

OFFERING CIRCULAR

PERPETUAL TRUSTEES CONSOLIDATED LIMITED
(ABN 81 004 029 841)

a limited liability company incorporated under the laws of the Commonwealth of Australia
in its capacity as trustee of the

Crusade Euro Trust No. 1E of 2007
established under the



CRUSADE
TRUST™

CRUSADE EURO TRUST™ PROGRAMME

€500,000,000 Class A-1 Mortgage Backed Pass Through Floating Rate Notes due September 2038

Issue Price: 100%

It is proposed that €500,000,000 Class A-1 Mortgage Backed Pass Through Floating Rate Notes due September 2038 (the "**Class A-1 Notes**" and, together with the Class A-2 Notes (defined below), the "**Class A Notes**", and together with the Class A-2 Notes (defined below), the Class B Notes (defined below) and the Class C Notes (defined below) being the "**Notes**") will be issued by Perpetual Trustees Consolidated Limited (ABN 81 004 029 841) in its capacity as trustee of the Crusade Euro Trust No. 1E of 2007 (the "**Trust**") (in such capacity, the "**Issuer Trustee**") created under the Crusade Euro Trust Programme, which programme was established pursuant to a Master Trust Deed dated 14 March 1998 (the "**Master Trust Deed**") between the Issuer Trustee, Crusade Management Limited (ABN 90 072 715 916) (a wholly owned subsidiary of St.George Bank Limited (ABN 92 055 513 070) ("**St.George Bank**")) in its capacity as manager of the Trust (the "**Manager**") and St.George Bank. The Trust was established to enable the Issuer Trustee as trustee to acquire an interest in a portfolio of residential housing loans secured by mortgages over residential property satisfying certain criteria and originated by St.George Bank in the ordinary course of its business (each, upon acquisition by the Issuer Trustee, a "**Purchased Loan**").

The Class A-1 Notes are issued pursuant to the Master Trust Deed, a supplementary terms notice dated on or about 22 June 2007 ("**Supplementary Terms Notice**") between the Issuer Trustee, the Manager, the Security Trustee, St.George Bank and Deutsche Trustee Company Limited ("**Note Trustee**") and a note trust deed dated on or about 22 June 2007 ("**Note Trust Deed**") between the Issuer Trustee, the Manager, the Security Trustee, Deutsche Bank AG, London Branch as the Principal Paying Agent and Calculation Agent, Deutsche Trustee Company Limited as the Note Trustee and Deutsche Bank Luxembourg S.A. as Note Registrar. The obligations of the Issuer Trustee in respect of the Notes are secured under a Security Trust Deed dated 14 June 2007 ("**Security Trust Deed**") between the Issuer Trustee, the Note Trustee, the Manager and the Security Trustee for the benefit of the holders of the Notes from time to time and the other secured creditors of the Issuer Trustee.

Interest on the Class A-1 Notes will be payable quarterly in arrear on each Quarterly Payment Date, beginning on the Quarterly Payment Date falling in September 2007, at the interest rates specified in this Offering Circular.

Interest payments on the Class A-1 Notes will be made subject to withholding tax (if any) applicable to the Class A-1 Notes, without the Issuer Trustee being obliged to pay additional amounts by reference to any applicable withholding.

On any Quarterly Payment Date after the Call Date, the Issuer Trustee must, if directed by the Manager, redeem the outstanding Notes for each Class of Notes.

The Class A Notes are expected, on issue, to be assigned a "AAA" long term rating by Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), an "Aaa" long term rating by Moody's Investors Service, Inc. ("**Moody's**") and a "AAA" long term rating by Fitch Australia Pty Limited ("**Fitch Ratings**"). The Class B Notes are expected, on issue, to be assigned a "AA" long term rating by S&P, a "AA" long term rating by Fitch Ratings and a "Aa2" long term rating by Moody's. The Class C Notes are expected, on issue, to be assigned an "A+" long term rating by S&P, a "AA-" long term rating by Fitch Ratings and a "Aa3" long term rating by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation.

In addition to the Class A-1 Notes, the Issuer Trustee will also issue A\$1,400,000,000 Class A-2 Mortgage Backed Pass Through Floating Rate Notes due September 2038 (the "**Class A-2 Notes**"), A\$29,200,000 Class B Mortgage Backed Pass Through Floating Rate Notes due September 2038 (the "**Class B Notes**") and A\$18,000,000 Class C Mortgage Backed Pass Through Floating Rate Notes due September 2038 (the "**Class C Notes**", and together with the Class A-2 Notes and the Class B Notes, the "**A\$ Notes**") at the time it issues the Class A-1 Notes. Each of the A\$ Notes will be denominated in A\$.

None of the A\$ Notes will be offered as part of the offer of the Class A-1 Notes described in this Offering Circular.

Application has been made by the Manager to the Australian Securities Exchange ("**ASX**") for the Class A-1 Notes to be admitted to, and traded on, the official list of the ASX. However there can be no assurance that such listing will be obtained. The issuance and settlement of the Class A-1 Notes on the Closing Date is not conditional on the listing of the Class A-1 Notes on the ASX.

Delivery of the Class A-1 Notes in book-entry form through Clearstream, Luxembourg and the Euroclear System will be made on or about 26 June 2007.

The Class A-1 Notes should not be acquired on issue by any Offshore Associate (as defined herein) of the Issuer Trustee, including any beneficiary of the Trust from time to time, and should not be acquired subsequently by any such Offshore Associate.

Particular attention is drawn to Section 7 – "Risk Factors".

Lead Manager
Barclays Capital

25 June 2007

Disclaimer

The Notes do not represent deposits or other liabilities of St.George Bank Limited (ABN 92 055 513 070) or associates of St.George Bank or any other person who provides a facility or service to the Issuer Trustee.

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

None of St.George Bank Limited, any associate of St.George Bank Limited, Perpetual Trustees Consolidated Limited, in its individual capacity or as trustee of any other trust, P.T. Limited, in its individual capacity, as Security Trustee or as trustee of any other trust, Deutsche Trustee Company Limited, as Note Trustee, Deutsche Bank AG, London Branch as Principal Paying Agent and Calculation Agent, Deutsche Bank Luxembourg S.A. as Note Registrar nor the Lead Manager in any way stands behind the capital value and/or the performance of the Notes or the Assets of the Trust except to the limited extent, if any, provided in the Transaction Documents for the trust.

None of St.George Bank Limited, in its individual capacity and as Approved Seller, Servicer, Standby Basis Swap Provider and Standby Fixed-Floating Rate Swap Provider, Perpetual Trustees Consolidated Limited, in its individual capacity and as Issuer Trustee or as trustee of any other trust, Crusade Management Limited, as Manager, Basis Swap Provider and Fixed-Floating Rate Swap Provider, P.T. Limited, in its individual capacity and as Security Trustee or as security trustee of any other trust, Deutsche Trustee Company Limited, as Note Trustee, Deutsche Bank AG, London Branch as Principal Paying Agent and Calculation Agent, Deutsche Bank Luxembourg S.A. as Note Registrar, St.George Custodial Pty Limited, as custodian, Barclays Bank PLC, as Currency Swap Provider or the Lead Manager or their respective associates guarantees the payment of interest or the repayment of principal due on the Notes.

None of the obligations of Perpetual Trustees Consolidated Limited, in its capacity as trustee of the Trust, or Crusade Management Limited, as Manager, are guaranteed in any way by St.George Bank or any associate of St.George Bank or by Perpetual Trustees Consolidated Limited in its personal capacity or as trustee of any other trust or by any associate of Perpetual Trustees Consolidated Limited.

Important Notice

A suspension, reduction or withdrawal of the rating assigned to the Class A-1 Notes may adversely affect the market price of the Class A-1 Notes. The rating assigned to the Class A-1 Notes does not address the expected schedule of principal repayments, only that principal will be received no later than the Final Maturity Date. The Rating Agencies have not been involved in the preparation of this Offering Circular other than Section 2.12 – “Expected Ratings”.

THE CLASS A-1 NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY STATE SECURITIES LAWS, 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 REGULATIONS 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 A-1 NOTES ARE BEING OFFERED AND SOLD ONLY TO PERSONS (OTHER THAN US PERSONS) OUTSIDE THE UNITED STATES PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES OR TRANSFERS, SEE SECTION 13 – “SUBSCRIPTION AND SALE” BELOW.

The Class A-1 Notes will be represented by a Book-Entry Note in registered form (the “**Book-Entry Note**”), which will be registered in the name of a nominee of, and deposited with, Deutsche Bank AG, London Branch as common depository (the “**Common Depository**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) on the issue of the Class A-1 Notes and the first date on which Loans are to be acquired by the Issuer Trustee (which is expected to be on or about 26 June 2007 (the “**Issue Date**” of those Notes)). Save in certain limited circumstances, registered Class A-1 Notes in definitive form will not be issued in exchange for the Book-Entry Note.

In this Offering Circular, unless otherwise specified, or the context otherwise requires, references to “**A\$**”, “**Australian dollars**” and “**\$**” are to the lawful currency of the time being of the Commonwealth of

Australia and references to “€” and “Euro” are to the lawful currency of the time being of the member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Community.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer Trustee, the Manager, St.George Bank or the Lead Manager or any of them or any other person, to subscribe for or purchase any of the Class A-1 Notes, and must not be relied upon by anybody intending to purchase the Class A-1 Notes.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. None of Perpetual Trustees Consolidated Limited (in any capacity), the Manager, St.George Bank, the Security Trustee, the Note Trustee, the Note Registrar, the Custodian, the Basis Swap Provider, the Paying Agents, the Calculation Agent, the Fixed-Floating Rate Swap Provider, the Currency Swap Provider or the Lead Manager nor any person affiliated with any of them (each, a “**Relevant Party**”) represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. No action has been or will be taken by the Issuer Trustee, the Manager, St.George Bank, the Lead Manager or any other person that would permit a public offer of the Class A-1 Notes in any country or jurisdiction where action for that purpose is required. Accordingly, the Class A-1 Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any offering circular, prospectus, form of application, advertisement or other offering material may be issued or distributed or published in any country or jurisdiction, except in circumstances that will result in compliance with all applicable laws and regulations and the Lead Manager has represented that all offers and sales by it have been and will be made on such terms. Persons into whose possession this Offering Circular comes are required by the Issuer Trustee, the Manager, St.George Bank and the Lead Manager to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Class A-1 Notes, distribution of this document and certification requirements as to non-US beneficial ownership, see Section 13 – “Subscription and Sale” below.

The Manager has prepared and accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Manager (and the Manager has taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

St.George Bank accepts responsibility for the information contained in Sections 1.4 – “The Mortgage Pool”, 4.2 – “St.George Bank” and 5 – “The Mortgage Pool”. To the best of the knowledge and belief of St.George Bank (and St.George Bank has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. St.George Bank does not accept responsibility for any other information contained in this Offering Circular. No representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by St.George Bank as to the accuracy or completeness of any of the information in this Offering Circular (other than the Sections referred to in the first sentence of this paragraph) or any other information supplied in connection with the Class A-1 Notes or their distribution.

The Currency Swap Provider (as defined herein) accepts responsibility for the information contained in Section 9.4 – “The Currency Swap”. To the best of the knowledge and belief of the Currency Swap Provider (and the Currency Swap Provider has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Currency Swap Provider does not accept responsibility for any other information contained in this Offering Circular. Save for the above information, the Currency Swap Provider has not separately verified the information contained herein. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Currency Swap Provider as to the accuracy or completeness of any of the information in this Offering Circular (other than the information referred to in the first sentence of this paragraph) or any other information supplied in connection with the Class A-1 Notes or their distribution.

Neither the Issuer Trustee nor any Related Party of the Issuer Trustee has had any involvement in the preparation of any part of this Offering Circular (other than the particular corporate references to the Issuer Trustee including Section 4.1 “The Issuer Trustee”). The Issuer Trustee and each Related Party of the Issuer Trustee expressly disclaims and takes no responsibility for any part of this Offering

Circular (other than Section 4.1 “The Issuer Trustee”). None of the Issuer Trustee or any Related Party of the Issuer Trustee makes any statement in this Offering Circular and has not authorised or caused the issue of it (other than Section 4.1 “The Issuer Trustee”) and has not made any application for listing and/or trading of the Class A-1 Notes on the ASX.

Neither the Issuer Trustee nor any of its associates guarantees the success or performance of the Trust nor the repayment of principal or any particular rate of capital or income return in relation to the Class A-1 Notes.

No Relevant Party accepts any responsibility for any information contained in this Offering Circular and none of them has separately verified the information contained herein except, in each case, with respect to the information for which they are expressed to be responsible in this Important Notice. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Relevant Party as to the accuracy or completeness of any information contained in this Offering Circular (except, in each case, with respect to the information for which they are expressed to be responsible in this Important Notice) or any other information supplied in connection with the Class A-1 Notes or their distribution.

Each person receiving this Offering Circular acknowledges that (a) such person has not relied on any Relevant Party nor on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decisions except, in each case, with respect to the information for which they are expressed to be responsible in this Important Notice; (b) this Offering Circular and any other information supplied in connection with the Class A-1 Notes are not intended to provide the basis of any credit or other evaluation; (c) the Lead Manager has expressly not undertaken to review the financial condition or affairs of the Trust or any party named in this Offering Circular during the life of the Class A-1 Notes; and (d) he or she should make his or her own independent investigation of the Trust and the Class A-1 Notes.

No person has been authorised to give any information or to make any representations other than those contained in this Offering Circular and the documents referred to herein in connection with the issue or sale of the Class A-1 Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any Relevant Party. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Trust or the Issuer Trustee or any person named in this Offering Circular since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Class A-1 Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Lead Manager expressly does not undertake to review the financial condition or affairs of the Trust during the life of the Class A-1 Notes.

Neither this Offering Circular nor any other information supplied in connection with the Class A-1 Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any Relevant Party that any recipient of this Offering Circular, or any other information supplied in connection with the Class A-1 Notes, should purchase any of the Class A-1 Notes. Each investor contemplating purchasing any of the Class A-1 Notes should make its own independent investigation of the Trust and the Class A-1 Notes and each investor should seek its own tax, accounting and legal advice as to the consequences of investing in any of the Class A-1 Notes and no Relevant Party accepts any responsibility or makes any representation as to the tax consequences of investing in the Class A-1 Notes.

The information set forth herein, to the extent that it comprises a description of certain provisions of the documentation relating to the transactions described herein, is a summary and is not presented as a full statement of the provisions of such documentation. The Transaction Documents are available for inspection at the respective offices of the Issuer Trustee the Manager and the Note Trustee (each such office as specified in this Offering Circular) from time to time during normal business hours.

Neither the delivery of this Offering Circular nor any sale made in connection with this Offering Circular shall, under any circumstances, create any implication that there has been no material change in the affairs of the Issuer Trustee or the Trust or any party named in this Offering Circular since the date of this Offering Circular or that any other information supplied in connection with the Class A-1 Notes is correct as of any time subsequent to the date on which this Offering Circular or that information is, or is to be, supplied or, if different, the date indicated in the document containing the same.

The Issuer Trustee's liability to make payments of interest and principal in respect of the Notes is limited to its right of indemnity from the Assets of the Trust which are from time to time available for this purpose pursuant to the Master Trust Deed, the Supplementary Terms Notice (as described below) and the Security Trust Deed (as described below). All claims against the Issuer Trustee in relation to the Notes may only be satisfied out of the Assets of the Trust, and are limited in recourse to the Assets of the Trust (except in limited circumstances).

In the event of an enforcement of the Security Trust Deed, each Noteholder is required to accept any distribution of moneys under the Security Trust Deed in full and final satisfaction of all moneys owing to it, and any debt represented by any shortfall that exists after any such final distribution is extinguished. The Issuer Trustee is not liable to satisfy any obligations or liabilities in relation to the Notes from its personal assets except arising from (and to the extent of any reduction in its indemnity from the Assets resulting from) any fraud, negligence or Default on the part of the Issuer Trustee.

Capitalised expressions used in this Offering Circular are defined in Section 1.2 or in the Glossary of Terms set out in Section 16 or, if not so defined, have the meanings given to them in the Conditions of the Notes.

THIS OFFERING CIRCULAR MAY NOT BE COMMUNICATED IN THE UNITED KINGDOM OTHER THAN TO PERSONS AUTHORISED TO CARRY ON A REGULATED ACTIVITY UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED, OR OTHERWISE HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFYING AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19, OR PERSONS QUALIFYING AS HIGH NET WORTH PERSONS UNDER ARTICLE 49, OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, OR TO ANY OTHER PERSON TO WHOM THIS DOCUMENT MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED. NEITHER THE NOTES NOR THIS DOCUMENT IS AVAILABLE TO OTHER CATEGORIES OF PERSONS IN THE UNITED KINGDOM AND NO ONE FALLING OUTSIDE SUCH CATEGORIES IS ENTITLED TO RELY ON, AND MUST NOT ACT ON, ANY INFORMATION IN THIS DOCUMENT. THE TRANSMISSION OF THIS DOCUMENT TO ANY PERSON IN THE UNITED KINGDOM OTHER THAN THE CATEGORIES STATED ABOVE, OR ANY PERSON TO WHOM IT IS OTHERWISE LAWFUL TO COMMUNICATE THIS DOCUMENT, IS UNAUTHORISED AND MAY CONTRAVENE THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED.

In connection with the issue of the Class A-1 Notes, Barclays Bank PLC (the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager), may over-allot Class A-1 Notes (provided that the aggregate principal amount of Class A-1 Notes allotted does not exceed 105% of the aggregate principal amount of the Class A-1 Notes) or effect transactions with a view to supporting the market price of the Class A-1 Notes at a level higher than that which might otherwise prevail. However there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Class A-1 Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Closing Date and 60 days after the date of the allotment of the Class A-1 Notes.

Announcement

By distributing or arranging for the distribution of this Offering Circular to the Lead Manager and the persons to whom this Offering Circular is distributed, the Issuer Trustee announces to the Lead Manager and each such person that:

- (a) the Class A-1 Notes will initially be issued in the form of a Book-Entry Note, issued to and lodged with the Common Depositary for Euroclear and Clearstream, Luxembourg;
- (b) in connection with the issue, Euroclear and/or Clearstream, Luxembourg will confer rights in relation to the Class A-1 Notes and holders of the Class A-1 Notes and will record the existence of those rights; and
- (c) as a result of the issue of the Class A-1 Notes in this manner, such rights will be able to be created.

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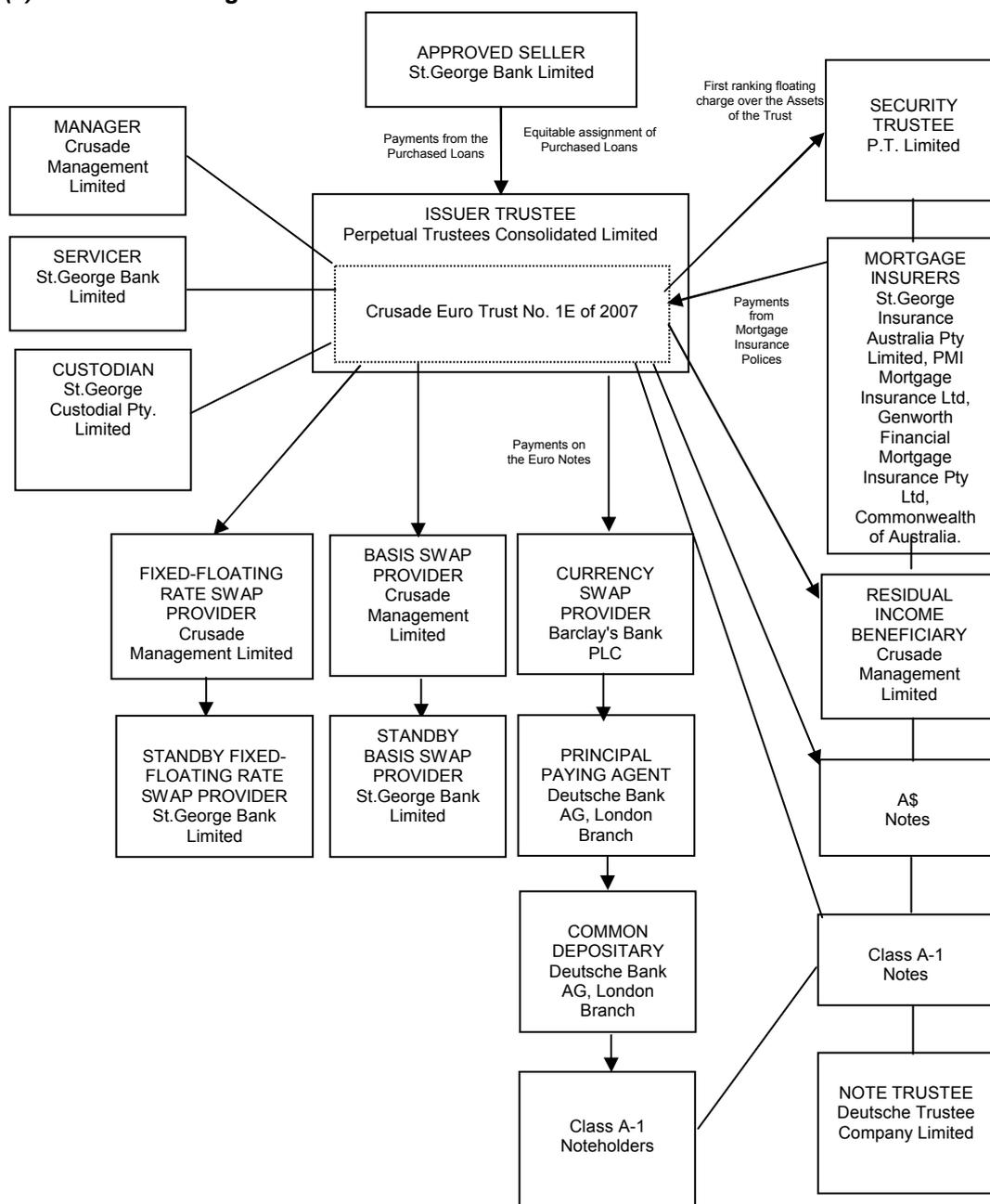
1. NOTE ISSUE SUMMARY

This Section 1 provides a general summary of various aspects of the Crusade Euro Trust No. 1E of 2007 mortgage backed securitisation. More detailed information is contained in other parts of this Offering Circular and the Transaction Documents and should be read together with this summary Section.

