class B-3 Notes, and Class C Notes will be calculated by reference to the Stated Amount of each Note and will be subordinated in priority to the payment (i.e. Residual Interest'.)</p> <p>(i). Class B-1 Issuance Margin – Class B-1 Step-Down Margin = Class B-1 Residual Interest; (ii). Class B-2 Issuance Margin – Class B-2 Step-Down Margin = Class B-2 Residual Interest; (iii). Class B-3 Issuance Margin – Class B-3 Step-Down Margin = Class B-3 Residual Interest; and (iv). Class C Issuance Margin – Class C Step-Down Margin = Class C Residual Interest;</p>
Payments (post-enforcement)	<p>If the charge is enforced, the proceeds of enforcement will be allocated in the following order:</p> <ol style="list-style-type: none"> 1) prior ranking security in relation to the assets of the trust; 2) to prior ranking Trust Expenses; 3) payments to the Interest Rate Swap Provider other than break costs where the counterparty is the defaulting party or sole affected; 4) pari-passu and rateably to Class A-1 Noteholders and Fast Pay Noteholders (if any), 5) Class A-2 Noteholders; 6) Class AB Noteholders; 7) Class B-1 Noteholders; 8) Class B-2 Noteholders; 9) Class B-3 Noteholders; 10) payment of any other amounts owing to the counterparty under the Derivatives contract under item (3); 11) Class C Noteholders; 12) payment of all amounts owing by Firstmac to the Manger and each Servicer; and 13) to pay any surplus to Firstmac to be distributed in accordance with the Transaction Documents.

Summary Pool Statistics as at 31st October 2014

Collateral	Fully amortising Australian dollar floating rate and fixed rate loans to prime borrowers secured by mortgages over Australian residential properties originated by Firstmac Limited.
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Pool Summary	
No. of Loans:	2,200
Aggregate Pool Current Balance:	\$691,935,943
Maximum Loan Balance:	\$1,123,073
Average Loan Balance:	\$244,933
Maximum Current LVR:	94.8%
WAVG Current LVR:	62.6%
>80% Current LVR:	17.1%
WAVG Seasoning (months):	24.2
Full Documentation loans	100.0%

Current LVR Distribution	
0 to 50%	15.2%
> 50% ≤ 60%	12.2%
> 60% ≤ 70%	17.8%
> 70% ≤ 80%	37.7%
> 80% ≤ 85%	6.1%
> 85% ≤ 90%	9.0%
> 90% ≤ 95%	2.1%

Current Loan Size Distribution	
0 to \$100K	1.2%
> \$100K ≤ \$200K	9.1%
> \$200K ≤ \$300K	24.6%
> \$300K ≤ \$400K	25.9%
> \$400K ≤ \$500K	14.1%
> \$500K ≤ \$600k	8.4%
> \$600K ≤ \$750k	8.7%
>\$750K ≤ \$1,000k	5.0%
> \$1,000k	2.9%

Geographic Distribution	
NSW	30.1%
QLD	29.4%
VIC	20.7%
SA	7.9%
WA	7.8%
ACT	2.5%
NT	1.1%
TAS	0.5%
Inner City	1.7%
Metropolitan	78.6%
Non-metropolitan	19.7%

Repayment Type	
Principal & Interest	54.4%
Interest Only	45.6%

Rate Type	
Variable Rate	97.5%
Fixed Rate	2.5%

Occupancy	
Owner Occupied	61.6%
Investment	38.4%

Mortgage Insurance	
Insured	55.6%
Uninsured	44.4%

Eligibility Criteria

(a) Eligibility Criteria

A Housing Loan is an Eligible Receivable where the Housing Loan satisfies the following criteria (unless otherwise agreed between Firstmac and the Security Trustee):

