



Westpac Protected Loan Australia.

Access to capital growth and protection, distributions with no margin calls or the need to contribute any equity.



Westpac Protected Loan Australia (Westpac PLA) provides you with the ability to establish an exposure to a diverse Australian equity portfolio through an investment in an ASX listed Exchange Traded Fund (ETF) with the following features:

- 100% investment loan meaning no upfront capital contribution with no risk of margin calls
- 100% capital protection at Maturity
- Potential distributions and franking credits during the investment period
- 3 year term with an interest-only investment loan
- Potential tax deductions for a portion of the interest payable
- Suitable for many SMSFs

Westpac PLA is available over the following ASX ETFs, each offering exposure to the top 200 listed companies (by market capitalisation):

- iShares MSCI Australia 200 ETF (IOZ), and
- SPDR S&P/ASX 200 ETF (STW)

Key benefits

- Obtain leveraged exposure to the Australian equities market in one investment
- Easy exposure to a diversified portfolio of the top ASX 200 companies (by market capitalisation)
- Take advantage of a positive view on the Australian market with the certainty of capital protection at Maturity
- Potential to magnify returns without margin calls
- Eliminate the effect of intra-term volatility (i.e. point to point calculation of return)
- Potential deductibility of interest expense up to the benchmark interest rate under capital protected borrowing legislation (currently 8.80% p.a.). The balance can be treated as an adjustment to the cost base for the calculation of capital gains tax

Investor suitability

Westpac PLA may be suitable for investors seeking:

- to gear into the Australian share market with the comfort of capital protection at Maturity
- a medium-term investment
- diversified exposure to listed Australian equities
- a leveraged solution for their Self Managed Super Fund (SMSF).

Westpac PLA – how it works

Every year for three years

- Receive potential distributions (including franking credits) and tax deductions
- You also prepay the interest for the year (paid at the start of the year on each annual Interest Payment Date)

At Maturity

Your options will depend on the return of the underlying investment over the 3 year period:

- If the return is positive you can:
 - Repay the loan and accept the securities
 - Sell the securities, repay the loan and keep any surplus proceeds
 - Extend or roll the Westpac PLA investment (if offered by Westpac)
- If the return is negative you can:
 - Walk away with no more to pay (assumes you have no outstanding interest obligations)

Westpac PLA - known outcomes, lower interest rates

p.a.	Westpac PLA	Competitor 1	Competitor 2
Interest Rate	12.25%	14.50%	16.35%
Breakeven	5.97%	7.88%	9.40%
Maximum Loss	5.27%	7.24%	8.92%

Assumptions: Variable rate (annual resetting); the PLA is held to Maturity; marginal tax rate of 46.5%; maximum deductible rate 8.80% p.a. under capital protected rules; dividend yield of 3.30% p.a.; 78% franking ratio

Please note: The 'Breakeven' represents the percentage increase (per annum) in the value of the relevant ETF to achieve a cash neutral (after tax) outcome. The 'Maximum Loss' represents the maximum net loss to the investor (per annum) on an after tax basis.

This information is based on broad indications received from other product issuers of similar products at a particular point in time, and is not intended to represent that these investment alternatives are comparable in all material respects.

Westpac Protected Loan Australia

Key Risks

Leverage	Magnifies potential gains and losses. The value of Securities may not go up, or, if they go up, the increase in value may not be sufficient to cover the costs of the investment. Interest and fees paid on the investment loan will be forfeited.
Early termination risk	If a Trigger Event occurs and causes your Loan to terminate prior to Maturity, you will be liable to pay Break Costs to Westpac. Break Costs incorporate the termination of hedging (i.e. closing out the put option, used to provide capital protection, and any funding costs). Many factors affect the value of Westpac PLA during the term and as such, break quotes may vary significantly.
Cashflow	Timing differences may exist between inflow (distribution) and outflows (interest expense) from Westpac PLA. Changes in interest rates will affect the interest costs associated with Westpac PLA under a variable rate scenario.
Mortgage	A mortgage will be held over the units in the ETF you hold under Westpac PLA. If your obligations are not met, the units will be sold to satisfy these obligations.
Operational risk	Westpac's ability to fulfil its obligations under Westpac PLA is linked to, among other things, the effectiveness of its internal systems, processes and procedures.
Counterparty risk	Borrower may be reliant on counterparties to the investment to fulfil their obligations.
Changes in tax legislation	Changes in tax legislation may alter and effect the tax treatment.

This is not a full description of all risks associated with investing in Westpac PLA. Refer to the Product Disclosure Statement for more information

Like to know more?

For more information about Westpac PLA, speak to your financial adviser, call us on 1800 990 107, send an email to structured.investments@westpac.com.au or go to www.westpac.com.au/structuredinvestments

Westpac Banking Corporation ABN 33 007 457 141, AFSL 233714 ('Westpac') intends to issue the Westpac Protected Loan Australia Product Disclosure Statement ('PDS') when the product is released. The PDS is expected to be available on 1 June 2011 at www.westpac.com.au/structuredinvestments, subject to internal approvals. You should consider the PDS before deciding whether to enter into a Westpac Protected Loan. This brochure does not constitute an offer, or a solicitation of an offer, to subscribe for or purchase any securities or other financial instrument; is not an invitation to invest; is not an offer for finance; does not constitute an offer, inducement or solicitation to enter a legally binding contract; and is not to be construed as an indication or prediction of future results. You should consider each disclosure document before making any decision to invest. We have not taken the financial situation, investment objectives or particular needs of any particular investor and recommend that investors consider the appropriateness of this information and seek independent advice before making any decision. Any reference to taxation matters is a general statement only and should only be used as a guide. It does not constitute tax advice and is based on current tax laws and proposed announced tax amendments. Westpac and its financial planners are not qualified to give tax advice. The individual situation of investors may differ and investors should seek independent professional tax advice on any taxation matters.

At a glance

Minimum Investment Loan Application	\$20,000
Liquidity	Intended to be held to Maturity Exit at any stage though, subject to Break Costs (which may be significant).
Eligibility	Available to SMSFs, Individuals, Companies, Partnerships and Trusts subject to credit assessment
Term	3 years
Interest rates	Fixed: 12.55%p.a. Variable:* 12.25%p.a. *Years 2 and 3 rates will depend on prevailing interest rates and Westpac's funding costs
Interest payment frequency	Annual in advance
Upfront capital contribution	Nil
Protection level	100% capital protected at Maturity
Fees & Charges	Application fee (paid to the adviser): 1.10% or 0% Brokerage: 0.20% refer to the PDS for further details
IDPS	Westpac PLA is not available on Wrap Platforms
Reporting	Annual tax statements will be produced

How to apply

- Read and understand the Westpac Protected Loan Australia Product Disclosure Statement (PDS)
 - the PDS is available from your adviser or can be downloaded from www.westpac.com.au/structuredinvestments
- Complete the Application Form
 - You will need to fill out all aspects of the credit assessment and provide all required documents
 - The form is located in the back of the PDS
- **Send the completed Application Form plus all relevant supporting documentation to us by offer close on the 27th of June 2011**