In addition to the Class A-1 Notes, the Issuer Trustee will also issue Class A-2 Notes, Class B Notes and Class C Notes (the "A\$ Notes", and the Class A-1 Notes and the Class A-2 Notes being the "Class A Notes") collateralised by the same pool of housing loans. The A\$ Notes are not part of the offer described in this Offering Circular. The term "Notes" means the Class A Notes, the Class B Notes and the Class C Notes when used in this Offering Circular.

1.1 Summary

(a) Structural Diagram



(b) Table of Note details

	Class A-1	Class A-2	Class B	Class C
Aggregate Initial Invested Amount:	€500,000,000	A\$1,400,000,000	A\$29,200,000	A\$18,000,000
% of Total:*	35.44%	62.46%	1.30%	0.80%
Anticipated Ratings:				
Moody's Investors Service, Inc./Moody's Investors Service Pty Limited	Aaa	Aaa	Aa2	Aa3
Standard & Poor's Ratings Group	AAA	AAA	AA	A+
Fitch Australia Pty Limited	AAA	AAA	AA	AA-
Interest rate (per annum) up to and including the Call Date (interpolated for the first relevant Interest Period)	three-month EURIBOR + 0.09%	one-month Australian bank bill rate + 0.15%	three-month Australian bank bill rate + 0.19%	three-month Australian bank bill rate + 0.28%
Interest rate (per annum) after the Call Date:	three-month EURIBOR + 0.18%	one-month Australian bank bill rate + 0.30%	three-month Australian bank bill rate + 0.38%	three-month Australian bank bill rate + 0.56%
Interest Accrual Method:	actual/360	actual/365	actual/365	actual/365
Interest Payable	On each Quarterly Payment Date	On each Monthly Payment Date	On each Quarterly Payment Date	On each Quarterly Payment Date
Quarterly Payment Dates:	13th day or, if the 13th day is not a Business Day, then the next Business Day, unless that Business Day falls in the next calendar month, in which case the Quarterly Payment Date will be the preceding Business Day, of each of March, June, September and December. The first Quarterly Payment Date will be in September 2007.			
Monthly Payment Dates:	13th day of each calendar month, or if the 13th day is not a Business Day, then the next Business Day, unless that Business Day falls in the next calendar month, in which case the Monthly Payment Date will be the preceding day. The first Monthly Payment Date will be in September 2007.			
Clearance/Settlement:	Euroclear/ Clearstream, Luxembourg	Austraclear	Austraclear	Austraclear
Cut-Off Date:	Close of business 20 June 2007			
Pricing Date:	On or about 21 June 2007			
Closing Date:	On or about 26 June 2007			
Call Date:	The first Quarterly Payment Date on which the Total Stated Amount of all Notes is equal to or less than 10% of the total Initial Invested Amount of the Notes.			
Stepdown Date:	13 September 2010			
Final Maturity Date:	The relevant Monthly Payment Date and Quarterly Payment Date falling in September 2038			

* At a rate equal to €0.6295 = A\$1.00 for Class A-1 Notes.

1.2 General Information

(a) Overview

(i) Crusade Trusts

St.George Bank established its Securitisation Trust Programme pursuant to the Master Trust Deed between Perpetual Trustees Consolidated Limited and the Manager to enable Perpetual Trustees Consolidated Limited, as trustee of each trust established pursuant to the Securitisation Trust Programme, to invest in pools of income-producing residential mortgage loans and certain other assets (including assets originated or purchased from time to time by St.George Bank).

The Master Trust Deed provides for the creation of an unlimited number of Crusade Trusts. The Master Trust Deed establishes the general framework under which trusts may be established from time to time. It does not actually establish any trusts. Each Crusade Trust will be a separate and distinct trust fund and will be created subject to the Master Trust Deed and a supplementary terms notice establishing specific provisions of the relevant Crusade Trust and the instruments to be issued by that trust. Multiple classes of notes may be issued by Perpetual Trustees Consolidated Limited in relation to each Crusade Trust that differ among themselves as to priority of repayment and credit.

(ii) Crusade Euro Trust No. 1E of 2007

The Crusade Euro Trust No. 1E of 2007 (the “**Trust**”) was established on 14 June 2007. The detailed terms of the Crusade Euro Trust No. 1E of 2007 will be as set out in the Master Trust Deed and the Supplementary Terms Notice. To establish the Trust, the Manager and the Issuer Trustee have executed a Notice of Creation of Trust. The Supplementary Terms Notice, which supplements the general framework under the Master Trust Deed with respect to the Trust, does the following:

- (A) specifies the details of the Notes;
- (B) establishes the cash flow allocation;
- (C) sets out the various representations and undertakings of certain parties specific to the Purchased Loans, which supplement those in the Master Trust Deed; and
- (D) amends the Master Trust Deed to the extent necessary to give effect to the specific aspects of the Trust and the issue of the Notes.

Perpetual Trustees Consolidated Limited, in its capacity as trustee of the Trust (in this capacity the “**Issuer Trustee**”) will issue the Notes, to fund the purchase of a pool of residential first ranking mortgage loans, which will be specified in a Sale Notice from St.George Bank as Approved Seller.

The assets of the Crusade Euro Trust No. 1E of 2007 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 Crusade Euro Trust No. 1E of 2007.

From the date of creation of the Trust, to the date of issue of the Notes, the Issuer Trustee has not, in its capacity as trustee of the Trust, carried on any business and no accounts with respect to the Trust have been prepared prior to the date of this Offering Circular.

As at the Closing Date, and prior to the issue of any Notes, the Issuer Trustee has no indebtedness as trustee of the Trust and the Trust is capitalised to \$20 (being \$10 for a residual income unit and \$10 for a residual capital unit).

(b) Parties to the Transaction

Issuer Trustee:	Perpetual Trustees Consolidated Limited (ABN 81 004 029 841) in its capacity as trustee of the Trust.
Manager:	Crusade Management Limited (ABN 90 072 715 916) (a wholly owned special purpose subsidiary of St.George Bank Limited (ABN 92 055 513 070) (" St.George Bank ").
Security Trustee:	P.T. Limited (ABN 67 004 454 666) in its capacity as security trustee of the Crusade Euro Trust No. 1E of 2007.
Note Trustee:	Deutsche Trustee Company Limited.
Note Registrar:	Deutsche Bank Luxembourg S.A.
Custodian:	St.George Custodial Pty Limited (ABN 87 003 047 411), a wholly-owned subsidiary of St.George Bank.
Approved Seller:	St.George Bank Limited.
Servicer:	St.George Bank Limited.
Residual Income Beneficiary:	Crusade Management Limited.
Lead Manager:	Barclays Bank PLC.
Mortgage Insurers:	St.George Insurance Australia Pty Limited, PMI Mortgage Insurance Ltd (ABN 70 000 511 071), Genworth Financial Mortgage Insurance Pty Limited (ABN 61 071 466 334) and the Commonwealth of Australia.
Basis Swap Provider:	Crusade Management Limited.
Fixed-Floating Rate Swap Provider:	Crusade Management Limited.
Standby Basis Swap Provider:	St.George Bank Limited.
Standby Fixed-Floating Rate Swap Provider:	St.George Bank Limited.
Principal Paying Agent:	Deutsche Bank AG, London Branch.
Currency Swap Provider:	Barclays Bank PLC
Swap Providers:	The Currency Swap Provider, the Basis Swap Provider and the Fixed-Floating Rate Swap Provider.
Calculation Agent:	Deutsche Bank AG, London Branch.
Indemnifier:	St.George Bank Limited.

(c) Note Issue Summary

Issue:	Crusade Euro Trust No. 1E of 2007 Mortgage Backed Pass Through Floating Rate Notes due September 2038.
Issue Date:	26 June 2007 (the " Issue Date ").
Initial Invested Amount of Class A-1 Notes:	€500,000,000.
Initial Invested Amount of Class A-2 Notes:	A\$1,400,000,000.
Initial Invested Amount of	

Class B Notes:	A\$29,200,000.
Initial Invested Amount of Class C Notes:	A\$18,000,000.
Classes of Notes:	<ul style="list-style-type: none"> (i) Class A-1 Notes. (ii) Class A-2 Notes. (iii) Class B Notes. (iv) Class C Notes. <p>The A\$ Notes will not be offered as part of the offer of the Class A-1 Notes described in this Offering Circular.</p>
Class of Notes offered to Lead Manager:	The Class A-1 Notes.
Denomination:	€100,000 for each Class A-1 Note, or an integral multiples of €50,000 above that amount. A\$100,000 for each Class A-2 Note. A\$100,000 for each Class B Note. A\$100,000 for each Class C Note.
Manner and order in which principal and interest is to be paid on Notes:	See Section 8 – “Cashflow Allocation Methodology”.
Margins:	<p>Up to, but excluding, the Call Date, 0.09% per annum in respect of the Class A-1 Notes and for each Quarterly Interest Period following that date, the Step-Up Margin in respect of the Class A-1 Notes.</p> <p>Up to, but excluding, the Call Date, 0.15% per annum in respect of the Class A-2 Notes and for each Monthly Interest Period following that date, the Step-Up Margin in respect of the Class A-2 Notes.</p> <p>Up to, but excluding, the Call Date, the following percentages per annum in respect of each Class of A\$ Notes:</p> <ul style="list-style-type: none"> (i) in the case of Class B Notes: 0.19%; and (ii) in the case of Class C Notes: 0.28%, <p>and for each Quarterly Interest Period following that date, the Step-Up Margin in respect of the relevant Class of A\$ Notes.</p>
Step Up Margins:	<p>If the Issuer Trustee has not repurchased or redeemed all of a Class of Notes on or before the Call Date, the Margin for that Class (other than the Class A-2 Notes) will increase for each Quarterly Interest Period beginning on or after that date to the following percentages per annum:</p> <ul style="list-style-type: none"> (i) Class A-1 Notes: 0.18%; (ii) Class B Notes: 0.38%; and (iii) Class C Notes: 0.56%. <p>If the Issuer Trustee has not repurchased or redeemed all of the Class A-2 Notes on or before the Call Date, the Margin for the Class A-2 Notes will increase for each Monthly Interest Period beginning on or after that date to 0.30% per annum.</p>
Ratings:	<ul style="list-style-type: none"> (i) Class A Notes – AAA long term credit rating from S&P, Aaa long term credit rating from Moody's and AAA long term credit rating from Fitch Ratings. (ii) Class B Notes – AA long term credit rating from S&P, AA long term credit rating from Fitch Ratings and Aa2 long term rating from Moody's.

- (iii) Class C Notes – A+ long term credit rating from S&P, AA- long term credit rating from Fitch Ratings and Aa3 long term rating from Moody's.

Issue Price:	100%
Quarterly Payment Dates:	The 13th day of March, June, September and December, subject to adjustment as described under “Business Day Convention” below. The first Quarterly Payment Date will be 13 September 2007. The final Quarterly Payment Date will be the earlier of the Final Maturity Date and the Quarterly Payment Date on which the Notes are redeemed in full or repurchased.
Monthly Payment Dates:	13th day of each calendar month, subject to adjustment as described under “Business Day Convention” below. The first Monthly Payment Date will be 13 September 2007.
Final Maturity Date:	September 2038, subject to adjustment as described under “Business Day Convention” below.
Nature of Notes:	Each Note constitutes a separate and individual acknowledgement by the Issuer Trustee of its indebtedness to the person who is the holder of the Note. The Notes are registered (in the case of Class A-1 Notes, in the form of the Book-Entry Note), secured, limited recourse, pass through debt securities.
Form of Notes:	The Class A-1 Notes will be initially represented by a Book-Entry Note in registered form, which will be registered in the name of a nominee of, and deposited with, the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. Except in the limited circumstances described in this Offering Circular, registered Class A-1 Notes in definitive form will not be issued in exchange for the Book-Entry Note (see Section 3 – “Summary of Provisions Relating to the Class A-1 Notes while in Global Form”).
Listing:	Application has been made by the Manager to list the Class A-1 Notes on the ASX.
Interest Period:	For all Notes other than Class A-2 Notes, quarterly, except in relation to the first and (as the case may be) the final Quarterly Interest Period. For the Class A-2 Notes, monthly, except in relation to the first and (as the case may be) the final Monthly Interest Period.
Interest Payment:	Interest on a Class of Notes (other than a Class A-2 Note) for each relevant Quarterly Interest Period will be: <ul style="list-style-type: none">(a) (i) payable in arrear on the Quarterly Payment Date following the end of that Quarterly Interest Period; and(ii) first payable on 13 September 2007;(b) calculated on the respective aggregate Invested Amounts of all Notes of the relevant Class as at the first day of that Quarterly Interest Period; and(c) calculated with reference to the Interest Rate for that Class of Notes for that Quarterly Interest Period, allocated rateably in accordance with the Invested Amount of such Note. Interest on Class A-2 Notes for each relevant Monthly Interest Period will be: <ul style="list-style-type: none">(a) (i) payable in arrear on the Monthly Payment Date following the end of that Monthly Interest Period; and

- (ii) first payable on 13 September 2007;
- (b) calculated on the aggregate Invested Amounts of all Class A-2 Notes as at the first day of that Monthly Interest Period; and
- (c) calculated with reference to the Interest Rate for the Class A-2 Notes for that Monthly Interest Period,

allocated rateably in accordance with the Invested Amount of such Class A-2 Note.

No Interest will be payable on a Quarterly Payment Date in respect of the Class B Notes or Class C Notes for that Quarterly Payment Date until all Interest in respect of the Class A Notes for that Quarterly Payment Date has been paid. In addition, no Interest will be payable on a Quarterly Payment Date in respect of the Class C Notes for that Quarterly Payment Date until all Interest in respect of the Class A Notes and the Class B Notes for that Quarterly Payment Date has been paid.

Interest Rate for Class A-1 Notes:

The Interest Rate for Class A-1 Notes for a Quarterly Interest Period will be the sum of EURIBOR on the relevant Interest Determination Date for that Quarterly Interest Period and the relevant Margin.

EURIBOR and the amount of each such payment of Interest will be calculated by the Calculation Agent.

Interest Rate for Class A-2 Notes:

The Interest Rate for Class A-2 Notes for a Monthly Interest Period will be the sum of the One Month Bank Bill Rate on the relevant Interest Determination Date for that Interest Period and the relevant Margin.

One Month Bank Bill Rate and the amount of each such payment of Interest will be calculated by the Manager.

Interest Rate for Class B Notes and Class C Notes:

The Interest Rate for the Class B Notes and Class C Notes for a Quarterly Interest Period will be the sum of the Three Month Bank Bill Rate on the Interest Determination Date for that Quarterly Interest Period and the relevant Margin.

Three Month Bank Bill Rate and the amount of each such payment of Interest will be calculated by the Manager.

Step Up Margin:

After the Call Date, the Margin for a Class of Notes will be the relevant Step-Up Margin.

Interest Determination Date: For an Interest Period:

- (i) in relation to a Class A-1 Note, the date which is two Business Days before the beginning of that Interest Period; and
- (ii) in relation to an A\$ Note, the first day of that Interest Period.

Day Count Fraction:

For Class A-1 Notes – Actual/360.

For A\$ Notes – Actual /365.

Business Day Convention:

Modified Following Business Day Convention in London and Sydney and each day on which the Trans-European Automated Real-Time Gross-Settlement Express Transfer (TARGET) System or any successor to it is open. See Section 2.6(b) "Payment to be made on Business Day".

Call:

All, but not some only, of the Notes must when so directed by the Manager (at the Manager's option), be repurchased or redeemed, on not more than 60 nor less than 25 days' notice to the relevant Noteholders, by the Issuer Trustee by repayment of the Invested Amount, or, if the Noteholders of a Class of Notes by Extraordinary Resolution so agree, the Stated Amount, of those Notes, together with

accrued interest to (but excluding) the date of repurchase or redemption, on the first Quarterly Payment Date on which the Total Stated Amount of all Notes is equal to or less than 10% of the total Initial Invested Amount of the Notes, provided that the Issuer Trustee will be in a position on such Quarterly Payment Date to discharge (and the Manager so certifies to the Issuer Trustee and the Note Trustee upon which the Issuer Trustee and the Note Trustee will rely conclusively) all its liabilities in respect of the Notes (at their Invested Amount or their Stated Amount, as the case may be) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with the Notes if the security for the Notes were being enforced.

Redemption for Taxation:

If the Manager satisfies the Issuer Trustee and the Note Trustee immediately prior to giving the notice referred to below that (i) on the next Quarterly Payment Date the Issuer Trustee (or a Paying Agent on its behalf) would be required to deduct or withhold from any payment of principal or interest in respect of the Notes or the Currency Swap any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any of its political sub-divisions or any of its authorities; or (ii) the total amount payable in respect of interest in relation to any of the Purchased Loans for a Collection Period ceases to be receivable (whether or not actually received) by the Issuer Trustee during such Collection Period, the Issuer Trustee must when so directed by the Manager at the Manager's option (provided that the Issuer Trustee will be in a position on such Quarterly Payment Date to discharge (and the Manager will so certify to the Issuer Trustee and the Note Trustee) all its liabilities in respect of the Notes (at their Invested Amount or, if the relevant Noteholders have agreed by Extraordinary Resolution and have so notified the Issuer Trustee and the Manager not less than 21 days before such Quarterly Payment Date, at their Stated Amount) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with the Notes if the security for the Notes were being enforced), having given not more than 60 nor less than 25 days notice to the Noteholders in accordance with Condition 12, redeem all, but not some only, of the Notes at their Invested Amount (or if the relevant Noteholders, by Extraordinary Resolution, have so agreed, at their Stated Amount) together with accrued interest to (but excluding) the date of redemption on any subsequent Quarterly Payment Date, provided that the Noteholders may by Extraordinary Resolution elect, and shall notify the Issuer Trustee and the Manager not less than 21 days before the next Quarterly Payment Date following the receipt of notice of such proposed redemption, that they do not require the Issuer Trustee to redeem the Notes.

Pricing Date: On or about 21 June 2007.

Closing Date: On or about 26 June 2007.

1.3 Structural Features

This Section 1.3 refers to various Transaction Documents entered into in relation to the transaction. A listing of Transaction Documents appears in Section 15 – “Transaction Documents”.

(a) The Master Trust Deed

Under the Master Trust Deed dated 14 March 1998 between St. George Bank, the Manager and Perpetual Trustees Consolidated Limited, a structure has been established which permits the creation of separate and distinct trusts for the securitisation of financial assets (the “**Receivables**”).

The Master Trust Deed governs issues including:

- (i) the procedures to establish each separate and distinct trust;
- (ii) the mechanisms for Perpetual Trustees Consolidated Limited as a trustee of a particular trust to issue notes;
- (iii) the general rights of noteholders;
- (iv) the procedures for Perpetual Trustees Consolidated Limited as trustee of a particular trust to acquire or invest in Receivables and other Authorised Investments on the recommendation of the Manager; and
- (v) the rights, powers and duties of the Manager (as manager) and Perpetual Trustees Consolidated Limited (as trustee) of each particular trust.

Specific terms and conditions relating to a distinct trust, including the particular Receivables to be acquired or invested in by Perpetual Trustees Consolidated Limited as trustee of that trust and the specific terms of the notes to be issued for that trust, will be set out in a supplementary terms notice executed pursuant to the Master Trust Deed for that trust.

(b) The Crusade Euro Trust No. 1E of 2007

The Trust was established pursuant to a Notice of Creation of Trust from the Manager to the Issuer Trustee dated 14 June 2007 (the “**Notice**”). The terms of the Trust are set out in the Master Trust Deed and a Supplementary Terms Notice dated on or about 22 June 2007 between the Issuer Trustee, the Manager, the Approved Seller, the Servicer, the Custodian, the Note Trustee and the Security Trustee (the “**Supplementary Terms Notice**”).

The Manager is the Residual Income Beneficiary of the Trust and is therefore entitled to the payment of Excess Distributions under the Trust. The Residual Income Beneficiary is entitled to the surplus income of the Trust for any Quarterly Collection Period after distribution of all income for that Quarterly Collection Period to creditors who have priority to the Residual Income Beneficiary including, *inter alios*, the Noteholders. See Section 8.8(e) “Excess Distribution”.