- FirstSub or the Trustee is the registered first mortgagee of the Mortgages;
- the Housing Loan is denominated in Australian Dollars;
- the Housing Loan may be made to Australian or non-Australian residents. At the Closing Date, the aggregate Outstanding Amount of Housing Loans made to non-Australian residents will be 2.13% of the Limit;
- the Housing Loan has a maximum term of thirty years and the final maturity date (however defined) of the Housing Loan is at least one year and one day prior to the Final Maturity Date of the A\$ Notes;
- interest is payable at either a fixed rate or floating rate, provided that the fixed rate period in respect of any Housing Loan must not exceed five years. The Outstanding Amount of Housing Loans with a fixed rate of interest is limited to an amount not exceeding 6% (or such other percentage in respect of which a Rating Notification has been given) of the Outstanding Amount of Housing Loans in respect of the Series;
- repayments on the Housing Loan are either principal and interest or interest only.
- The maximum interest only term is ten years. Interest only loans represent 45.6% of the Limit as at the Closing Date;
- Properties are located in capital city metropolitan areas and regional centres in any Australian State or Territory. Properties which are located in non-metropolitan areas represent 19.7% of the Limit as at the Closing Date;
- at the Closing Date, the maximum LVR of any Housing Loan will not exceed 95% and the percentage of loans with an LVR greater than 80% will be 17.1% of the Limit;
- as at the Closing Date, all Properties are restricted to residential properties and include no Properties under construction;
- the Housing Loans are secured only by registered first Mortgages over land. The form of title may be either freehold or Crown leasehold (where the term of the Crown leasehold expires not less than 35 years after the Housing Loan commences amortising);
- full fire and general insurance cover with the interest of the mortgagee or assignee noted is in place;
- an Insurance Policy in respect of any Receivable which can be drawn upon in the event of a loss arising which is due to the absence of general insurance cover over a particular Debtor's Property is in place. The insurance cover will be for a minimum amount of A\$1,000,000;
- Debtors are entitled to discharge their Mortgages early upon the repayment of all principal and of all interest and other amounts due and upon payment of any contractual prepayment fee if applicable;
- a Valuation, in a form and by a valuer acceptable to the Mortgage Insurer, has been obtained in respect of the Property, and was dated no earlier than six (6) months from the proposed Housing Loan settlement date (unless otherwise agreed in writing by the Servicer and, where applicable, the relevant Mortgage Insurer);
- all legal requirements (including by way of example and not limitation, the Consumer Credit Code and the Corporations Act in each case as amended from time to time) must have been and will be strictly complied with;
- the interest rate on each fixed rate Housing Loan will be set such that a margin with a weighted average of greater than 2.50% per annum exists between the interest rate charged on the aggregate Outstanding Amount of fixed rate Housing Loans at the relevant time, being the date the Housing Loan is made or at the commencement of the relevant fixed rate period ("Relevant Day"), and the interbank swap rate relevant for the fixed rate period of the Housing Loan on the Relevant Day;
- Housing Loans for investment purposes represent 38.4% of the Limit at the Closing Date;
- there will be no Housing Loans with arrears greater than 30 days as at the Closing Date;
- where a Mortgage secures one or more Housing Loans, all Housing Loans secured by such Mortgage will be transferred; and
- there will not be any Housing Loans where the borrower's income and employment has not been verified.

The Trustee will have the benefit of certain representations and warranties made by the Seller to the Trustee in relation to loans when they were first assigned to the Trustee.

Given the closed nature of the pool, there will be no pool parameters.

Disclaimer

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Each of the Joint Lead Managers, acting in any capacity, discloses that, in addition to the arrangements and interests it will have with respect to the issuer, the assets of the Series and the Notes as described in this document (the "**Transaction Document Interests**"), its Related Entities (as defined in the Corporations Act) and employees, directors and officers:

- (a) may from time to time be a Noteholder or have a pecuniary or other interests with respect to the Notes and they may also have interests relating to other arrangements with respect to a Noteholder or a Note; and
- (b) will or may receive fees, brokerage and commissions or other benefits, and act as principal with respect to any dealing with respect to any Notes (the "**Note Interests**").

You acknowledge these disclosures and further acknowledge and agree that:

- (i) each of the Joint Lead Managers and each of their Related Entities and employees, directors and officers (each a "**Relevant Entity**") will or may have the Transaction Document Interests and may from time to time have the Note Interests and is, and from time to time may be, involved in a broad range of transactions (the "**Other Transactions**") in various capacities, both on the Relevant Entity's own account and/or for the account of other persons (the "**Other Transaction Interests**");
- (ii) each Relevant Entity in the course of its business (whether with respect to the Transaction Document Interests, the Note Interests, the Other Transaction Interests or otherwise) may act independently of any other Relevant Entity;
- (iii) to the maximum extent permitted by applicable law, no Relevant Entity has any duties or liabilities (including, without limitation, any advisory or fiduciary duty) to any person other than any contractual obligations of the Joint Lead Managers as set out in the transaction documents;

- (iv). a Relevant Entity may have or come into possession of information not contained in this document or the final offering document relating to the Notes that may be relevant to any decision by a potential investor to acquire the Notes and which may or may not be publicly available to potential investors (“**Relevant Information**”);
- (v). to the maximum extent permitted by applicable law, no Relevant Entity is under any obligation to disclose any Relevant Information to any party named in this document or any of its affiliates (a “**Transaction Document Party**”) or to any potential investor and this document, the final offering document relating to the Notes and any subsequent conduct by a Relevant Entity should not be construed as implying that the Relevant Entity is not in possession of such Relevant Information; and
- (vi). each Relevant Entity may have various potential and actual conflicts of interest arising in the course of its business. These interests may conflict with the interests of a Transaction Document Party, a potential investor or a Noteholder, and a Transaction Document Party, a potential investor or a Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Relevant Entity is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders, potential investors or a Transaction Document Party, and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

This is not a comprehensive or definitive list of all actual or potential conflicts of interest. Further information will be contained in the preliminary and final offering documents relating to the Notes (and the underlying transaction documents referred to in that offering document) and you should consider that.

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- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the Directive 2010/73/EU, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Joint Lead Manager or Joint Lead Managers nominated by the Issuer for any such offer;
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- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
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- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority.

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