The Issuer Trustee is issuing the Notes to fund the acquisition of the Receivables as specified in one or more Sale Notices to the Issuer Trustee from St. George Bank as the Approved Seller.

Section 6 “Acquisition of the Mortgage Pool” discusses the acquisition of these Receivables in more detail.

(c) The Security Trust Deed

Under the Security Trust Deed dated 14 June 2007 between the Issuer Trustee as chargor, the Note Trustee, the Manager and the Security Trustee (the “**Security Trust Deed**”), the Issuer Trustee has granted a first ranking floating charge over all the Assets of the Trust in favour of the Security Trustee to secure the payment of moneys owing to the secured creditors of the Trust, including, among others, the Noteholders, the Note Trustee, the Basis Swap Provider, the Fixed-Floating Rate Swap Provider, the Currency Swap Provider and the Lead Manager.

See Section 11 “The Security Structure” for more information on the security granted by the Issuer Trustee.

(d) Credit Enhancements

(i) Mortgage Insurance

Each Purchased Loan will be insured by a Mortgage Insurer under a Mortgage Insurance Policy. Subject to various exclusions and deductions as set out in the relevant policy, the relevant Mortgage Insurer will cover the loss in respect of a Purchased Loan after it has been enforced.

Section 9.1 “Mortgage Insurance Policies” discusses the Mortgage Insurance Policies in more detail.

(ii) Excess Available Income

On each Quarterly Payment Date, the Excess Available Income of the Trust remaining after meeting specified fees, interest and income payments of the Trust will be available to be

applied to reimburse, among other things, any Principal Charge Off or Carryover Charge Off (which expressions relate to any losses in relation to a Purchased Loan which are not reimbursed following a claim under a Mortgage Insurance Policy) before being available for distribution to the Residual Income Beneficiary.

This is discussed further in Section 8.8 “Excess Available Income – Reimbursement of Charge Offs and Principal Draws”.

(iii) Subordinated payments of principal on Class B Notes and Class C Notes

If there is a loss on a Purchased Loan which is not satisfied under a Mortgage Insurance Policy, by amounts recoverable by the Issuer Trustee from the Approved Seller or the Servicer, or from the application of Excess Available Income, the amount of that loss will be allocated first to the Class C Notes, reducing the Stated Amount of the Class C Notes until their Stated Amount is zero. The amount of any remaining loss will then be allocated to the Class B Notes, reducing the Stated Amount of the Class B Notes until their Stated Amount is zero. The amount of any remaining loss will then be allocated *pari passu* between the Class A Notes (based on their relevant A\$ Equivalents), reducing the Stated Amounts of the Class A Notes until their Stated Amounts are zero. For further details see Section 8.16 – “Charge Offs” below.

(e) Liquidity Enhancements

(i) Principal Draws

If the Manager determines on any Monthly Determination Date (including any Monthly Determination Date which is also a Quarterly Determination Date) that the Available Income of the Trust is insufficient to meet the Total Payments of the Trust for the relevant Monthly Collection Period (a “**Payment Shortfall**”), then available Principal Collections can be used to fund the Payment Shortfall (a “**Principal Draw**”).

Such Principal Draws will be reimbursed from Excess Available Income (to the extent available) on Quarterly Payment Dates. See Section 8.5 – “Principal Draws” for more details on Principal Draws.

(ii) Liquidity Reserve

As at the Closing Date, A\$20,173,330.58 (representing 0.9% of the A\$ Equivalent of proceeds raised from issuing the Notes) will be deposited into an account held by the Issuer Trustee on behalf of the Trust with an Approved Bank (the “**Liquidity Account**”) in Australian dollars and the amount standing to the credit of the Liquidity Account from time to time will constitute the “**Liquidity Reserve**”. If on any Monthly Determination Date (including any Monthly Determination Date which is also a Quarterly Determination Date) the Manager determines that Available Income plus any Principal Draws will be insufficient to meet the Total Payments for the relevant Monthly Payment Date, the Manager must direct the Issuer Trustee to make a drawing on the Liquidity Reserve for that Liquidity Shortfall. This is called a Liquidity Draw.

The Liquidity Reserve is required to equal 0.9% of the aggregate principal amount outstanding of the Purchased Loans from time to time (the “**Liquidity Limit**”). To the extent that the Liquidity Reserve on a Quarterly Determination Date exceeds the then current Liquidity Limit, and provided that following any reduction the Liquidity Limit does not exceed the total amount of outstanding Liquidity Draws, the Liquidity Reserve will be reduced in accordance with the cashflow allocation methodology set out in Section 8 “Cashflow Allocation Methodology” by an amount such that after such reduction the Liquidity Reserve equals the Liquidity Limit as determined by the Manager from time to time (the amount of such reduction being the “**Surplus Amount**”).

See Sections 8.6 “Liquidity Draws” and 9.2 “Liquidity Reserve” for more details on the Liquidity Reserve.

(f) Redraws and Further Advances

Under the terms of each Purchased Loan, a Borrower may, with the consent of the Approved Seller, redraw principal up to the relevant scheduled principal balance (“**Redraws**”). Redraws are provided to Borrowers by the Approved Seller.

At any time the Approved Seller may provide further advances to a Borrower under a Purchased Loan which are not Redraws because they result in the principal balance of the relevant Purchased Loan exceeding the original scheduled principal balance. These further advances may only be provided if the Approved Seller repurchases the relevant Purchased Loan from the Issuer Trustee.

The Approved Seller may be reimbursed for Redraws in the following order (to the extent funds are available from each source):

- (i) first, from Principal Collections; and
- (ii) secondly, from the Redraw Retention Amount.

See Sections 8.13 “Redraws and Further Advances” for more particulars on funding Redraws and Further Advances.

(g) Charge Offs

On any Monthly Payment Date, if the aggregate Mortgage Shortfalls for the immediately preceding Monthly Collection Period exceed the amount available to be applied from the Excess Available Income towards that shortfall (in accordance with the cashflow allocation methodology), then any excess will be charged off rateably against the Notional Stated Amount of the Class C Notes (if any) until the Notional Stated Amount of the Class C Notes is reduced to zero, then rateably against the Notional Stated Amount of the Class B Notes until the Notional Stated Amount of the Class B Notes is reduced to zero, then *pari passu* against the Notional Stated Amounts of the Class A Notes (based on their A\$ Equivalents) until the Notional Stated Amounts of the Class A Notes is reduced to zero. Charge Offs will be reimbursed to the extent that funds are available for such purpose on succeeding Quarterly Payment Dates in the manner set out in Section 8.8 “Excess Available Income – Reimbursement of Charge Offs and Principal Draws”.

(h) Hedging Arrangements

To hedge its interest rate and currency exposures, the Issuer Trustee will enter into the Basis Swap, the Fixed-Floating Rate Swap and the Currency Swap.

(i) Basis Swap

The Issuer Trustee will enter into the Basis Swap with the Basis Swap Provider to hedge the basis risk between the variable rate on those Purchased Loans which are subject to a variable rate of interest (which rate may be varied at the discretion of the Servicer under the terms of the Purchased Loans) and the floating rate obligations of the Trust (including the Interest Payments on the Notes).

Under the Basis Swap, on each Quarterly Payment Date the Issuer Trustee will pay to the Basis Swap Provider an amount calculated by reference to the applicable variable rate on those Purchased Loans which are subject to a variable rate of interest and receive from the Basis Swap Provider an amount calculated by reference to the Weighted Average Australian Bank Bill Rate plus a fixed margin. The terms of the Basis Swap allow for netting of swap payments.

If at any time the Basis Swap is terminated, the Manager must calculate the Threshold Rate from time to time and the Servicer, subject to the terms of those Purchased Loans which are subject to a variable rate of interest and any applicable law, must ensure that the interest rate payable by Borrowers on those Purchased Loans is not less than the Threshold Rate at that time. The Threshold Rate is the minimum rate of interest necessary so that the Issuer Trustee will have available sufficient collections to enable it to satisfy its obligations under the Transaction Documents, plus a margin of 0.25% per annum (see Section 9.3(e) “Threshold Rate” for more details).

Section 9.3 “Basis Swap and Fixed-Floating Swap” discusses the Basis Swap in more detail.

(ii) Fixed-Floating Rate Swap

The Issuer Trustee will enter into the Fixed-Floating Rate Swap with the Fixed-Floating Rate Swap Provider to hedge the basis risk between the fixed rate on the Purchased Loans which are subject to a fixed rate of interest and the floating rate obligations of the Trust (including the Interest Payments on the Notes).

Under the Fixed-Floating Rate Swap, on each Monthly Payment Date the Issuer Trustee will pay to the Fixed-Floating Rate Swap Provider an amount calculated by reference to the applicable fixed rate on the Purchased Loans which are subject to a fixed rate of interest and receive from the Fixed-Floating Rate Swap Provider an amount calculated by reference to the Weighted Average Australian Bank Bill Rate plus a fixed margin. The terms of the Fixed-Floating Rate Swap allow for netting of swap payments.

Each Purchased Loan which bears a fixed rate of interest as at the Cut-Off Date will bear a fixed rate of interest for a maximum period of five years. At the end of that period the Purchased Loan will bear a variable rate of interest unless St. George Bank offers a further fixed rate of interest in relation to the Purchased Loan and such rate is accepted by the relevant Borrower. See Section 5.2(c)(iv) "Fixed Rate Loan" for more details on switching of interest rates.

The Fixed-Floating Rate Swap will cover the Purchased Loans which bear a fixed rate of interest as at the Cut-Off Date and those which subsequently convert to a fixed rate of interest.

(iii) Currency Swap

Collections in relation to the Purchased Loans and under the Basis Swap and the Fixed-Floating Rate Swap will be denominated in Australian dollars. However, the payment obligations of the Issuer Trustee in relation to Interest and principal on the Class A-1 Notes are denominated in Euros. To hedge its currency exposure, the Issuer Trustee will enter into the Currency Swap with the Currency Swap Provider in respect of the Class A-1 Notes. Section 9.4 "The Currency Swap" discusses the Currency Swap in more detail.

1.4 The Mortgage Pool

As at 29 May 2007, the outstanding principal balance of the Purchased Loans was A\$2,550,000,002 comprising 10,234 loan groups with an average loan balance of A\$249,169 and a weighted average current LVR of 64.55%. Note that these details may not reflect the Mortgage Pool as at the Cut-Off Date or the Closing Date due to repayments, prepayments, arrears and other factors between 29 May 2007 and the Closing Date.

Further particulars in relation to the Purchased Loans are contained in Section 5 "The Mortgage Pool".

2. DESCRIPTION OF THE NOTES

2.1 General

The Class A-1 Notes are registered, secured, limited recourse debt securities, in the form of a Book-Entry Note, issued by the Issuer Trustee in its capacity as trustee of the Trust to fund the acquisition by the Issuer Trustee of the Purchased Loans, the Liquidity Reserve and other Authorised Investments. The A\$ Notes are registered, secured, limited recourse debt securities issued by the Issuer Trustee in its capacity as trustee of the Trust to fund the acquisition by the Issuer Trustee of the Purchased Loans and the Liquidity Reserve. The obligations of the Issuer Trustee to make Interest Payments and Principal Payments in relation to the Notes, the nature of the security granted for the benefit of Noteholders and other terms relating to the Notes are described in this Section 2. The Issuer Trustee's liability in relation to the Notes is limited. See Section 10.2(b) – “Limitation of Issuer's Liability” and Condition 3.15 – “Limitation of Liability of the Issuer Trustee”.

2.2 The Notes

€500,000,000 Class A-1 Mortgage Backed Pass Through Floating Rate Notes due September 2038, A\$1,400,000,000 Class A-2 Mortgage Backed Pass Through Floating Rate Notes due September 2038, A\$29,200,000 Class B Mortgage Backed Pass Through Floating Rate Notes due September 2038 and A\$18,000,000 Class C Mortgage Backed Pass Through Floating Rate Notes due September 2038.

(a) Status of Notes

Payments in respect of both principal and Interest on the Class B Notes and the Class C Notes are subordinated to payments of principal and Interest in respect of the Class A Notes. Payments in respect of both principal and Interest on the Class C Notes are subordinated to payments of principal and Interest in respect of the Class A Notes and the Class B Notes. Before and after any enforcement of the Security Trust Deed, the Noteholders will only have recourse to the Assets of the Trust and no assets of Perpetual Trustees Consolidated Limited, in its personal capacity (except in certain limited circumstances) or as trustee of any other trust, will be available for payment of any shortfall (see Section 10.2(b) – “Limitation of Issuer's Liability” and Condition 3.15 – “Limitation of Liability of the Issuer Trustee”). The terms of the security for the Notes will provide that, on enforcement, certain payments, such as fees and expenses payable to other parties including the Issuer Trustee, will be made in priority to payments in respect of Interest on and principal of the Notes.

(b) Form of Notes

The Class A-1 Notes will initially be represented by a Book-Entry Note in registered form, which will be registered in the name of a nominee of, and deposited with, the Common Depository on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. Except in the limited circumstances described in this Offering Circular, registered Class A-1 Notes in definitive form will not be issued in exchange for the Book-Entry Note.

(c) Denomination

Each Class A-1 Note will have a denomination of €100,000 or in integral multiples of €50,000 above that amount.

(d) Issue Price

Each of the Notes will be issued at an issue price of 100% of its principal amount.

(e) Rating

It is expected that each of the Class A Notes will have a long term rating of AAA by S&P, Aaa by Moody's and AAA by Fitch Ratings, that each of the Class B Notes will have a long term rating of AA by S&P, Aa2 by Moody's and AA by Fitch Ratings, and that each of the Class C Notes will have a long term rating of A+ by S&P, Aa3 by Moody's and AA- by Fitch Ratings.

2.3 Interest Payments

Each Note bears Interest calculated as described in this Section 2.3 from the Closing Date to (but excluding) the date upon which the Note is finally redeemed, and which is payable quarterly in arrear (other than Class A-2 Notes, which pay interest monthly in arrear).

(a) Calculation of Interest

Interest payable on each Note in a Class of Notes in respect of each Interest Period for that Class of Notes is calculated:

- (i) on a daily basis at the Interest Rate for that Class of Notes;
- (ii) on the aggregate Invested Amounts of all Notes in that Class as at the first day of that Interest Period; and
- (iii) on the basis of the actual number of days in that Interest Period and a year of 360 days (in the case of the Class A-1 Notes) or 365 days (in the case of A\$ Notes),

allocated rateably in accordance with the Invested Amount of such Note, and shall accrue from day to day.

The Interest Period for each Class A-2 Note will be monthly. The Interest Period for all other Notes will be quarterly.

No interest will accrue on any Note for the period from and including:

- (A) the date on which the Stated Amount of that Note is reduced to zero (provided that interest shall thereafter begin to accrue from (and including) any date on which the Stated Amount of that Note becomes greater than zero); or
- (B) if the Stated Amount of the Note on the due date for redemption in full of the Note is not zero, the due date for redemption of the Note, unless payment of principal due is improperly withheld or refused, following which interest shall continue to accrue on the Invested Amount of the Note at the rate from time to time applicable to the Note until the later of:
 - (1) the date on which the moneys in respect of that Note have been received by the Note Trustee or the Principal Paying Agent and notice to that effect is given in accordance with the relevant Conditions (in the case of the Class A-1 Notes) or have been received by the relevant Noteholder (in the case of A\$ Notes); and
 - (2) the Stated Amount of that Note has been reduced to zero (provided that interest shall thereafter begin to accrue from (and including) any date on which the Stated Amount of that Note becomes greater than zero).

All payments of Interest on the Class A-1 Notes will be made in Euros. All payments of Interest on A\$ Notes will be made in A\$.

(b) Step-Up Margin

If the Issuer Trustee has not redeemed all of a Class of Notes on or before the first Quarterly Payment Date on which the Total Stated Amount of all Notes is equal to or less than 10% of the total Initial Invested Amount of the Notes, the Margin for that Class will increase for each relevant Interest Period beginning on or after that date to the relevant Step-Up Margin.

(c) Interest Periods

- (i) Quarterly Interest Periods

The first Interest Period for all Notes (other than Class A-2 Notes) begins on (and includes) the Closing Date and ends on (but excludes) the first Quarterly Payment Date.

The final Quarterly Interest Period for all Notes (other than Class A-2 Notes) begins on (and includes) the Quarterly Payment Date prior to the date on which the Notes are redeemed in full and ends on (but excludes) the date on which the Notes are so redeemed; provided that if the Stated Amount of any Note on the due date for redemption is not zero and payment of principal due is improperly withheld or refused, the final Interest Period shall end on the later of:

- (A) the date on which the moneys in respect of that Note have been received by the relevant Noteholder, the Note Trustee or the Principal Paying Agent and notice to that effect is given in accordance with the relevant Conditions; and
- (B) the Stated Amount of that Note has been reduced to zero (provided that interest shall thereafter begin to accrue from (and including) any date on which the Stated Amount of that Note becomes greater than zero).

Each other Quarterly Interest Period for all Notes other than Class A-2 Notes begins on (and includes) a Quarterly Payment Date and ends on (but excludes) the next Quarterly Payment Date.

(ii) **Monthly Interest Periods**

The first Interest Period for Class A-2 Notes (and for allocating proportional interest to the other Notes on a Monthly Payment Date) begins on (and includes) the Closing Date and ends on (but excludes) the first Monthly Payment Date.

The final Interest Period for Class A-2 Notes (and for allocating proportional interest to the other Notes on a Monthly Payment Date) begins on (and includes) the Monthly Payment Date prior to the date on which the Notes are redeemed in full and ends on (but excludes) the date on which the Notes are so redeemed; provided that if the Stated Amount of any Note on the due date for redemption is not zero and payment of principal due is improperly withheld or refused, the final Interest Period shall end on the later of:

- (A) the date on which the moneys in respect of that Note have been received by the relevant Noteholder, Note Trustee or the Principal Paying Agent and notice to that effect is given in accordance with the relevant Conditions; and
- (B) the Stated Amount of that Note has been reduced to zero (provided that interest shall thereafter begin to accrue from (and including) any date on which the Stated Amount of that Note becomes greater than zero).

Each other Interest Period for Class A-2 Notes (and for allocating proportional interest to the other Notes on a Monthly Payment Date) begins on (and includes) a Monthly Payment Date and ends on (but excludes) the next Monthly Payment Date.

(d) Interest Rate

The Interest Rate applicable to each Class A-1 Note for a Quarterly Interest Period equals the sum of EURIBOR for that Quarterly Interest Period (calculated on the applicable Interest Determination Date), on and from the first day of that Quarterly Interest Period, plus the Margin for that Class A-1 Note (or, where applicable, the Step-Up Margin for that Class A-1 Note). EURIBOR and the Interest Rate will be calculated by the Calculation Agent in accordance with the relevant Conditions.

(e) Payment of Interest

The Issuer Trustee will pay or allocate, or cause to be paid or allocated, the Interest to each Noteholder as calculated above, in arrear on each Monthly Payment Date (including each Monthly Payment Date which is a Quarterly Payment Date), *pari passu* and rateably as between the Noteholders of each Class of Notes as described in Section 8.7. Payments of Interest on the Class A-2 Notes are made monthly, while payments of Interest on the Class A-1 Notes, the Class B Notes and the Class C Notes are made quarterly. Payments of Interest on the Class B Notes and Class C Notes are subordinated to payments of Interest on the Class A Notes, and payments of Interest on the Class C Notes are subordinated to payments of Interest on the Class A Notes and the Class B Notes.

The Interest Payments will be made from Total Available Funds received for the relevant Monthly Payment Date as discussed in Section 8 "Cashflow Allocation Methodology".

Section 2.6 "Payments" details the method of payment.

2.4 Repayment of Principal

(a) Repayment on each Quarterly Payment Date

On each Quarterly Payment Date, the Issuer Trustee will repay or cause to be repaid an amount of principal to each Noteholder if and to the extent that there are Principal Collections received for that Quarterly Payment Date and available for repayment in accordance with Section 8.11 "Principal

Distributions prior to Stepdown Date or after a Trigger Event” or 8.12 “Principal Distributions on or after Stepdown Date if no Trigger Event if subsisting”. In the case of the Class A-1 Noteholders, those Principal Collections will first be paid to the Currency Swap Provider under the Currency Swap. The amounts received by the Issuer Trustee from the Currency Swap Provider under the Currency Swap will then be used to pay the Class A-1 Noteholders. Payments of principal on the Class B Notes and the Class C Notes are subordinated to payments of principal on the Class A Notes, and payments of principal on the Class C Notes are subordinated to payments of principal on the Class A Notes and the Class B Notes.

On each Quarterly Payment Date, the Invested Amount of each Note will be reduced by, and the obligations of the Issuer Trustee with respect to that Note will be discharged to the extent of, the amount of the Principal Payment made on that Quarterly Payment Date for that Note.

(b) Final Maturity Date

Subject to Section 2.4(a) “Repayment on each Quarterly Payment Date”, the Issuer Trustee must pay the Stated Amount in relation to each Note on or by the Final Maturity Date.

No Noteholder will be entitled to receive principal on any Note in excess of the Invested Amount for that Note.

(c) Final Redemption

Each Note will be finally redeemed, and the obligations of the Issuer Trustee with respect to the payment of the Invested Amount of that Note will be finally discharged, on the first to occur of:

- (i) the date upon which the Invested Amount of that Note is reduced to zero;
- (ii) the date on which the relevant Noteholder renounces in writing all its right to any amount payable under or in respect of that Note;
- (iii) in the case of the Class A-1 Notes, the date on which all available amounts received by the Note Trustee with respect to the enforcement of the Security Trust Deed are paid to the Principal Paying Agent;
- (iv) in the case of A\$ Notes, the date on which all available amounts are received by the A\$ Noteholders with respect to the enforcement of the Security Trust Deed;
- (v) the Quarterly Payment Date immediately following the date on which the Issuer Trustee completes a sale and realisation of all Assets of the Trust in accordance with the Master Trust Deed and the Supplementary Terms Notice; and
- (vi) the Final Maturity Date.

2.5 Call and Tax Redemption

(a) Call of Class A Notes

The Issuer Trustee must, when so directed by the Manager (at the Manager's option), having given not more than 60 nor less than 25 days' notice to the Class A Noteholders in accordance with, in the case of the Class A-1 Notes, Condition 12 “Notices” and, in the case of the Class A-2 Notes, in accordance with the terms of the Supplementary Terms Notice and the Master Trust Deed, purchase or redeem all, but not some only of the Class A Notes by repaying the Invested Amount, or, if the Class A Noteholders, by Extraordinary Resolution (as defined below) of the Class A Noteholders so agree, the Stated Amount, of those Class A Notes, together with accrued interest to (but excluding) the date of repurchase or redemption on the first Quarterly Payment Date on which the Total Stated Amount is equal to or less than 10% of the aggregate of the Initial Invested Amount of all Notes (that date being the “**Call Date**”) provided that the Issuer Trustee will be in a position on such Quarterly Payment Date to discharge (and the Manager so certifies to the Issuer Trustee and the Note Trustee upon which the Issuer Trustee and the Note Trustee will rely conclusively) all its liabilities in respect of the Class A Notes (at their Invested Amount or their Stated Amount if so agreed by the Class A Noteholders) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with the Class A Notes if the security for the Notes were being enforced.

(b) Call of Class B Notes

The Issuer Trustee must, when so directed by the Manager (at the Manager's option), having given not more than 60 nor less than 25 days' notice to the Class B Noteholders in accordance with Condition 12 "Notices", purchase or redeem all, but not some only of the Class B Notes by repaying the Invested Amount, or, if the Class B Noteholders, by Extraordinary Resolution of the Class B Noteholders so agree, the Stated Amount, of those Class B Notes, together with accrued interest to (but excluding) the date of repurchase or redemption on any Quarterly Payment Date falling on or after the Call Date, provided that:

- (i) the Issuer Trustee will be in a position on such Call Date to discharge (and the Manager so certifies to the Issuer Trustee upon which the Issuer Trustee will rely conclusively) all its liabilities in respect of the Class B Notes (at their Invested Amount or their Stated Amount if so agreed by the Class B Noteholders) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with the Class B Notes if the security for the Notes were being enforced; and
- (ii) all Class A Notes have been redeemed in full before that Call Date, or will be redeemed in full on that Call Date.

(c) Call of Class C Notes

The Issuer Trustee must, when so directed by the Manager (at the Manager's option), having given not more than 60 nor less than 25 days' notice to the Class C Noteholders in accordance with the terms of the Supplementary Terms Notice and the Master Trust Deed, purchase or redeem all, but not some only of the Class C Notes by repaying the Invested Amount, or, if the Class C Noteholders, by Extraordinary Resolution of the Class C Noteholders so agree, the Stated Amount, of those Class C Notes, together with accrued interest to (but excluding) the date of repurchase or redemption on any Quarterly Payment Date falling on or after the Call Date, provided that:

- (i) the Issuer Trustee will be in a position on such Call Date to discharge (and the Manager so certifies to the Issuer Trustee upon which the Issuer Trustee will rely conclusively) all its liabilities in respect of the Class C Notes (at their Invested Amount or their Stated Amount if so agreed by the Class C Noteholders) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with the Class C Notes if the security for the Notes were being enforced; and
- (ii) all Class B Notes have been redeemed in full before that Call Date or will be redeemed in full on that Call Date.

(d) Tax Event or other Reasons

If the Manager satisfies the Issuer Trustee and the Note Trustee immediately prior to giving the notice referred to below that either:

- (i) on the next Quarterly Payment Date the Issuer Trustee would be required to deduct or withhold from any payment of principal or interest in respect of the Notes or the Currency Swap in respect of any Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any of its political sub-divisions or any of its authorities; or
- (ii) the total amount payable in respect of interest in relation to any of the Purchased Loans for a Collection Period ceases to be receivable (whether or not actually received) by the Issuer Trustee during such Collection Period,

the Issuer Trustee must, when so directed by the Manager, at the Manager's option (provided that the Issuer Trustee will be in a position on such Quarterly Payment Date to discharge (and the Manager will so certify to the Issuer Trustee and the Note Trustee) all its liabilities in respect of those Notes (at their Invested Amount or if the Noteholders of those Notes have agreed by Extraordinary Resolution and have so notified the Issuer Trustee and the Manager not less than 21 days before such Quarterly Payment Date, at their Stated Amount) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with those Notes if the security for the Notes were being enforced), having given not more than 60 nor less than 25 days' notice to the Noteholders of those Notes (and all other Noteholders whose Notes are to be redeemed at the same time) in accordance with Condition 12 "Notices") redeem all, but not some only, of those Notes at their Invested Amount (or, if the Noteholders of those Notes by Extraordinary Resolution have so agreed, at their Stated

Amount) together with accrued interest to (but excluding) the date of redemption on any subsequent Quarterly Payment Date, provided that the Noteholders of those Notes may by Extraordinary Resolution elect, and shall notify the Issuer Trustee and the Manager not less than 21 days before the next Quarterly Payment Date following the receipt of notice of such proposed redemption, that they do not require the Issuer Trustee to redeem those Notes.

(e) Full satisfaction

Repayment and redemption of Class A Notes, Class B Notes or Class C Notes in accordance with Section 2.5(a), (b), (c) or (d) "Call and Tax Redemption" shall be in full satisfaction of the Issuer Trustee's obligations under the relevant Notes.

2.6 Payments

(a) Method of Payment

On each Quarterly Payment Date the Principal Paying Agent will, subject to receipt of funds before 1.00 pm (London time), pay, indirectly through Clearstream, Luxembourg or Euroclear and/or the Common Depository, principal and interest, to the owners of record of the Class A-1 Notes as of the related Quarterly Determination Date if the Class A-1 Notes are held in global form, or, if the Class A-1 Notes are held in definitive form, the last day of the prior calendar month. Payments on the Definitive Notes will be made by credit or transfer to a Euro account specified by the relevant payee or, at the option of that payee, by Euro cheque.

(b) Payment to be made on Business Day

Payments on the Notes are made under the Modified Following Business Day Convention. This means that if any payment is due under a Transaction Document on a day which is not a Business Day, the due date will be the next Business Day unless that day falls in the next calendar month, in which case the due date will be the preceding Business Day.

(c) Currency

Any amounts payable to a Class A-1 Noteholder will be paid in Euros. Any amounts payable to an A\$ Noteholder will be paid in A\$.

(d) Prescription

The Class A-1 Note will be void in its entirety if not surrendered for payment within 10 years of the relevant date in respect of any payment on that Class A-1 Note, the effect of which would be to reduce the principal amount of that Class A-1 Note to zero. The relevant date is the date on which a payment first becomes due but, if the full amount of the money payable has not been received in London by the Principal Paying Agent or the Note Trustee on or prior to that date, it means the date on which the full amount of such money having been so received and notice to that effect is duly given in accordance with the terms of the Class A-1 Note. After the date on which the Class A-1 Note becomes void in its entirety, no claim may be made in respect of it.

2.7 Transfer of Notes

A Noteholder must not transfer any Notes except in accordance with all applicable laws in any jurisdiction in which it may offer, sell or deliver Notes and will not directly or indirectly offer, sell or deliver Notes or distribute any offering circular, circular, advertisement, information memorandum, prospectus or other offering material relating to the Notes in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Class A Notes can only be transferred:

- (a) where the Class A Notes are traded on the Australian Securities Exchange, if they are traded in parcels with a minimum value of A\$500,000;
- (b) if the transfer is in or from Australia:
 - (i) if the amount payable for the Class A Notes on transfer (whether on the ASX or elsewhere in Australia) by the transferee is a minimum amount of A\$500,000 (disregarding amounts, if any, lent by the Issuer Trustee or other person offering the

Class A Notes or an associate (as defined in the Australian Corporations Act 2001 (Cth)) of either of them; or

- (ii) if the offer or invitation to the transferee by the Class A Noteholder otherwise does not require disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) and the Corporations Regulations made under the Corporations Act 2001 (Cth); and
- (c) if the transfer is in or from Australia, if the transfer is to a person who is not a retail client within the meaning of section 761 of the Corporations Act.
None of the Issuer Trustee, the Manager, the Servicer, the Approved Seller, the Security Trustee, the Note Trustee or the Lead Manager is liable to any Noteholder in relation to a breach by that Noteholder of the above.

2.8 Noteholder Rights

Subject to the Master Trust Deed, the Supplementary Terms Notice and the Security Trust Deed, the Issuer Trustee must pay or cause to be paid to each Noteholder its Interest Payments and Principal Payments on each Monthly Payment Date (including each Monthly Payment Date which is a Quarterly Payment Date).

Except as provided in the Note Trust Deed, the Master Trust Deed or the Security Trust Deed, no Noteholder is entitled to:

- (a) require the Issuer Trustee to owe to it, or to act in a manner inconsistent with, any fiduciary obligation in any capacity;
- (b) an interest in any particular part of the Trust or any Asset comprising the Trust;
- (c) require the transfer to it of any Asset comprising the Trust;
- (d) interfere with or question the exercise or non-exercise of the rights or powers of the Servicer, the Manager or the Issuer Trustee in their dealings with the Trust or any Asset;
- (e) exercise any rights, powers or privileges in respect of any Asset in the Trust;
- (f) attend meetings or take part in or consent to any action concerning any property or corporation in which the Issuer Trustee holds an interest;
- (g) seek to wind up or terminate the Trust;
- (h) seek to remove the Servicer, the Manager, the Custodian, the Note Trustee, any Paying Agent, the Calculation Agent, any provider of a Support Facility or the Issuer Trustee;
- (i) interfere in any way with the Trust;
- (j) lodge or enter a caveat or similar instrument in relation to the asset register maintained by the Issuer Trustee in respect of the Trust or claim any estate or interest in any land over which a Mortgage or any related securities are held or to which any other Asset relates in respect of the Trust;
- (k) except where the Noteholder is St. George Bank and is communicating in some other capacity under the Transaction Documents, or the Issuer Trustee has otherwise consented, and subject to any provision of a Transaction Document which allows any such communication, negotiate or communicate in any way with any Borrower or other security provider in respect of any Purchased Loans, or with any person providing a Support Facility to the Issuer Trustee or any other person who is party to any Transaction Document (other than the Lead Manager and the Note Trustee);
- (l) take any proceedings of any nature whatsoever in any court or otherwise or to obtain any remedy of any nature (including against the Issuer Trustee, the Manager, the Servicer, the Note Trustee or the Security Trustee or any former Issuer, Manager, Servicer, Note Trustee or Security Trustee or in respect of the Trust or any Asset of the Trust) provided that it will be entitled to compel the Issuer Trustee, the Manager and the Servicer to comply with their respective duties and obligations under the Transaction Documents and to compel the Security Trustee to comply with its duties and obligations under the Security Trust Deed; and

- (m) any recourse whatsoever to the Issuer Trustee in its personal capacity, except to the extent of any reduction in the Issuer Trustee's indemnification or exoneration from the Assets as a result of any fraud, negligence or Default on the part of the Issuer Trustee.

2.9 Withholding Tax

Payments of principal and Interest in respect of the Notes will be made subject to withholding tax (if any) applicable to the Notes without the Issuer Trustee being obliged to pay any additional amounts to the Noteholders in respect of such withholding tax.

2.10 Listing

Application has been made by the Manager to the ASX for the Class A-1 Notes to be admitted to, and traded on, the official list of the ASX. However there can be no assurance that such listing will be obtained. The issuance and settlement of the Class A-1 Notes on the Closing Date is not conditional on the listing of the Class A-1 Notes on the ASX.

2.11 Governing Law

The Notes and the Transaction Documents (except for the Subscription Agreement which is governed by English law) are governed by the laws of New South Wales. The Issuer Trustee has, under the Note Trust Deed, submitted to the non-exclusive jurisdiction of the courts of New South Wales for all purposes in connection with the Notes.

2.12 Expected Ratings

It is expected that each of the Class A Notes will have a long term rating of AAA by S&P, Aaa by Moody's and AAA by Fitch Ratings, that the Class B Notes will have a long term rating of AA by S&P, Aa2 by Moody's and AA by Fitch Ratings, and the Class C Notes will have a long term rating of A+ by S&P, Aa3 by Moody's and AA- by Fitch Ratings. Ratings other than these have not been requested. There can be no assurance as to whether another rating agency will rate the Notes and if so, what ratings would be so assigned to the Notes. Any ratings so assigned could be lower than those indicated above. The ratings of the Notes should be evaluated independently from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision at any time by the assigning rating agency.

The ratings of the Notes do not address the expected rate of principal repayments (including prepayments) under the Purchased Loans.

None of S&P, Moody's or Fitch Ratings has been involved in the preparation of this Offering Circular other than this Section 2.12.

2.13 Use of Proceeds

The proceeds from the issue of the Class A-1 Notes, after being exchanged for A\$ pursuant to the Currency Swap, will amount to A\$794,281,175.54. These issue proceeds will be used by the Issuer Trustee to purchase an equitable interest in the Purchased Loans and the Mortgages from the Approved Seller and to establish the Liquidity Reserve.

2.14 Calendar

(a) Key Dates & Periods

Cut-Off Date: 20 June 2007.

Pricing Date: On or about 21 June 2007.

Closing Date: On or about 26 June 2007.

Final Maturity Date: 13 September 2038, subject to adjustment in accordance with the Modified Following Business Day Convention.

Monthly Payment Dates: The 13th day of each calendar month subject to adjustment in accordance with the Modified Following Business Day Convention. The first Monthly Payment Date will be 13 September 2007.

Quarterly Payment Dates: The 13th day of March, June, September and December, subject to adjustment in accordance with the Modified Following Business Day Convention. The first Quarterly Payment Date will be 13 September 2007.

The final Quarterly Payment Date is the earlier of the Final Maturity Date and the Quarterly Payment Date on which the Notes are redeemed in full.

Monthly Collection Period: In relation to a Monthly Payment Date, the calendar month which precedes the calendar month in which the Monthly Payment Date occurs. The first Monthly Collection Period is the period from (but including) the Cut-Off Date to (and including) 31 August 2007. The last Monthly Collection Period is the period from (but excluding) the last day of the calendar month that precedes the date on which the Trust is terminated (as to which, see Section 10.6 "Termination of the Trust") to (and including) that date.

Quarterly Collection Period: In relation to a Quarterly Payment Date, the three Monthly Collection Periods that precede the calendar month in which the Quarterly Payment Date falls, save that the first Quarterly Collection Period will be the period from (and including) the Cut-Off Date, to and including 31 August 2007. The last Quarterly Collection Period ends on (and includes) the date on which the Trust is terminated.

Monthly Determination Date: The date which is two Business Days prior to a Monthly Payment Date.

Quarterly Determination Date: The date which is two Business Days prior to a Quarterly Payment Date.

Monthly Interest Period: See Section 2.3(c) "Interest Periods".

Quarterly Interest Period: See Section 2.3(c) "Interest Periods".

(b) Example Calendar

The following example calendar assumes that all relevant days are Business Days:

Monthly Collection Period: 1 December to 31 December

Monthly Interest Period 13 December to 12 January

Monthly Determination Date: 11 January
Monthly Payment Date: 13 January
Monthly Collection Period: 1 January to 31 January
Monthly Interest Period 13 January to 12 February
Monthly Determination Date: 11 February
Monthly Payment Date: 13 February
Monthly Collection Period: 1 February to 28 February
Monthly Interest Period 13 February to 12 March
Monthly Determination Date: 11 March
Monthly Payment Date: 13 March
Quarterly Collection Period: 1 December to 28 February
Quarterly Interest Period 13 December to 12 March
Quarterly Determination Date: 11 March
Quarterly Payment Date: 13 March

3. TERMS AND CONDITIONS OF THE CLASS A-1 NOTES

The following, subject to amendments in accordance with the Note Trust Deed, are the terms and conditions of the Class A-1 Notes, substantially as they will appear on the reverse of the Class A-1 Notes in definitive form. Class A-1 Notes in definitive form will only be issued in certain circumstances. While the Class A-1 Notes remain in global form, the same terms and conditions govern them, except to the extent that they are appropriate only to the Class A-1 Notes in definitive form. For a summary of the provisions relating to the Class A-1 Notes in global form, see the summary at the end of this Section 3.

Paragraphs in italics are included by way of explanation only, and do not constitute part of the terms and conditions of the Class A-1 Notes.

Perpetual Trustees Consolidated Limited in its capacity as trustee of the Crusade Euro Trust No. 1E of 2007 (the "**Trust**") (in such capacity, the "**Issuer Trustee**") will issue of €500,000,000 Class A-1 Mortgage Backed Pass Through Floating Rate Notes due September 2038 (the "**Class A-1 Notes**"), A\$1,400,000,000 Class A-2 Mortgage Backed Pass Through Floating Rate Notes due September 2038 (the "**Class A-2 Notes**" and, together with the Class A-1 Notes, the "**Class A Notes**"), A\$29,200,000 Class B Mortgage Backed Pass Through Floating Rate Notes due September 2038 (the "**Class B Notes**"), and A\$18,000,000 Class C Mortgaged Backed Pass Through Floating Rate Notes due September 2038 (the "**Class C Notes**", and the Class A-2 Notes, the Class B Notes and the Class C Notes together being the "**A\$ Notes**", and the Class A Notes, the Class B Notes and the Class C Notes together being the "**Notes**").

The Notes are:

- (a) issued subject to a Master Trust Deed (the "**Master Trust Deed**") dated 14 March 1998 between Perpetual Trustees Consolidated Limited, Crusade Management Limited (ABN 90 072 715 916) (in such capacity, the "**Manager**" and, in the capacity of residual income beneficiary under the Trust, the "**Residual Income Beneficiary**") and St. George Bank Limited (ABN 92 055 513 070) ("**St. George Bank**"), a Supplementary Terms Notice (the "**Supplementary Terms Notice**") dated on or around 22 June 2007 between (among others) the Issuer Trustee, Deutsche Trustee Company Limited (the Note Trustee for the time being, referred to as the "**Note Trustee**") as trustee for the holders for the time being of the Class A-1 Notes (the "**Class A-1 Noteholders**" and, together with the holders for the time being of the Class A-2 Notes, the "**Class A Noteholders**", and the holders of the Class B Notes being the "**Class B Noteholders**" and the holders of the Class C Notes being the "**Class C Noteholders**", with the Class A Noteholders, the Class B Noteholders and the Class C Noteholders together being the "**Noteholders**", and the Class A-2 Noteholders, the Class B Noteholders and the Class C Noteholders together being the "**A\$ Noteholders**") and the Manager, and these terms and conditions (the "**Conditions**");
- (b) in the case of the Class A-1 Notes, constituted by a Note Trust Deed dated on or around 22 June 2007 (the "**Note Trust Deed**") between the Issuer Trustee, the Manager, the Principal Paying Agent, the Calculation Agent, the Security Trustee and the Note Trustee; and
- (c) secured by a Security Trust Deed (the "**Security Trust Deed**") dated 14 June 2007 between the Issuer Trustee, the Note Trustee, the Manager and P.T. Limited (ABN 67 004 454 666) (the security trustee for the time being, referred to as the "**Security Trustee**").

The statements set out below include summaries of, and are subject to the detailed provisions of, the Master Trust Deed, the Supplementary Terms Notice, the Security Trust Deed and the Note Trust Deed. Certain words and expressions used herein have the meanings defined in those documents.

In accordance with an agency agreement (the "**Agency Agreement**") dated on or around 22 June 2007 between the Issuer Trustee, the Manager, the Note Trustee, Deutsche Bank Luxembourg S.A. as Note Registrar and Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes its successors as Principal Paying Agent under the Agency Agreement) and Deutsche Bank AG, London Branch as calculation agent (the "**Calculation Agent**", which expression includes its successors as Calculation Agent under the Agency Agreement) and under which further paying agents may be appointed (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes the successors of each paying agent as such under the Agency Agreement and any additional paying agents appointed), payments in respect of the Class A-1

Notes will be made on behalf of the Issuer Trustee by the Paying Agents and the Calculation Agent will make the determinations specified in the Agency Agreement.

The Class A-1 Noteholders will be entitled (directly or indirectly) to the benefit of, will be bound by, and will be deemed to have notice of, all the provisions of the Conditions, the Master Trust Deed, the Supplementary Terms Notice, the Security Trust Deed, the Note Trust Deed, the Servicing Agreement (the “**Servicing Agreement**”) dated 14 March 1998 and made between Perpetual Trustees Consolidated Limited, the Manager and St. George Bank as servicer (together with any substitute or successor, the “**Servicer**”), the Custodian Agreement (the “**Custodian Agreement**”) dated 14 March 1998 and made between Perpetual Trustees Consolidated Limited, the Manager and St. George Custodial Pty Ltd as custodian (together with any substitute or successor, the “**Custodian**”) and the Indemnity (the “**Indemnity**”) dated 14 March 1998 between St. George Bank as indemnifier (in such capacity, the “**Indemnifier**”), the Manager, the Custodian and Perpetual Trustees Consolidated Limited (together with the agreements with respect to the Basis Swap, the Fixed-Floating Rate Swap and the Currency Swap (as each such term is defined below), those documents, together with certain other transaction documents, the “**Transaction Documents**”). Copies of the Transaction Documents are available for inspection at the principal office of the Note Trustee, being at the date hereof Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and the office of the Issuer Trustee.

In connection with the issue of the Notes, the Issuer Trustee has entered into an ISDA (defined below) master interest rate exchange agreement dated on or around 22 June 2007 with Crusade Management Limited (the “**Basis Swap Provider**”) and St. George Bank (the “**Standby Basis Swap Provider**”) together with one confirmation relating thereto dated on or around 22 June 2007 (the “**Basis Swap**”). The Issuer Trustee has also entered into an ISDA master interest rate exchange agreement dated on or around 22 June 2007 with Crusade Management Limited (the “**Fixed-Floating Rate Swap Provider**”) and St. George Bank (the “**Standby Fixed-Floating Rate Swap Provider**”) together with two confirmations relating thereto dated on or around 22 June 2007 (the “**Fixed-Floating Rate Swap**”). The Issuer Trustee has also entered into an ISDA master currency exchange agreement dated on or around 22 June 2007 with Barclays Bank PLC (the “**Currency Swap Provider**”) and, together with the Basis Swap Provider and the Fixed-Floating Rate Swap Provider, the “**Swap Providers**”) together with one confirmation relating thereto dated on or around 22 June 2007 in respect of a swap transaction relating to the Class A-1 Notes (the “**Currency Swap**”).

Each Class A-1 Note, whether in the form of the Book-Entry Note or a Definitive Note will bear the following legend: “This obligation has not been and will not be registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in contravention of that Act.”

Each Book-Entry Note will also bear the following legend: “This Book-Entry Note is a Book-Entry Note for the purposes of section 128F(10) of the Income Tax Assessment Act 1936 of the Commonwealth of Australia”.

1. Form, Denomination and Title

The Class A-1 Notes are issued in registered form, without interest coupons, in the denomination of €100,000 each or in integral multiples of €50,000 above that amount.

Each Class A-1 Note (whether in book-entry or definitive form) is not a document of title. Title shall be determined by entry in the Note Register and only the duly registered holder from time to time is entitled to payments in respect of a Class A-1 Note.

The Class A-1 Notes will be represented initially by a Book-Entry Note in registered form (the “**Book-Entry Note**”) registered in the name of BT Globenet Nominees Limited and deposited with the Common Depositary. Beneficial interests in the Book-Entry Note will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg and their participants and pursuant to the terms of the Note Trust Deed including restrictions on transfer contained therein. Euroclear and Clearstream, Luxembourg may hold interests in the Book-Entry Note on behalf of persons who have accounts with Euroclear and Clearstream, Luxembourg through accounts maintained in the names of Euroclear or Clearstream, Luxembourg.

If the Issuer Trustee is obliged to issue Definitive Notes under clause 3.4 of the Note Trust Deed, interests in the Book-Entry Note will be transferred to the beneficial owners thereof in the form of Definitive Notes, without interest coupons, in the denominations set forth above. A Definitive Note will be issued to each Class A-1 Noteholder in respect of its registered holding or holdings of Class A-1

Notes against delivery by such Class A-1 Noteholder of a written order containing instructions and such other information as the Issuer Trustee and Deutsche Bank Luxembourg S.A., acting as a note registrar in relation to the Class A-1 Notes (the “**Note Registrar**”) may require to complete, execute and deliver such Definitive Notes. In such circumstances, the Issuer Trustee will cause sufficient Definitive Notes to be executed and delivered to the Note Registrar for completion, authentication (by the Principal Paying Agent) and dispatch to the relevant Class A-1 Noteholders.

2. Status, Security and Relationship between the Notes

The Notes are secured by a floating security over all of the assets of the Trust (which include, among other things, the Purchased Loans (as defined below) and the Mortgages (as defined below) and related securities) granted by the Issuer Trustee under the Security Trust Deed) (the “**Assets**”) and within each class will rank *pari passu* and rateably without any preference or priority among themselves.

The priorities with regard to payment of interest and principal in respect of the Notes are set out in Conditions 4 “Interest” and 5 “Redemption”. The Notes are secured by the same security, but before and after any enforcement of the charge under the Security Trust Deed, payments in respect of interest on the Class B Notes and the Class C Notes are subordinated to payments of interest in respect of the Class A Notes, and payments in respect of interest on the Class C Notes are subordinated to payments of interest in respect of the Class B Notes. The Class A Notes will rank *pari passu* and rateably both before and after any enforcement of the charge under the Security Trust Deed. The Class B Notes will rank *pari passu* and rateably both before and after any enforcement of the charge under the Security Trust Deed. The Class C Notes will rank *pari passu* and rateably both before and after any enforcement of the charge under the Security Trust Deed.

Before and after any enforcement of the charge under the Security Trust Deed, the Noteholders and other Mortgagees will only have recourse to the Assets forming the Trust and no other assets of the Issuer Trustee (in any capacity) will be available for payment of any shortfall except in certain limited circumstances. The terms of the Security Trust Deed provide that, on enforcement, certain payments, such as fees and expenses payable to other parties, including the Issuer Trustee, will be made in priority to payment in respect of Interest and repayment of principal on the Notes.

The net proceeds of realisation of the Assets of the Trust (including following enforcement of the Security Trust Deed) may be insufficient to pay all amounts due to the Noteholders. Save in certain limited circumstances the assets of Perpetual Trustees Consolidated Limited in its personal capacity or in its capacity as trustee of any other trust will not be available for payment of any shortfall arising and all claims in respect of such shortfall shall be extinguished. None of the Servicer, the Manager, St. George Bank, the Note Trustee, the Security Trustee, the Swap Providers, the Paying Agents, the Calculation Agent or the Lead Manager (as defined in the Supplementary Terms Notice) has any obligation to any Noteholder for payment of any amount by the Issuer Trustee in respect of the Notes.

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A-1 Noteholders as regards all the powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise).

The Security Trust Deed contains provisions requiring the Security Trustee, subject to the other provisions of the Security Trust Deed, to give priority to the interests of the Class A Noteholders if there is a conflict between the interests of such Noteholders and any other Voting Mortgagee (as defined below). The Security Trustee is required, subject to the provisions of the Security Trust Deed and the Supplementary Terms Notice, (a) to give priority to the interests of the Class A Noteholders if there is a conflict between their interests and the interests of Class B Noteholders or the Class C Noteholders, (b) to give priority to the interests of the Class B Noteholders if there is a conflict between their interests and the interests of Class C Noteholders, and (c) to give priority to the interests of the Noteholders if there is a conflict between the interests of the Noteholders and any other Mortgagee (as defined below). If there is a conflict between the interests of Class A-1 Noteholders and Class A-2 Noteholders, the Security Trustee must convene a meeting of the Class A Noteholders to resolve that conflict. An Extraordinary Resolution (as defined below) of the Class A Noteholders in respect of the conflict is binding on all the Class A-1 Noteholders and Class A-2 Noteholders.

3. Covenants of the Issuer Trustee

So long as any of the Notes remains outstanding, the Issuer Trustee has made certain covenants for the benefit of the Noteholders which are set out in the Master Trust Deed.

These covenants include the following:

- (a) The Issuer Trustee shall act continuously as trustee of the Trust until the Trust is terminated as provided by the Master Trust Deed or the Issuer Trustee has retired or been removed from office in the manner provided under the Master Trust Deed.
- (b) The Issuer Trustee shall:
 - (i) act honestly and in good faith and comply with all relevant material laws in the performance of its duties and in the exercise of its discretions under the Master Trust Deed;
 - (ii) subject to the Master Trust Deed, 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 the Noteholders and other creditors and beneficiaries of the Trust;
 - (iii) use its best endeavours to carry on and conduct its business in so far as it relates to the Master Trust Deed in a proper and efficient manner;
 - (iv) keep, or ensure that the Manager keeps, accounting records which correctly record and explain all amounts paid and received by the Issuer Trustee;
 - (v) keep the Trust separate from each other trust which is constituted under the Master Trust Deed and from its own assets and account for assets and liabilities of the Trust separately from those of other trusts constituted under the Master Trust Deed and from its own assets and liabilities;
 - (vi) do everything and take all such actions which are necessary (including obtaining all appropriate authorisations which relate to it as trustee of the Trust and taking all actions necessary to assist the Manager to obtain all other appropriate authorisations) to ensure that it is able to exercise all its powers and remedies and perform all its obligations under the Master Trust Deed, the Transaction Documents and all other deeds, agreements and other arrangements entered into by the Issuer Trustee under the Master Trust Deed;
 - (vii) not engage in any business or activity in respect of the Trust except as contemplated or required by the Transaction Documents;
 - (viii) except as contemplated or required by the Transaction Documents, maintain an independent and arm's length relationship with its related bodies corporate in relation to dealings affecting the Trust;
 - (ix) except as contemplated or required by the Transaction Documents, not, in respect of the Trust, guarantee or become obligated for the debts of any other entity or hold out its credit as being available to settle the obligations of others; and
 - (x) comply with the rules and regulations of ASX Limited and the Australian Securities Exchange (the "ASX").

Except as provided in any Transaction Document (and other than the charge given to the Security Trustee), the Issuer Trustee shall not, nor shall it permit any of its officers to, sell, mortgage, charge or otherwise encumber or part with possession of any Asset of the Trust.

The Issuer Trustee covenants that it will duly observe and perform the covenants and obligations of the Master Trust Deed, and the Issuer Trustee will be personally liable to the Servicer, the Noteholders, the Residual Income Beneficiary, the Lead Manager, the Note Trustee or other creditors of the Trust, as the case may be, only to the extent that there has been a reduction in its indemnity from the Assets as a result of its negligence, fraud or Default (as defined in Condition 15(b)(vii) "Liability of Trustee limited to its right of indemnity"). The Issuer Trustee is not responsible for the acts or omissions of its agents and delegates (including persons referred to in clause 17.6 of the Master Trust Deed) selected by the Issuer Trustee in good faith and using reasonable care, except where the Issuer Trustee expressly instructs the agent or delegate to do (or omit to do) the relevant act, if the Issuer Trustee is aware of the default of the agent or delegate and does not take the action available

to it under the Transaction Documents to address the act or omission or where the Transaction Documents expressly provide that the Issuer Trustee is so liable.

The Issuer Trustee will open and operate certain bank accounts in accordance with the Master Trust Deed and the Supplementary Terms Notice.

Subject to the Master Trust Deed and any Transaction Document to which it is a party, the Issuer Trustee shall act on all directions given to it by the Manager in accordance with the terms of the Master Trust Deed.

The Issuer Trustee shall properly perform the functions which are necessary for it to perform under all Transaction Documents in respect of the Trust.

4. Interest

(a) Payment Dates

Each Class A-1 Note bears interest on its Invested Amount (as defined below) from and including 26 June 2007 or such other date as may be agreed between the Manager and the Lead Manager for the issue of the Class A-1 Notes (the "**Closing Date**"). Provided certification of non-US beneficial ownership has been received with respect to the Class A-1 Notes, interest in respect of the Class A-1 Notes will be payable quarterly in arrear on the 13th day of March, June, September and December, provided that, if any such date would otherwise fall on a day which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day (as defined below), unless that day falls in the next calendar month, in which case the due date will be the preceding Business Day (each such date a "**Quarterly Payment Date**"). The first Quarterly Payment Date is 13 September 2007. The final Quarterly Payment Date will be the earlier of the Final Maturity Date and the Quarterly Payment Date on which the Notes are redeemed in full.

"**Business Day**" in these Conditions means any day other than a Saturday, Sunday or public holiday on which banks are open for business in London and Sydney and on which the Trans-European Automated Real-Time Gross-Settlement Express Transfer (TARGET) System or any successor to it is open.

The period beginning on (and including) the Closing Date and ending on (but excluding) the first Quarterly Payment Date, and each successive period beginning on (and including) a Quarterly Payment Date and ending on (but excluding) the next Quarterly Payment Date and the final period referred to below is called a "**Quarterly Interest Period**". Interest payable on a Class A-1 Note in respect of any Quarterly Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

The final Quarterly Interest Period for the Class A-1 Notes begins on (and includes) the Quarterly Payment Date prior to the date on which the Class A-1 Notes are redeemed in full and ends on (but excludes) the date on which the Class A-1 Notes are so redeemed; provided that if the Stated Amount (as defined in Condition 5(b) "Mandatory Redemption in part from Principal Collections and apportionment of Principal Collections between the Class A-1 Notes") of any Class A-1 Note on the due date for redemption is not zero and payment of principal due is improperly withheld or refused, the final Quarterly Interest Period shall end on the later of:

- (i) the date on which the moneys in respect of that Class A-1 Note have been received by the Note Trustee or the Principal Paying Agent and notice to that effect is given in accordance with these Conditions; and
- (ii) the Stated Amount of that Class A-1 Note has been reduced to zero (provided that interest shall thereafter begin to accrue from (and including) any date on which the Stated Amount of that Class A-1 Note becomes greater than zero).

Interest shall cease to accrue on any Class A-1 Note from (and including):

- (A) the date on which the Stated Amount of that Class A-1 Note is reduced to zero (provided that interest shall thereafter begin to accrue from (and including) any date on which the Stated Amount of that Class A-1 Note becomes greater than zero); or
- (B) if the Stated Amount on the due date for redemption in full of that Class A-1 Note is not zero, the due date for redemption in full of that Class A-1 Note, unless, after the due date for redemption, payment of principal due is improperly withheld or refused, following which

interest shall continue to accrue on the Invested Amount of the Class A-1 Note at the rate from time to time applicable to the Class A-1 Notes until the later of (1) the date on which the moneys in respect of that Class A-1 Note have been received by the Note Trustee or the Principal Paying Agent and notice to that effect is given in accordance with Condition 12 "Notices", and (2) the Stated Amount of that Class A-1 Note has been reduced to zero (provided that interest shall thereafter begin to accrue from (and including) any date on which the Stated Amount of that Class A-1 Note becomes greater than zero).

(b) Interest Rate

The rate of interest applicable from time to time to the Class A-1 Notes (the "**Interest Rate**") will be determined by the Calculation Agent on the basis of the following paragraphs.

On the second EURIBOR Business Day before the beginning of each Quarterly Interest Period (each an "**Interest Determination Date**"), the Calculation Agent will determine "**EURIBOR**", which is the rate "EUR-EURIBOR – Telerate", as the applicable Floating Rate Option under the Definitions of the International Swaps and Derivatives Association, Inc. ("**ISDA**") incorporating the 2000 ISDA Definitions, as amended and updated as at the Issue Date (the "**ISDA Definitions**") being applicable for deposits in Euros for a period of three months (or, in the case of the first Quarterly Interest Period, the linear interpolation of 2 and 3 months) which appears on the Reuters page EURIBOR01 as of 11.00 am, Brussels time, on the relevant Interest Determination Date. If such rate does not appear on the Reuters page EURIBOR01, the rate for that Quarterly Interest Period will be determined as if the Issuer Trustee and the Calculation Agent had specified "**EUR-EURIBOR-Reference Banks**" as the applicable Floating Rate Option under the ISDA Definitions. "**EUR-EURIBOR-Reference Banks**" means that the rate for a Quarterly Interest Period for the Class A-1 Note will be determined on the basis of the rates at which deposits in Euros are offered by four major banks in the Euro-zone interbank market agreed to by the Calculation Agent and the Currency Swap Provider (the "**Reference Banks**") at approximately 11.00 am, Brussels time, on the relevant Interest Determination Date to prime banks in the Euro-zone interbank market for a period of three months (or, in the case of the first Quarterly Interest Period, the linear interpolation of 2 and 3 months) commencing on the first day of the Quarterly Interest Period and in a Representative Amount (as defined in the ISDA Definitions). The Calculation Agent will request the principal Euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided by Reference Banks to the Calculation Agent, the rate for that Quarterly Interest Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided by Reference Banks to the Calculation Agent following the Calculation Agent's request, the rate for that Quarterly Interest Period will be the arithmetic mean of the rates quoted by four major banks in the Euro-zone, selected by the Calculation Agent and the Currency Swap Provider, at approximately 11.00 am, Brussels time, on that Interest Determination Date for loans in Euros to leading European banks for a period of three months (or, in the case of the first Quarterly Interest Period, the linear interpolation of 2 and 3 months) commencing on the first day of the Quarterly Interest Period and in a Representative Amount. If no such rates are available in the Euro-zone, then the rate for such Quarterly Interest Period will be the most recently determined rate in accordance with this definition.

In this definition of **EURIBOR**, **EURIBOR Business Day** means any day on which the Trans-European Real-Time Gross Settlement Express Transfer (TARGET) System or any successor to it is open.

There is no maximum or minimum Interest Rate.

(c) Determination of Interest Rate and Calculation of Interest

The Calculation Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, determine the relevant Interest Rate applicable to, and calculate the amount of interest payable on each Class A-1 Note (the "**Interest**") for the immediately succeeding Quarterly Interest Period. The Interest is calculated by applying the Interest Rate for the Class A-1 Notes to the aggregate Invested Amounts of the Class A-1 Notes on the first day of the next Quarterly Interest Period, multiplying such product by the actual number of days in the relevant Quarterly Interest Period and dividing by 360 and rounding the resultant figure down to the nearest cent, and allocated rateably in accordance with the Invested Amount of each Class A-1 Note or (in the case of any Class A-1 Note which is a Book-Entry Note) the beneficial ownership interest in such Global A-1 Note held by each beneficial owner of such Class A-1 Note, and shall accrue due from day to day. The determination of

the Interest Rate and the Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(d) Notification and Publication of Interest Rate and Interest

The Calculation Agent will cause the Interest Rate and the Interest applicable to the Class A-1 Notes for each Quarterly Interest Period and the relevant Quarterly Payment Date to be notified to the Issuer Trustee, the Manager, the Note Trustee, the Paying Agents and the Currency Swap Provider, and the Manager on behalf of the Issuer Trustee will cause the same to be published in accordance with Condition 12 "Notices" on or as soon as possible after the date of commencement of the relevant Quarterly Interest Period. The Interest and the relevant Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of a shortening of the Quarterly Interest Period.

(e) Determination or Calculation by the Manager

If the Calculation Agent at any time for any reason does not determine the Interest Rate or calculate the Interest for the Class A-1 Notes, the Manager shall do so and each such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Manager shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that it can do so, and, in all other respects it shall do so in such a manner as it reasonably considers to be fair and reasonable in all the circumstances.

(f) Calculation Agent

The Issuer Trustee will procure that, so long as any of the Class A-1 Notes remains outstanding, there will at all times be a Calculation Agent. The Issuer Trustee, or the Manager with the consent of the Issuer Trustee (such consent not to be unreasonably withheld), with the prior written approval of the Note Trustee, reserves the right at any time to terminate the appointment of the Calculation Agent immediately on the occurrence of certain specified events or, otherwise, by giving not less than 60 days' notice in writing to, *inter alios*, the Calculation Agent. Notice of that termination will be given to the Class A-1 Noteholders, and any stock exchange or other relevant authority on which the Class A-1 Notes are listed and/or traded, in accordance with the Agency Agreement. If any person is unable or unwilling to continue to act as the Calculation Agent, or if the appointment of the Calculation Agent is terminated, the Issuer Trustee will, with the prior written approval of the Note Trustee, appoint a successor Calculation Agent to act as such in its place, provided that neither the resignation nor removal of the Calculation Agent shall take effect until a successor approved by the Note Trustee has been appointed.

(g) Income distribution

(i) Monthly

Subject to paragraph (iii), on each Monthly Payment Date (other than a Quarterly Payment Date) and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or allocate or cause to be paid or allocated out of Total Available Funds, in relation to the Monthly Collection Period ending immediately before that Monthly Payment Date, the following amounts in the following order of priority:

- (A) first, an amount up to any "**Accrued Interest Adjustment**" required to be paid to the Approved Seller (being all interest and fees accrued on the Purchased Loans up to (but excluding) the Closing Date which are unpaid as at the close of business on the Closing Date), and each of the Issuer Trustee, the Noteholders and the other creditors that have the benefit of the Security Trust Deed acknowledges and agrees that it has no entitlement to the moneys comprising the Accrued Interest Adjustment;
- (B) second, payment to the Fixed-Floating Rate Swap Provider under the Fixed-Floating Rate Swap of any Break Payments received by or on behalf of the Issuer Trustee from a borrower under a Purchased Loan (a "**Borrower**") or the Mortgage Insurer during the Monthly Collection Period, to be allocated as follows:
 - (1) if there are no additional fixed-floating rate swap providers, the amount available for payment under sub-paragraph (B) will be paid to the Fixed-Floating Rate Swap Provider;

- (2) if there are multiple fixed-floating rate swap providers, the amount available for payment under sub-paragraph (B) will be allocated among all of the fixed-floating rate swap providers pursuant to the Fixed-Floating Rate Swap and any additional fixed-floating rate swaps, as applicable;
- (C) third (unless specified later in this sub-paragraph (i)), Trust Expenses which have been incurred prior to that Monthly Payment Date and which have not previously been paid or reimbursed under an application of this paragraph (g)(i) on a prior Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date), in the order set out in the definition of "**Trust Expenses**" in the Supplementary Terms Notice);
- (D) fourth, without duplication, any amounts that would have been payable under this sub-paragraph (i) (other than amounts which would have been payable or allocable under sub-paragraph (E) to (J) (inclusive)), on any previous Monthly Payment Date, if there had been sufficient Total Available Funds, which have not been paid by the Issuer Trustee, in the order they would have been paid under that prior application of funds as described in this sub-paragraph (i);
- (E) fifth, *pari passu* and rateably as between themselves:
- (1) allocation of the Class A-1 Notes accrued Interest in an amount equal to the A\$ Equivalent of Interest accrued on the Class A-1 Notes for that portion of the applicable Quarterly Interest Period which fell during the applicable Monthly Interest Period, to be retained in the Collection Account or invested in Authorised Investments until applied to payments of Interest to the Class A-1 Noteholders on the following Quarterly Payment Date;
 - (2) payment to the Class A-2 Noteholders of Interest accrued on the Class A-2 Notes for the applicable Monthly Interest Period;
 - (3) payment to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, of the net amount (if any) due to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, under the Fixed-Floating Rate Swap and any additional fixed-floating rate swap, as applicable (other than any break costs with respect to the termination of the Fixed-Floating Rate Swap or any additional fixed-floating rate swap, as applicable, where the Fixed-Floating Rate Swap Provider or any additional fixed-floating rate swap provider, as applicable, is the Defaulting Party or sole Affected Party); and
 - (4) payment to the Basis Swap Provider of the net amount (if any) due to it under the Basis Swap;
- (F) sixth, any amounts that would have been paid or allocated under sub-paragraph (E), on any previous Monthly Payment Date, if there had been sufficient Total Available Funds, which have not been paid or allocated by the Issuer Trustee;
- (G) seventh, as an allocation to Available Income to be applied on the next Quarterly Payment Date an amount equal to Interest accrued on the Class B Notes for that portion of the applicable Quarterly Interest Period which fell during the applicable Monthly Interest Period, to be retained in the Collection Account or invested in Authorised Investments until applied as Available Income on the following Quarterly Payment Date;
- (H) eighth, as an allocation to Available Income to be applied on the next Quarterly Payment Date, an amount equal to any amounts that would have been allocated under sub-paragraph (G), on any previous Monthly Payment Date, if there had been sufficient Total Available Funds, which have not been paid or allocated by the Issuer Trustee to be retained in the Collection Account or invested in Authorised Investments until applied as Available Income on the following Quarterly Payment Date;
- (I) ninth, as an allocation to Available Income to be applied on the next Quarterly Payment Date, an amount equal to Interest accrued on the Class C Notes for that portion of the applicable Quarterly Interest Period which fell during the applicable Monthly Interest Period, to be retained in the Collection Account or invested in Authorised Investments until applied as Available Income on the following Quarterly Payment Date; and

- (J) tenth, as an allocation to Available Income to be applied on the next Quarterly Payment Date, an amount equal to any amounts that would have been allocated under sub-paragraph (I), on any previous Monthly Payment Date, if there had been sufficient Total Available Funds, which have not been paid or allocated by the Issuer Trustee to be retained in the Collection Account or invested in Authorised Investments applied as available income on the following Quarterly Payment Date.

(ii) Quarterly

Subject to sub-paragraph (iii), on each Quarterly Payment Date, and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or cause to be paid out of Total Available Funds (defined below), in relation to the Monthly Collection Period (defined below) ending immediately before that Quarterly Payment Date, the following amounts in the following order of priority:

- (A) first, an amount up to any Accrued Interest Adjustment required to be paid to the Approved Seller (and each of the Issuer Trustee, the Noteholders and the other creditors that have the benefit of the Security Trust Deed acknowledges and agrees that it has no entitlement to the moneys comprising the Accrued Interest Adjustment);
- (B) second, payment to the Fixed-Floating Rate Swap Provider under the Fixed- Floating Rate Swap of any break payments received by or on behalf of the Issuer Trustee from a Borrower under a Purchased Loan or a Mortgage Insurer during the Monthly Collection Period, to be allocated as follows:
- (1) if there are no additional fixed-floating rate swap providers, the amount available for payment under sub-paragraph (B) will be paid to the Fixed-Floating Rate Swap Provider;
 - (2) if there are multiple fixed-floating rate swap providers, the amount available for payment under sub-paragraph (B) will be allocated among all of the fixed-floating rate swap providers pursuant to the Fixed-Floating Rate Swap and any additional fixed-floating rate swaps, as applicable;
- (C) third (unless specified later in this paragraph (g)(ii)), Trust Expenses which have been incurred prior to that Quarterly Payment Date and which have not previously been paid or reimbursed under an application of this paragraph (g)(ii) on a prior Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) (in the order of priority set out in the definition of “**Trust Expenses**” as more fully described in the Supplementary Terms Notice);
- (D) fourth, without duplication, any amounts that would have been payable under this paragraph (g)(ii) (other than under sub-paragraphs (E) to (J) (inclusive)) on any previous Quarterly Payment Date, if there had been sufficient Total Available Funds, which have not been paid by the Issuer Trustee and in the order they would have been paid under that prior application of funds as described in this paragraph (g);
- (E) fifth, *pari passu* and rateably as between themselves:
- (1) the payment to the Currency Swap Provider under the Currency Swap of the A\$ Class A-1 Interest Amount payable under the Currency Swap at that date for the applicable Quarterly Interest Period (including all amounts allocated under paragraph (i)(E)(1) for the two preceding Monthly Payment Dates);
 - (2) the payment to the Class A-2 Noteholders of the Class A-2 Interest amount for the relevant Monthly Interest Period;
 - (3) payment to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, of the net amount (if any) due to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, under the Fixed-Floating Rate Swap and any additional fixed-floating rate swap, as applicable (other than any break costs with respect to the termination of the Fixed-Floating Rate Swap or any additional fixed-floating rate swap, as applicable, where the Fixed-Floating Rate Swap Provider or any additional fixed-floating rate swap provider, as applicable, is the Defaulting Party or sole Affected Party); and

- (4) payment to the Basis Swap Provider of the net amount (if any) due to it under the Basis Swap;
- (F) sixth, any amounts that would have been payable under sub-paragraph (E) on any previous Quarterly Payment Date, if there had been sufficient Total Available Funds, which have not been paid by the Issuer Trustee;
- (G) seventh, the payment to the Class B Noteholders of the Class B Interest amount for the relevant Quarterly Interest Period (including all amounts allocated under paragraph (i)(G) for the two preceding Monthly Payment Dates);
- (H) eighth, any amounts that would have been payable under sub-paragraph (G) on any previous Quarterly Payment Date, if there had been sufficient Total Available Funds, which have not been paid by the Issuer Trustee (including all amounts allocated under paragraph (i)(H), for the two preceding Monthly Payment Dates);
- (I) ninth, the payment to the Class C Noteholders of the Class C Interest amount for the relevant Quarterly Interest Period (including all amounts allocated under paragraph (i)(I) for the two preceding Monthly Payment Dates); and
- (J) tenth, any amounts that would have been payable under sub-paragraph (I), on any previous Quarterly Payment Date, if there had been sufficient Total Available Funds, which have not been paid or allocated by the Issuer Trustee (including all amounts allocated under paragraph (i)(J) for the two preceding Monthly Payment Dates).

(iii) Limit

The Issuer Trustee shall only make a payment or allocation under any of the above sub-paragraphs of sub-paragraphs (i) and (ii) if it is directed in writing by the Manager to do so and only to the extent that any Total Available Funds remain from which to make the payment or allocation after amounts with priority to that payment have been paid or allocated (as the case may be).

(iv) Interpretation

If the Manager determines on any Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date) that the Available Income of the Trust is insufficient to meet the payments referred to in this paragraph (g) in respect of a Monthly Payment Date (the “**Total Payments**”) for the relevant Monthly Collection Period (a “**Payment Shortfall**”), then available Principal Collections (as defined below) can be used to fund the Payment Shortfall (a “**Principal Draw**”).

Further, if the Manager determines on any Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date) that, after having made a Principal Draw, the relevant Payment Shortfall will not be fully met (a “**Liquidity Shortfall**”), the Manager must direct the Issuer Trustee to make a drawing from a “**Liquidity Reserve**” established on the Closing Date out of the proceeds of issue of Notes (each such drawing being a “**Liquidity Draw**”) to fund the Liquidity Shortfall. The Liquidity Reserve is required to equal 0.90% of the aggregate principal amount outstanding of the Purchased Loans from time to time (the “**Liquidity Limit**”). To the extent that the Liquidity Reserve on a Quarterly Determination Date exceeds the then current Liquidity Limit, and provided that following any such reduction the Liquidity Limit does not exceed the total amount of outstanding Liquidity Draws, the Liquidity Reserve will be reduced in accordance with the cashflow allocation methodology set out in Condition 5 “Redemption” by an amount such that after such reduction the Liquidity Reserve equals the Liquidity Limit as determined by the Manager from time to time.

Capitalised terms in this paragraph (g) have the same meaning given in the Supplementary Terms Notice unless otherwise defined in this document.

“**Total Available Funds**” means, for a Monthly Collection Period:

- (a) Available Income for that Monthly Collection Period; plus
- (b) any Principal Draws for that Monthly Collection Period; plus
- (c) any Liquidity Draws for that Monthly Collection Period; plus

- (d) with respect to any Monthly Collection Period the Monthly Payment Date following which is also a Quarterly Payment Date, any amounts retained in the Collection Account or invested in Authorised Investments on the two immediately preceding Monthly Payment Dates for application on that Quarterly Payment Date on account of the accrued] interest for the Class A-1 Notes, the Class B Notes and the Class C Notes.

“**Available Income**” means, for a Monthly Collection Period, the aggregate of:

- (a) the “**Finance Charge Collections**” for that Monthly Collection Period, being the sum of:
- (i) the aggregate of all amounts received by or on behalf of the Issuer Trustee during that Monthly Collection Period in respect of interest, fees and other amounts in the nature of income payable under or in respect of the Purchased Loans and related security and other rights with respect thereto including:
 - (A) amounts on account of interest recovered from the enforcement of a Purchased Loan;
 - (B) any payments by the Approved Seller to the Issuer Trustee on the repurchase of a Purchased Loan during that Monthly Collection Period which are attributable to interest;
 - (C) any break payments received during that Monthly Collection Period; and
 - (D) any amount received by the Approved Seller as interest on a loan offset account with respect to a Purchased Loan and which is attributable to interest under that Purchased Loan under the relevant loan contract;
 - (ii) all amounts in respect of interest, fees and other amounts in the nature of income, received by or on behalf of the Issuer Trustee during that Monthly Collection Period including:
 - (A) from the Approved Seller, the Servicer, the Manager, the Issuer Trustee in its personal capacity (in respect of a breach of which it is not entitled to be indemnified out of the Assets of the Trust) or the Custodian, in respect of any breach of a representation, warranty or undertaking contained in the Transaction Documents; and
 - (B) from the Approved Seller, the Servicer, the Indemnifier, the Manager or the Custodian, under any obligation under the Transaction Documents, to indemnify or reimburse the Issuer Trustee for any amount or from the Issuer Trustee in its personal capacity under any obligation under the Transaction Documents to indemnify the Trust,

in each case which are determined by the Manager to be in respect of interest, fees and other amounts in the nature of income payable under the Purchased Loans and related security and other rights with respect thereto; and
 - (iii) recoveries in the nature of income received by or on behalf of the Issuer Trustee during that Monthly Collection Period;
- less:
- (iv) governmental charges collected by or on behalf of the Issuer Trustee for that Monthly Collection Period; and
 - (v) the aggregate of all bank fees and charges due to the Servicer or the Approved Seller as agreed by them and consented to by the Issuer Trustee (that consent not to be unreasonably withheld) from time to time and collected by the Approved Seller or the Servicer during that Monthly Collection Period; and
- (b) to the extent not included in paragraph (a):
- (i) any amount received by or on behalf of the Issuer Trustee in relation to that Monthly Collection Period on or by the Monthly Payment Date immediately following the end of that Monthly Collection Period with respect to net receipts under any Hedge Agreement (and for this purpose net receipts under the Basis Swap will be determined before any payment in Condition 4 “Interest”);

- (ii) any interest income received by or on behalf of the Issuer Trustee during that Monthly Collection Period in respect of moneys credited to the collection account in relation to the Trust;
- (iii) amounts in the nature of interest otherwise paid by the Approved Seller, the Servicer or the Manager to the Issuer Trustee in respect of collections held by it;
- (iv) all other amounts received by or on behalf of the Issuer Trustee in respect of the Assets in the nature of income;
- (v) all amounts received by or on behalf of the Issuer Trustee in the nature of income during that Monthly Collection Period from any provider of a Support Facility under that Support Facility and which the Manager determines should be accounted for in respect of an income loss on the Purchased Loans; and
- (vi) where the Monthly Payment Date following that Monthly Collection Period is a Quarterly Payment Date, all amounts allocated on the two preceding Monthly Payment Dates to Available Income for that Quarterly Payment Date,

but excluding interest credited to a Support Facility collateral account and any eligible credit support transferred to the Issuer Trustee under the Currency Swap.

5. Redemption

Capitalised terms in this Condition 5 have the same meaning given in the Supplementary Terms Notice unless otherwise defined in this document.

(a) Redemption on Final Maturity

If not otherwise redeemed in full (or taken to be redeemed), the Class A-1 Notes will be redeemed at their Stated Amount (together with all accrued but unpaid interest) on the Quarterly Payment Date falling in September 2038. The Class A-1 Note will be taken to be redeemed in full on the earliest of:

- (i) the date upon which the Invested Amount of that Note is reduced to zero;
- (ii) the date on which the relevant Noteholder renounces in writing all its right to any amount payable under or in respect of that Note;
- (iii) the date on which all available amounts received by the Note Trustee with respect to the enforcement of the Security Trust Deed are paid to the Principal Paying Agent;
- (iv) the Quarterly Payment Date immediately following the date on which the Issuer Trustee completes a sale and realisation of all Assets of the Trust in accordance with the Master Trust Deed and the Supplementary Terms Notice; and
- (vi) the Final Maturity Date.

(b) Mandatory Redemption in part from Principal Collections and apportionment of Principal Collections between the Class A-1 Notes

The Class A-1 Notes shall be subject to mandatory redemption in part on any Quarterly Payment Date if on that date there are any Principal Collections (as defined below) available to be distributed in relation to such Class A-1 Notes. The principal amount so redeemable in respect of each Class A-1 Note prior to enforcement of the Security Trust Deed (each a "**Principal Payment**") on any Quarterly Payment Date shall be the amount available for payment as set out in Condition 5(c) "Initial Principal Distributions" on the day which is three Business Days prior to the Quarterly Payment Date (the "**Quarterly Determination Date**") preceding that Quarterly Payment Date divided by the number of the Class A-1 Notes of the relevant Class then outstanding (rounded down to the nearest cent) provided always that no Principal Payment on the Class A-1 Note on any date may exceed the amount equal to the Invested Amount of that Class A-1 Note at that date except in certain circumstances, including enforcement of the Security Trust Deed, in which circumstances no Principal Payment on the Class A-1 Note on any date may exceed the amount equal to the Invested Amount of that Class A-1 Note at that date less amounts charged off as at that date and not to be reinstated on the next Quarterly Payment Date, or to be charged off on the Quarterly Payment Date, as described in Condition 5(d) "Principal Distributions prior to Stepdown Date" (that reduced amount being the "**Stated Amount**" of that Class A-1 Note).

Notice of amounts to be redeemed will be provided by the Manager to the Issuer Trustee, the Calculation Agent, the Principal Paying Agent and the Note Trustee.

Following notification of the amount to be redeemed for each Quarterly Payment Date, the Manager will determine the Class A-1 Bond Factor for the Class A-1 Notes as of such Quarterly Payment Date and will notify the Issuer Trustee, the Calculation Agent, the Principal Paying Agent and the Note Trustee of this amount and shall cause the Bond Factor to be published pursuant to Condition 12 "Notices".

The "**Class A-1 Bond Factor**" for the Class A-1 Notes as of any Quarterly Payment Date will be equal to the ratio, expressed as a percentage (rounded to six decimal places), equal to the aggregate Class A-1 Invested Amounts on that Quarterly Determination Date less the principal payments to be made on the Class A-1 Notes on the Quarterly Payment Date, divided by the aggregate initial Class A-1 Invested Amounts, being €500,000,000.

The "**Class A-1 Invested Amount**" of a Class A-1 Note on any Quarterly Determination Date is equal to its Initial Invested Amount minus the aggregate of the Principal Payments made in respect of that Class A-1 Note on or before that Quarterly Determination Date.

"**Cut-Off Date**" means, in respect of all Purchased Loans and Mortgages, 20 June 2007.

"**Monthly Collection Period**" means, in relation to a Monthly Payment Date, the calendar month which precedes the month in which the Monthly Payment Date occurs. The first Monthly Collection Period is the period from (but including) the Cut-Off Date to (and including) 31 August 2007. The last Monthly Collection Period is the period from (but excluding) the last day of the calendar month that precedes the Termination Date of the Trust to (and including) the Termination Date of the Trust.

"**Monthly Payment Date**" means, in relation to a Monthly Collection Period, the 13th day of the calendar month that follows that Monthly Collection Period, provided that, if any such date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day, unless that day falls in the next calendar month, in which case the Monthly Payment Date will be the preceding Business Day.

"**Principal Collections**" means, in respect of a Monthly Collection Period (as defined below) and as applicable on any Monthly Determination Date, the aggregate of:

- (a) all amounts received by or on behalf of the Issuer Trustee from or on behalf of Borrowers under the Purchased Loans and related security and other rights with respect thereto during the Monthly Collection Period in respect of principal, in accordance with the terms of the Purchased Loans, including principal prepayments;
- (b) all other amounts received by or on behalf of the Issuer Trustee under or in respect of principal under the Purchased Loans and the related Mortgages during that Monthly Collection Period including:
 - (i) any amounts recovered in respect of enforcement of Purchased Loans and Mortgages on account of principal;
 - (ii) any payments by the Approved Seller to the Issuer Trustee on the repurchase by the Approved Seller of a Purchased Loan under the Master Trust Deed during that Monthly Collection Period which are attributable to principal; and
 - (iii) any amounts received from the Approved Seller referred to in Section 8.23 of the Offering Circular for the Class A-1 Notes during that Monthly Collection Period which are attributable to principal;
- (c) all amounts received by or on behalf of the Issuer Trustee during that Monthly Collection Period from any provider of a Support Facility (other than the Currency Swap but including each Mortgage Insurance Policy) under that Support Facility and which the Manager determines should be accounted for to reduce any principal loss on a Purchased Loan, being the total amount outstanding under a Purchased Loan after applying all proceeds from the enforcement of the Purchased Loan and related Mortgages less expenses with respect to such enforcement (a "**Liquidation Loss**") to the extent that Liquidation Loss is attributable to principal (a "**Principal Loss**");
- (d) all amounts received by or on behalf of the Issuer Trustee during that Monthly Collection Period:

- (i) from the Approved Seller, in respect of any breach of a representation, warranty or undertaking of the Approved Seller contained in the Master Trust Deed or the Supplementary Terms Notice;
- (ii) from the Approved Seller under any obligation of the Approved Seller under the Master Trust Deed or the Supplementary Terms Notice to indemnify or reimburse the Issuer Trustee for any amount;
- (iii) from the Servicer, in respect of any breach of any representation, warranty or undertaking of the Servicer contained in the Servicing Agreement;
- (iv) from the Servicer under any obligation of the Servicer under the Servicing Agreement to indemnify or reimburse the Issuer Trustee for any amount;
- (v) from the Custodian in respect of any breach of a representation, warranty or undertaking of the Custodian, or any indemnity from the Custodian, contained in the Custodian Agreement;
- (vi) from the Indemnifier under the Indemnity in respect of losses arising from a breach by the Custodian of its obligations under the Custodian Agreement;
- (vii) from the Issuer Trustee in its personal capacity in respect of any breach of a representation, warranty or undertaking of the Issuer Trustee in respect of a breach of which it is not entitled to be indemnified out of the Assets of the Trust, or any indemnity from the Issuer Trustee in its personal capacity, contained in the Transaction Documents; and
- (viii) from the Manager in respect of any breach of a representation, warranty or undertaking of the Manager in respect of a breach of which it is not entitled to be indemnified out of the Assets of the Trust, or any indemnity from the Manager, contained in the Transaction Documents,

in each case, which are determined by the Manager to be in respect of principal payable under the Purchased Loans and the Mortgages;

- (e) any amounts in the nature of principal received by or on behalf of the Issuer Trustee during that Monthly Collection Period pursuant to the sale of any Asset comprising the Trust (including the A\$ Equivalent of any amount received by the Issuer Trustee on the issue of Notes which was not used to acquire Purchased Loans or Mortgages, and which the Manager determines is surplus to the requirements of the Trust);
- (f) if the Monthly Payment Date immediately following that Monthly Collection Period is also a Quarterly Payment Date, any amount of Excess Available Income (including amounts allocated on the three preceding Monthly Determination Dates) to be applied to pay or reinstate a Principal Charge Off or a Carryover Charge Off, as applicable (as more fully described in Condition 5(g) "Excess Available Income – Reimbursement of Charge Offs, Principal Draws and Liquidity Draws");
- (g) if the Monthly Payment Date immediately following that Monthly Collection Period is also a Quarterly Payment Date, any amount of Excess Available Income (including amounts allocated on the three preceding Monthly Determination Dates) to be applied (as more fully described in Condition 5(g) "Excess Available Income – Reimbursement of Charge Offs, Principal Draws and Liquidity Draws") to Principal Draws made on a previous Monthly Payment Date;
- (h) if the Monthly Payment Date immediately following that Monthly Collection Period is also a Quarterly Payment Date, any amount of Excess Available Income (including amounts allocated on the three preceding Monthly Determination Dates) to be applied (as more fully described in Condition 5(g) "Excess Available Income – Reimbursement of Charge Offs, Principal Draws and Liquidity Draws") to Liquidity Draws made on a previous Quarterly Payment Date or Monthly Payment Date;
- (i) if the Monthly Payment Date immediately following that Monthly Collection Period is also a Quarterly Payment Date, any Surplus Amount for that Monthly Payment Date;
- (j) any amounts retained from the immediately preceding Monthly Collection Period for anticipated shortfalls in payments or to reimburse further Redraws which have not been applied for those purposes on a Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date); and

- (k) if the Monthly Payment Date immediately following that Monthly Collection Period is also a Quarterly Payment Date, an amount equal to any Principal Collections for the two Monthly Collection Periods preceding that Monthly Collection Period which were not paid or allocated as described in paragraph (d) on a previous Monthly Payment Date,

less any amounts deducted by or paid to the Approved Seller to reimburse Redraws funded by the Approved Seller for which the Approved Seller has not previously been reimbursed and any amounts paid by the Issuer Trustee to replace a Receivable of the Trust as further described in clause 8 of the Supplementary Terms Notice.

“Quarterly Collection Period” means, in relation to a Quarterly Payment Date, the three calendar months that precede the calendar month in which the Quarterly Payment Date occurs, save that the first Quarterly Collection Period will be the period from (and including) the Cut-Off Date to (and including) 31 August 2007. The last Quarterly Collection Period ends on (and includes) the date on which the Trust is terminated. Each Monthly Collection Period and Quarterly Collection Period is a **“Collection Period”**.

(c) Initial Principal Distributions

On each Monthly Payment Date, and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or cause to be paid out of Principal Collections, in relation to the Monthly Collection Period ending immediately before that Monthly Payment Date, the following amounts (the **“Initial Principal Distributions”**) in the following order of priority:

- (i) first, to allocate to Total Available Funds any Principal Draws calculated in accordance with Condition 4(g) “Income distribution”;
- (ii) second, to retain in the Collection Account as a provision such amount as the Manager determines is appropriate to make for any anticipated shortfalls in payments under Condition 4(g) “Income distribution” on the following Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date);
- (iii) third, subject to Condition 5(l)(iii) “Redraws and Further Advances”, to repay any Redraws provided by the Approved Seller in relation to Purchased Loans in accordance with Condition 5(l) “Redraws and Further Advances” to the extent that it has not previously been reimbursed in relation to those Redraws; and
- (iv) fourth, to retain in the Collection Account as a provision to reimburse further Redraws an amount up to the Redraw Retention Amount (as defined below) for the next Monthly Collection Period.

The Issuer Trustee shall only make a payment under any of sub-paragraphs (i) to (iv) above inclusive if it is directed in writing to do so by the Manager and only to the extent that any Principal Collections remain from which to make the payment after amounts with priority to that payment have been distributed.

(d) Principal Distributions prior to Stepdown Date or after a Trigger Event

On each Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) prior to the Stepdown Date, or at any time if a Trigger Event is subsisting, and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or apply, or cause to be paid or applied, out of Principal Collections, in relation to the Monthly Collection Period ending immediately before that Monthly Payment Date, the following amounts in the following order of priority:

- (i) first, all the Initial Principal Distributions for that Monthly Collection Period;
- (ii) second, as a deposit to the Liquidity Reserve until amounts standing to the credit of the Liquidity Reserve equal the then current Liquidity Limit;
- (iii) third, *pari passu* and rateably between the Class A-1 Notes and Class A-2 Notes:
 - (A) if that Monthly Payment Date is also a Quarterly Payment Date, *pari passu* and rateably between the Class A-1 Notes and the Class A-2 Notes:
 - (1) as a payment to the Currency Swap Provider under the terms of the Currency Swap, of an amount equal to the lesser of:
 - (a) the sum of:

- (i) the Class A-1 Proportion of the amount available for distribution; and
 - (ii) the Class A-1 Principal Carryover Amount for the two immediately preceding Monthly Payment Dates; and
- (b) the A\$ Equivalent of the aggregate Invested Amounts of all Class A-1 Notes on that Monthly Payment Date,
 - which is thereafter to be applied as payments of principal on the Class A-1 Notes;
- (2) as a payment to the Class A-2 Noteholders of principal on the Class A-2 Notes, an amount equal to the lesser of:
 - (a) the Class A-2 Proportion of the amount available for distribution; and
 - (b) the aggregate Invested Amounts of all Class A-2 Notes on that Monthly Payment Date; or
- (B) if that Monthly Payment Date is not also a Quarterly Payment Date, pari passu and rateably among the Class A-1 Notes and the Class A-2 Notes:
 - (1) an amount equal to the lesser of:
 - (a) the Class A-1 Proportion of the amount available for distribution; and
 - (b) the Class A-1 A\$ Equivalent of the aggregate Invested Amounts of all Class A-1 Notes on that Monthly Payment Date,
 - to be retained in the Collection Account or invested in Authorised Investments as part of the Class A-1 Principal Carryover Amount; and
 - (2) as a payment to the Class A-2 Noteholders of principal on the Class A-2 Notes, an amount equal to the lesser of:
 - (a) the Class A-2 Proportion of the amount available for distribution; and
 - (b) the aggregate Invested Amounts of all Class A-2 Notes on that Monthly Payment Date;
- (iv) fourth, on each Quarterly Payment Date, as a payment to the Class B Noteholders of principal on the Class B Notes, of an amount up to the lesser of:
 - (A) the amount available for distribution under this sub-paragraph (iv) after all payments which have priority under this Condition 5(d); and
 - (B) the aggregate Invested Amounts for all Class B Notes (being, in the case of a Class B Note, A\$100,000 minus the aggregate of the Principal Payments made in respect of that Class B Note) on that Monthly Payment Date;
- (v) fifth, on each Quarterly Payment Date, as a payment to the Class C Noteholders of principal on the Class C Notes, of an amount up to the lesser of:
 - (A) the amount available for distribution under this sub-paragraph (v) after all payments which have priority under this Condition 5(d); and
 - (B) the aggregate Invested Amounts for all Class C Notes (being, in the case of a Class C Note, A\$100,000 minus the aggregate of the Principal Payments made in respect of that Class C Note) on that Monthly Payment Date; and
- (vi) sixth, on each Quarterly Payment Date, on the Business Day immediately following the date on which all Secured Moneys are fully and finally repaid, and only after payment of all amounts referred to in the preceding clauses, the Issuer Trustee first must pay remaining Principal Collections to the Approved Seller in reduction of the principal outstanding under the loan (if any) which the Approved Seller may have made to the Issuer Trustee on the Closing Date to cover the difference (if any) where the net proceeds received by the Issuer Trustee from the issuance of the Notes is less than the purchase price for the Purchased Loans (which loan will not bear interest), as a full and final settlement of the obligations of the issuer trustee under the loan, and then any remaining amounts to the Residual Income Beneficiary as a distribution of capital of the Trust.

“Class A-1 Proportion” means, on any date, the A\$ Equivalent of the aggregate Invested Amount of all Class A-1 Notes at that date divided by the aggregate of the A\$ Equivalent of the Invested Amount of the Class A-1 Notes and the Invested Amount of all Class A-2 Notes.

“Class A-2 Proportion” means, on any date, the aggregate of the Invested Amount of all Class A-2 Notes, at that date divided by the aggregate of the Invested Amount of all Class A-2 Notes and the A\$ Equivalent of the Invested Amount of all Class A-1 Notes.

The Issuer Trustee shall only make a payment under any of sub-paragraphs (i) to (vi) inclusive if it is directed in writing to do so by the Manager and only to the extent that any Principal Collections remain from which to make the payment after amounts with priority to that payment have been distributed.

The Issuer Trustee is also required to make payments out of Principal Collections (towards allocating Principal Draws to Total Available Funds) on each Monthly Payment Date and provisioning for anticipated shortfalls in Total Payments for the succeeding Payment Date (as determined by the Manager).

The Invested Amount for the Class A-1 Notes together with the Class A-2 Invested Amounts, the Class B Invested Amounts and the Class C Invested Amounts are the **“Invested Amounts”** in relation to all Notes.

(e) Principal Distributions on and after Stepdown Date if no Trigger Event is subsisting

On the Stepdown Date and on each Monthly Payment Date after the Stepdown Date, provided that no Trigger Event is subsisting, and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or cause to be paid out of Principal Collections, in relation to the Monthly Collection Period ending immediately before that Monthly Payment Date, the following amounts in the following order of priority:

- (i) first, all the Initial Principal Distributions for that Monthly Collection Period;
- (ii) second, as a deposit to the Liquidity Reserve until amounts standing to the credit of the Liquidity Reserve equal the then current Liquidity Limit;
- (iii) third, as a payment out of the Class A Principal Payment Amount pari passu and rateably between the Class A-1 Notes and the Class A-2 Notes:
 - (A) if that Monthly Payment Date is also a Quarterly Payment Date, pari passu and rateably between the Class A-1 Notes and the Class A-2 Notes:
 - (1) as a payment to the Currency Swap Provider under the terms of the Currency Swap, of an amount equal to the lesser of:
 - (a) the sum of:
 - (i) the Class A-1 Proportion of the Class A Principal Payment Amount; and
 - (ii) the Class A-1 Principal Carryover Amount for the two immediately preceding Monthly Payment Dates; and
 - (b) the A\$ Equivalent of the aggregate Invested Amounts of all Class A-1 Notes on that Monthly Payment Date,
which is thereafter to be applied as payments of principal on the Class A-1 Notes; and
 - (2) as a payment to the Class A-2 Noteholders of principal on the Class A-2 Notes, an amount equal to the lesser of:
 - (a) the Class A-2 Proportion of the Class A Principal Payment Amount; and
 - (b) the aggregate Invested Amounts of all Class A-2 Notes on that Monthly Payment Date; or
 - (B) if that Monthly Payment Date is not also a Quarterly Payment Date, pari passu and rateably among the Class A-1 Notes and the Class A-2 Notes:
 - (1) an amount equal to the lesser of:
 - (a) the Class A-1 Proportion of the Class A Principal Payment Amount; and

- (b) the A\$ Equivalent of the aggregate Invested Amounts of all Class A-1 Notes on that Monthly Payment Date,
to be retained in the Collection Account or invested in Authorised Investments as part of the Class A-1 Principal Carryover Amount; and
 - (2) as a payment to the Class A-2 Noteholders of principal on the Class A-2 Notes, an amount equal to the lesser of:
 - (a) the Class A-2 Proportion of the Class A Principal Payment Amount; and
 - (b) the aggregate Invested Amounts of all Class A-2 Notes on that Monthly Payment Date;
- (iv) fourth:
 - (A) if that Monthly Payment Date is also a Quarterly Payment Date, as a payment to the Class B Noteholders of principal on the Class B Notes of an amount equal to the lesser of:
 - (1) the aggregate of:
 - (a) the Class B Principal Payment Amount; and
 - (b) the Class B Principal Carryover Amount for the two immediately preceding Monthly Payment Dates; and
 - (2) the aggregate Invested Amounts of all Class B Notes on that Monthly Payment Date;
or
 - (B) if that Monthly Payment Date is not also a Quarterly Payment Date, an amount equal to the lesser of:
 - (1) the Class B Principal Payment Amount; and
 - (2) the aggregate Invested Amounts of all Class B Notes on that Monthly Payment Date,
to be retained in the Collection Account or invested in Authorised Investments as part of the Class B Principal Carryover Amount; and
- (v) fifth:
 - (A) if that Monthly Payment Date is also a Quarterly Payment Date, as a payment to the Class C Noteholders of principal on the Class C Notes of an amount equal to the lesser of:
 - (1) the aggregate of:
 - (a) the Class C Principal Payment Amount; and
 - (b) the Class C Principal Carryover Amount for the two immediately preceding Monthly Payment Dates; and
 - (2) the aggregate Invested Amounts of all Class C Notes on that Monthly Payment Date;
or
 - (B) if that Monthly Payment Date is not also a Quarterly Payment Date, an amount equal to the lesser of:
 - (1) the Class C Principal Payment Amount; and
 - (2) the aggregate Invested Amounts of all Class C Notes on that Monthly Payment Date,
to be retained in the Collection Account or invested in Authorised Investments as part of the Class C Principal Carryover Amount; and
- (vi) sixth, on each Quarterly Payment Date, on the Business Day immediately following the date on which all Secured Moneys are fully and finally repaid, and only after payment of all amounts referred to in the preceding clauses, the Issuer Trustee first must pay remaining Principal Collections to the Approved Seller in reduction of the principal outstanding under the loan from the Approved Seller to the Issuer Trustee, if any, for the purchase of the housing loans, as a full and final settlement of the obligations of the Issuer Trustee under that loan and then any remaining amounts to the Residual Income Beneficiary as a distribution of capital of the Trust.

The Issuer Trustee shall only make a payment under any of sub-paragraphs (i) to (vi) inclusive if it is directed in writing to do so by the Manager and only to the extent that any Principal Collections remain from which to make the payment after amounts with priority to that payment have been distributed.

(f) General

No amount of principal will be paid to a Class A-1 Noteholder in excess of the Invested Amount applicable to the Class A-1 Notes held by that Class A-1 Noteholder.

(g) Excess Available Income – Reimbursement of Charge Offs, Principal Draws and Liquidity Draws

(i) General

On each Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date), the Manager will calculate the amount, if any, by which the Total Available Funds for the Monthly Collection Period ending immediately prior to that Monthly Determination Date exceeds the Total Payments for that same Monthly Collection Period. This amount, and with respect to any Quarterly Payment Date, any amounts retained in the Collection Account (or the Liquidity Account, in the case of amounts allocated pursuant to sub-paragraphs (ii)(B) and (iii)(B)) or invested in Authorised Investments on the two immediately preceding Monthly Payment Dates for application on such Quarterly Payment Date as set forth below, is the "**Excess Available Income**" for the related Monthly Collection Period.

(ii) Monthly allocation of Excess Available Income

Subject to sub-paragraph (iv), on each Monthly Determination Date (which is not also a Quarterly Determination Date), the Manager must allocate any Excess Available Income for the related Monthly Collection Period in the following order of priority:

- (A) first, an amount equal to all Principal Charge Offs for that Monthly Collection Period;
- (B) second, an amount equal to all Liquidity Draws which have not been repaid as of that Monthly Payment Date;
- (C) third, an amount equal to all Principal Draws which have not been repaid as of that Monthly Payment Date;
- (D) fourth, *pari passu* and rateably between themselves, based on, in the case of the Class A-1 Notes, the A\$ Equivalent of the Notional Stated Amount of the Class A-1 Notes and in the case of the Class A-2 Notes, the Notional Stated Amount of the Class A-2 Notes:
 - (1) an amount equal to the A\$ Equivalent of any Carryover Class A Charge Offs in respect of the Class A-1 Notes; and
 - (2) an amount equal to any Carryover Class A Charge Offs in respect of the Class A-2 Notes;
- (E) fifth, an amount equal to the Carryover Class B Charge Offs relating to the Class B Notes; and
- (F) sixth, an amount equal to the Carryover Class C Charge Offs relating to the Class C Notes, in each case to be retained in the Collection Account (or, in the case of sub-paragraph (B) in the Liquidity Account) or invested in Authorised Investments until the next Quarterly Payment Date. No Excess Available Income will be applied on any Monthly Payment Date which is not also a Quarterly Payment Date.

(iii) Quarterly distribution of Excess Available Income

On each Quarterly Determination Date, the Manager must apply any Excess Available Income for the Monthly Collection Period ending immediately before that Quarterly Determination Date in the following order of priority:

- (A) first, towards reimbursement of all Principal Charge Offs for that Quarterly Collection Period;
- (B) second, towards Liquidity Draws which have not been repaid as at that Quarterly Payment Date;

- (C) third, towards all Principal Draws which have not been repaid as at that Quarterly Payment Date;
- (D) fourth, to be applied *pari passu* and rateably between themselves:
 - (1) as a payment to the Currency Swap Provider under the Currency Swap, of the A\$ Equivalent of any Carryover Class A Charge Offs relating to the Class A-1 Notes; and
 - (2) as a payment to the Class A-2 Noteholders of an amount equal to the Carryover Class A Charge Offs relating to the Class A-2 Notes;
- (E) fifth, as a payment to the Class B Noteholders, of an amount equal to the Carryover Class B Charge Offs; and
- (F) sixth, as a payment to the Class C Noteholders of an amount equal to the Carryover Class C Charge Offs.

Any amount applied pursuant to sub-paragraphs (A) to (F) (inclusive) above will be treated as Principal Collections on that Quarterly Payment Date, except that amounts applied towards Liquidity Draws will be paid to the Liquidity Account.

- (iv) The Issuer Trustee shall only make a payment or allocation under paragraph (ii) or (iii) above if it is directed in writing to do so by the Manager and only to the extent that any Excess Available Income remains from which to make the payment or allocation after amounts with priority to that payment or allocation have been paid or allocated (as the case may be).

(h) Excess Distribution

The Issuer Trustee must at the written direction of the Manager pay any Excess Distribution for a Quarterly Collection Period to the Residual Income Beneficiary on the relevant Quarterly Payment Date. The Issuer Trustee may not recover any Excess Distributions from the Residual Income Beneficiary once they are paid to the Residual Income Beneficiary except where there has been a manifest error in the relevant calculation of the Excess Distributions.

(i) Euro Account

The Issuer Trustee shall direct the Currency Swap Provider to pay all amounts denominated in € payable to the Issuer Trustee by the Currency Swap Provider under the Currency Swap into the Euro Account or to the Principal Paying Agent under the Agency Agreement on behalf of the Issuer Trustee.

If any of the Issuer Trustee, the Manager or the Servicer receives any amount denominated in € from the Currency Swap Provider under the Currency Swap, they will promptly pay that amount to the credit of the Euro Account.

The Issuer Trustee shall, or shall require that the Principal Paying Agent on its behalf, at the direction of the Manager pay all such amounts as follows, and in accordance with the Note Trust Deed and the Agency Agreement (the following not in any order of priority):

- (i) under Condition 4(g)(ii)(E)(1) "Income distribution", *pari passu* in relation to Class A-1 Notes as payments of interest on those Class A-1 Notes;
- (ii) under Condition 5(g)(ii)(D)(1) "Excess Available Income – Reimbursement of Charge Offs, Principal Draws and Liquidity Draws", *pari passu* in relation to Class A-1 Notes in or towards reinstating the Stated Amount of those Class A-1 Notes, to the extent of the Carryover Class A-1 Charge Offs; and
- (iii) under Condition 5(d)(iii)(A) "Principal Distributions prior to Stepdown Date" or 5(e)(iii)(A) "Principal Distributions on and after Stepdown Date", *pari passu* in relation to Class A-1 Noteholders as Class A-1 Principal Payments until the Class A-1 Invested Amounts have been reduced to zero.

(j) Charge Offs

If the Principal Charge Offs for any Monthly Collection Period exceed the Excess Available Income calculated on the Monthly Determination Date for that Monthly Collection Period, the Manager must, on and with effect from the Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) immediately following the end of the Monthly Collection Period:

- (i) reduce *pari passu* and rateably as between themselves the Notional Stated Amount of each of the Class C Notes by the amount of that excess which is attributable to each Class C Note until the Notional Stated Amount of that Class C Note is zero (“**Class C Charge Offs**”); and
- (ii) if the Notional Stated Amount of the Class C Notes is zero and any amount of that excess has not been applied under paragraph (i), reduce *pari passu* and rateably as between themselves the Notional Stated Amount of each of the Class B Notes by the amount of that excess which is attributable to each Class B Note until the Notional Stated Amount of that Class B Note is zero (“**Class B Charge Offs**”); and
- (iii) if both the Notional Stated Amount of the Class C Notes and the Notional Stated Amount of the Class B Notes are zero and any amount of that excess has not been applied under paragraph (ii), reduce *pari passu* and rateably as between the Class A Notes with respect to the balance of that excess rateably as between the Class A Notes, the Notional Stated Amount of each of the Class A Notes (or, where applicable, the Euro Equivalent of the amount of that excess which is so attributable) until the Notional Stated Amount of that Class A Note is zero (“**Class A Charge Offs**”),

provided, however, that with respect to each of the sub-paragraphs above, amounts by which the Class A-1 Notes, the Class B Notes and the Class C Notes are to be reduced, will be aggregated on each such Monthly Payment Date (which is not also a Quarterly Payment Date) until the next Quarterly Payment Date and such aggregate amount for such Class of Notes, together with any excess amount to be reduced from the Stated Amount of such Class of Notes with respect to the Monthly Collection Period immediately preceding the Quarterly Payment Date, will be applied to reduce the Stated Amount of such Class of Notes pursuant to the paragraphs above. With respect to the Class A-2 Notes, any reduction in the Notional Stated Amount of each Class A-2 Note as set out above will be applied to reduce the Stated Amount of the Class A-2 Notes pursuant to paragraph (iii) above.

“**Carryover Charge Offs**” in relation to any Note or Class of Notes are the aggregate of Charge Offs for that Note or Class of Notes which have not been reimbursed as set out in Condition 5(g) “Excess Available Income – Reimbursement of Charge Offs, Principal Draws and Liquidity Draws”.

(k) Calculation of Principal Payments and Stated Amount

- (i) On each Quarterly Determination Date, the Manager shall determine (A) the amount of any Principal Payment in respect of each Class A-1 Note on the Quarterly Payment Date following that Quarterly Determination Date; and (B) the Stated Amount and Invested Amount of each Class A-1 Note as at the first day of the next following Quarterly Interest Period (after deducting any Principal Payment due to be made in respect of each Class A-1 Note on the next Quarterly Payment Date).
- (ii) The Manager will notify the Issuer Trustee, the Note Trustee, the Principal Paying Agent and the Calculation Agent by not later than (or as soon as practicable after) the Quarterly Determination Date immediately preceding the relevant Quarterly Payment Date of each determination of a Principal Payment, Invested Amount, Bond Factor and Stated Amount and will immediately cause details of each of those determinations to be published in accordance with Condition 12 “Notices”. If no Principal Payment is due to be made on the Class A-1 Notes on any Quarterly Payment Date a notice to this effect will be given to the Class A-1 Noteholders in accordance with Condition 12 “Notices”.

(l) Redraws and Further Advances

- (i) Under the terms of each Purchased Loan, a Borrower may, with the consent of the Approved Seller:
 - (A) redraw principal up to the relevant scheduled principal balance (“**Redraws**”); or
 - (B) make a drawing of principal under the Purchased Loan such that the new outstanding principal balance of the Purchased Loan will exceed the original relevant scheduled balance (“**Further Advances**”). The Approved Seller may only make a Further Advance if it repurchases the relevant Purchased Loan from the Issuer Trustee.

The Approved Seller, after receiving confirmation that it may do so from the Manager, may make Redraws to Borrowers under Purchased Loans (such that the then scheduled principal balance of

those Purchased Loans is not exceeded). The Approved Seller will be reimbursed for any Redraw for which it has not previously been reimbursed.

- (ii) On each Monthly Determination Date the Manager shall determine an amount, not exceeding 2% of the Invested Amount of the Notes, which it reasonably anticipates will be required in the Monthly Collection Period following that in which that Monthly Determination Date occurs to fund further Redraws under Purchased Loans in addition to any prepayments of principal that it anticipates will be received from Borrowers during that Monthly Collection Period. That amount, from time to time, less amounts withdrawn or deposited as described in Conditions 4 "Interest" and 5 "Redemption", is called the "**Redraw Retention Amount**". The Manager shall on the day of such determination advise the Issuer Trustee of the amount so determined.
- (iii) In addition to the Approved Seller's right of reimbursement under paragraph (i), the Issuer Trustee shall on each Business Day it receives a direction from the Manager to do so, reimburse the Approved Seller for Redraws made on or before that Business Day for which the Approved Seller has not received reimbursement but only to the extent of the Redraw Retention Amount for that Monthly Collection Period to the extent it has been funded as described in Condition 5(c)(iv) "Initial Principal Distribution".
- (iv) The Approved Seller may not make a Further Advance, and the Manager may not confirm the making of a Further Advance, under sub-paragraph (i) unless the Approved Seller repurchases the relevant Purchased Loan from the Issuer Trustee.

(m) Call

(i) Call of Class A Notes

The Issuer Trustee must, when so directed by the Manager (at the Manager's option), having given not more than 60 nor less than 25 days' notice to the Class A Noteholders in accordance with, in the case of the Class A-1 Notes, Condition 12 "Notices" and, in the case of the Class A-2 Notes, in accordance with the terms of the Supplementary Terms Notice and the Master Trust Deed, purchase or redeem all, but not some only of the Class A Notes by repaying the Invested Amount, or, if the Class A Noteholders, by Extraordinary Resolution (as defined below) of the Class A Noteholders so agree, the Stated Amount, of those Class A Notes, together with accrued interest to (but excluding) the date of repurchase or redemption on any Quarterly Payment Date falling on or after the first Quarterly Payment Date on which the total Stated Amount of all Notes is equal to or less than 10% of the aggregate of the Initial Invested Amount of all Notes (that date being the "**Call Date**") provided that the Issuer Trustee will be in a position on such Quarterly Payment Date to discharge (and the Manager so certifies to the Issuer Trustee and the Note Trustee upon which the Issuer Trustee and the Note Trustee will rely conclusively) all its liabilities in respect of the Class A Notes (at their Invested Amount or their Stated Amount if so agreed by the Class A Noteholders) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with the Class A Notes if the security for the Notes were being enforced.

(ii) Call of Class B Notes

The Issuer Trustee must, when so directed by the Manager (at the Manager's option), having given not more than 60 nor less than 25 days' notice to the Class B Noteholders in accordance with, Condition 12 "Notices" purchase or redeem all, but not some only of the Class B Notes by repaying the Invested Amount, or, if the Class B Noteholders, by Extraordinary Resolution of the Class B Noteholders so agree, the Stated Amount, of those Class B Notes, together with accrued interest to (but excluding) the date of repurchase or redemption on any Quarterly Payment Date falling on or after the Call Date, provided that:

- (A) the Issuer Trustee will be in a position on such Quarterly Payment Date to discharge (and the Manager so certifies to the Issuer Trustee upon which the Issuer Trustee will rely conclusively) all its liabilities in respect of the Class B Notes (at their Invested Amount or their Stated Amount if so agreed by the Class B Noteholders) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with the Class B Notes if the security for the Notes were being enforced; and
- (B) all Class A Notes have been redeemed in full before that Quarterly Repayment Date or will be redeemed in full on that Quarterly Repayment Date.

(iii) Call of Class C Notes

The Issuer Trustee must, when so directed by the Manager (at the Manager's option), having given not more than 60 nor less than 25 days' notice to the Class C Noteholders in accordance with the terms of the Supplementary Terms Notice and the Master Trust Deed purchase or redeem all, but not some only of the Class C Notes by repaying the Invested Amount, or, if the Class C Noteholders, by Extraordinary Resolution of the Class C Noteholders so agree, the Stated Amount, of those Class C Notes, together with accrued interest to (but excluding) the date of repurchase or redemption on any Quarterly Payment Date falling on or after the Call Date, provided that:

- (A) the Issuer Trustee will be in a position on such Quarterly Payment Date to discharge (and the Manager so certifies to the Issuer Trustee upon which the Issuer Trustee will rely conclusively) all its liabilities in respect of the Class C Notes (at their Invested Amount or their Stated Amount if so agreed by the Class C Noteholders) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with the Class C Notes if the security for the Notes were being enforced; and
- (B) all Class B Notes have been redeemed in full before that Quarterly Repayment Date or will be redeemed in full on that Quarterly Repayment Date.

The Issuer Trustee will notify Noteholders of a repurchase under this Condition in accordance with Condition 12.

Repayment and redemption of Class A Notes, Class B Notes or Class C Notes in accordance with this paragraph (m) shall be in full satisfaction of the Issuer Trustee's obligations under the relevant Notes.

(n) Redemption for Taxation or Other Reasons

If the Manager satisfies the Issuer Trustee and the Note Trustee immediately prior to giving the notice referred to below that either:

- (i) on the next Quarterly Payment Date the Issuer Trustee (or a Paying Agent on its behalf) would be required to deduct or withhold from any payment of principal or interest in respect of the Notes or the Currency Swap in respect of any Class A-1 Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any of its political sub-divisions or any of its authorities; or
- (ii) the total amount payable in respect of interest in relation to any of the Purchased Loans for a Collection Period ceases to be receivable (whether or not actually received) by the Issuer Trustee during such Collection Period,

the Issuer Trustee must, when so directed by the Manager, at the Manager's option (provided that the Issuer Trustee will be in a position on such Quarterly Payment Date to discharge and the Manager will so certify to the Issuer Trustee and the Note Trustee that all its liabilities in respect of those Class A-1 Notes (at their Invested Amount or if the Noteholders of those Class A-1 Notes have agreed by Extraordinary Resolution and have so notified the Issuer Trustee and the Manager not less than 21 days before such Quarterly Payment Date, at their Stated Amount) and any amounts which would be required under the Security Trust Deed to be paid in priority or *pari passu* with those Class A-1 Notes (if the security for the Notes were being enforced), having given not more than 60 nor less than 25 days' notice to the Noteholders of those Class A-1 Notes (and all other Noteholders whose Notes are to be redeemed at the same time) in accordance with Condition 12 "Notices" redeem all, but not some only, of those Class A-1 Notes at their Invested Amount (or, if the Noteholders of those Class A-1 Notes by Extraordinary Resolution have so agreed, at their Stated Amount) together with accrued interest to (but excluding) the date of redemption on any subsequent Quarterly Payment Date, provided that the Noteholders of those Class A-1 Notes may by Extraordinary Resolution elect, and shall notify the Issuer Trustee and the Manager not less than 21 days before the next Quarterly Payment Date following the receipt of notice of such proposed redemption, that they do not require the Issuer Trustee to redeem those Class A-1 Notes.

Repayment and redemption of Class A Notes, Class B Notes or Class C Notes in accordance with this paragraph (n) shall be in full satisfaction of the Issuer Trustee's obligations under the relevant Notes.

(o) Cancellation

All the Class A-1 Notes redeemed in full pursuant to the above provisions will be cancelled, and may not be resold or reissued.

(p) Certification

For the purpose of any redemption made under this Condition 5, the Note Trustee may rely on any certificate of two directors of the Manager that the Issuer Trustee will be in a position to discharge all its liabilities in respect of the Class A-1 Notes and any amounts required under the Security Trust Deed to be paid in priority to or *pari passu* with those Class A-1 Notes and that certificate will be conclusive and binding on the Issuer Trustee and the holders of those Class A-1 Notes. The Note Trustee shall not incur any liability as a result of relying on such certificate or such certificate subsequently being considered invalid.

6. Payments

(a) Method of payment

Any instalment of interest or principal payable on any Class A-1 Note which is punctually paid or duly provided for by the Issuer Trustee to the Principal Paying Agent on the applicable Quarterly Payment Date or Final Maturity Date shall be paid to the person in whose name such Class A-1 Note is registered on the Record Date, by cheque mailed first-class, postage prepaid, to such person's address as it appears on the Note Register on such Record Date, except that, unless Definitive Class A-1 Notes have been issued pursuant to clause 3.4 of the Note Trust Deed, with respect to Class A-1 Notes registered on the Record Date in the name of the nominee of the Clearing Agencies (initially in respect of the Class A-1 Notes such Clearing Agencies to be Euroclear or Clearstream, Luxembourg) and such nominee to be BT Globenet Nominees Limited, the nominee of the Common Depositary, payment will be made by wire transfer in immediately available funds to the account designated by such nominee and except for the final instalment of principal payable with respect to such Class A-1 Note on a Quarterly Payment Date or Final Maturity Date.

Payments are subject in all cases to any fiscal or other laws or regulations applicable in the place of payment.

(b) Paying Agent outside the US

Payments of interest in respect of the Class A-1 Notes may only be made at the specified offices of Paying Agents outside the United States of America.

(c) Initial Principal Paying Agent

The initial Principal Paying Agent is Deutsche Bank AG, London Branch at its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB England.

(d) Paying Agents

The Issuer Trustee (or the Manager on its behalf with the consent of the Issuer Trustee, such consent not to be unreasonably withheld) may at any time with the prior written consent of the Note Trustee vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will at all times maintain a Principal Paying Agent.

(e) Payment on Business Days

If the due date for payment of any amount of principal or interest in respect of any Class A-1 Note is not a Business Day then payment will not be made until the next succeeding Business Day unless that day falls in the next calendar month, in which case the due date will be the preceding Business Day and the holder of that Class A-1 Note shall not be entitled to any further interest or other payment in respect of that delay.

(f) Interest on unpaid Interest

If Interest is not paid in respect of the Class A-1 Note on the date when due and payable (other than because the due date is not a Business Day), that unpaid Interest shall itself bear interest at the relevant Interest Rate applicable from time to time to the Class A-1 Notes until the unpaid Interest, and

interest on it, is available for payment and notice of that availability has been duly given in accordance with Condition 12 "Notices".

7. Taxation

All payments in respect of the Class A-1 Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer Trustee, any Paying Agent or the Currency Swap Provider is required by applicable law to make any such payment in respect of the Class A-1 Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature. In that event the Issuer Trustee, that Paying Agent or the Currency Swap Provider (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer Trustee, any Paying Agent or the Currency Swap Provider will be obliged to make any additional payments to the Class A-1 Noteholders in respect of that withholding or deduction.

8. Prescription

A Class A-1 Note shall become void in its entirety unless surrendered for payment within 10 years of the Relevant Date (as defined below) in respect of any payment on it. The Class A-1 Note shall become void in its entirety unless surrendered for payment within 10 years of the Relevant Date in respect of any payment on it the effect of which would be to reduce the relevant Stated Amount (in the case of final maturity, if applicable) or the relevant Invested Amount of that Class A-1 Note to zero. After the date on which the Class A-1 Note becomes void in its entirety, no claim may be made in respect of it.

As used in these Conditions, the "**Relevant Date**" means the date on which a payment first becomes due but, if the full amount of the money payable has not been received in London by the Principal Paying Agent or the Note Trustee on or prior to that date, it means the date on which, the full amount of such money having been so received, notice to that effect is duly given by the Principal Paying Agent or the Note Trustee in accordance with Condition 12 "Notices".

9. Events of Default

Each of the following is an "**Event of Default**".

- (a) The Issuer Trustee fails to pay:
- (i) any Interest within 10 Business Days of the Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) on which the Interest was due to be paid, together with all interest accrued and payable on that Interest; or
 - (ii) any other Secured Moneys (defined below) within 10 Business Days of the due date for payment (or within any applicable grace period agreed with the Mortgagees, or where the Mortgagee is the Class A-1 Noteholder, with the Note Trustee on behalf of that Class A-1 Noteholder, to whom the Secured Moneys relate).

Sub-paragraphs (i) and (ii) above will not constitute Events of Default if the Secured Moneys which the Issuer Trustee failed to pay are subordinated to payments of amounts due to a Class of Noteholders while any Secured Moneys remain owing:

- (A) to that Class of Noteholders; or
 - (B) to any other person, which rank in priority to amounts due to that Class of Noteholders.
- (b) The Issuer Trustee fails to perform or observe any other provisions (other than an obligation referred to in paragraph (a)) of the Security Trust Deed or a Trust Document (as defined on the Security Trust Deed, but including the Master Trust Deed, the Supplementary Terms Notice, the Security Trust Deed, the Notes, the Agency Agreement and the Note Trust Deed) where such failure will have a Material Adverse Effect and that default (if in the opinion of the Security Trustee capable of remedy) is not remedied within 30 days after written notice (or such longer period as may be specified in the notice) from the Security Trustee requiring the failure to be remedied.
- (c) An Insolvency Event occurs in relation to the Issuer Trustee.

- (d) The charge under the Security Trust Deed is not or ceases to be a first ranking charge over the Assets of the Trust, or any other obligation of the Issuer Trustee (other than as mandatorily preferred by law) ranks ahead of or *pari passu* with any of the Secured Moneys.
- (e) Any security interest over the Assets of the Trust is enforced.
- (f) (i) All or any part of any Trust Document (other than the Basis Swap or, where the Currency Swap is terminated by the Currency Swap Provider as a result of a call exercised by the Issuer Trustee under Condition 5(m) "Call" or (n) "Redemption for Taxation or Other Reasons", the Currency Swap) is terminated or is or becomes void, illegal, invalid, unenforceable or of limited force and effect; or
 - (ii) a party becomes entitled to terminate, rescind or avoid all or part of any Trust Document (other than the Basis Swap or, where the Currency Swap is terminated by the Currency Swap Provider as a result of a call exercised by the Issuer Trustee under Condition 5(m) "Call" or (n) "Redemption for Taxation or Other Reasons", the Currency Swap),
 where that event has or will have a Material Adverse Effect.
- (g) Without the prior consent of the Security Trustee (such consent, subject to the Security Trust Deed, having been approved by the Noteholder Mortgagees):
 - (i) the Trust is wound up, or the Issuer Trustee is required to wind up the Trust under the Master Trust Deed or applicable law, or the winding up of the Trust commences;
 - (ii) the Trust is held or is conceded by the Issuer Trustee not to have been constituted or to have been imperfectly constituted; or
 - (iii) unless another trustee is contemporaneously and immediately appointed to the Trust under the Trust Documents, the Issuer Trustee ceases to be authorised under the Trust to hold the property of the Trust in its name and to perform its obligations under the Trust Documents.

Each of the Issuer Trustee and the Manager must promptly notify the Noteholder Mortgagees, the Security Trustee, and each of Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ("**S&P**") Moody's Investors Service, Inc. or Moody's Investor Services Pty Limited ("**Moody's**") and Fitch Australia Pty Limited ("**Fitch Ratings**") (together S&P, Moody's and Fitch Ratings being the "**Rating Agencies**") if, to the knowledge of its officers who are responsible for the administration of the Trust, it becomes aware of the occurrence of an Event of Default, including full details of that Event of Default.

"**Secured Moneys**" means all money which the Issuer Trustee (whether alone or with another person) is or at any time may become actually or contingently liable to pay to or for the account of any Mortgagee (whether alone or with another person) for any reason whatever under or in connection with a Trust Document.

In the event that the security constituted by the Security Trust Deed becomes enforceable following an Event of Default under the Notes any funds resulting from the realisation of such security shall be applied in accordance with the order of priority of payments as stated in the Security Trust Deed, summarised as follows:

- (a) *first, to pay (pari passu and rateably):*
 - (i) *any fees and other expenses due to the Security Trustee;*
 - (ii) *any fees and other expenses due to the Note Trustee;*
 - (iii) *any fees and other expenses due to a Paying Agent;*
 - (iv) *any Trust Expenses then due and unpaid with respect to the Trust;*
 - (v) *any unpaid fees due to the Standby Basis Swap Provider;*
 - (vi) *any unpaid fees due to the Standby Fixed-Floating Rate Swap Provider; and*
 - (vii) *the receiver's remuneration;*
- (b) *second, to pay all costs, charges, expenses and disbursements properly incurred in the exercise of any power under or in connection with the Security Trust Deed by the Security Trustee, the Note Trustee or a receiver or other amounts payable to the Security Trustee or the Note Trustee under the Security Trust Deed;*

- (c) *third, to pay any unpaid Accrued Interest Adjustment due to the Approved Seller;*
- (d) *fourth, to pay to the Fixed-Floating Swap Provider under the Fixed-Floating Rate Swap any break payments received by or on behalf of the Issuer Trustee from a Borrower or any Mortgage Insurer and which have not previously been paid to the Fixed-Floating Swap Provider, to be allocated as follows:*
 - (1) *if there are no additional fixed-floating rate swap providers, the amount available for payment under sub-paragraph (d) will be paid to the Fixed-Floating Rate Swap Provider;*
 - (2) *if there are multiple fixed-floating rate swap providers, the amount available for payment under sub-paragraph (d) will be allocated among all of the fixed-floating rate swap providers pursuant to the Fixed-Floating Rate Swap and any additional fixed-floating rate swaps, as applicable;*
- (e) *fifth, to pay (pari passu and rateably):*
 - (i) *all Secured Moneys owing to the Support Facility Providers (other than the Currency Swap Provider);*
 - (ii) *all Secured Moneys owing to the Class A Noteholders (as at the date of payment), including any amounts retained on prior Monthly Payment Dates which remain unpaid to the Class A-1 Noteholder;*
 - (iii) *all Secured Moneys owing in relation to any Redraws made by the Approved Seller for which it has not been reimbursed under the Trust Documents; and*
 - (iv) *all Secured Moneys owing to the Currency Swap Provider specified in the Currency Swap other than break costs in respect of the termination of the Currency Swap to the extent that the Currency Swap Provider is the Defaulting Party or sole Affected Party (but without double counting with payments under paragraph (b) or sub-paragraph (ii));*
- (f) *sixth, to pay all Secured Moneys owing to the Class B Noteholders (as at the date of payment), including any amounts retained on prior Monthly Payment Dates which remain unpaid to the Class B Noteholders;*
- (g) *seventh, to pay all Secured Moneys owing to the Class C Noteholders (as at the date of payment), including any amounts retained on prior Monthly Payment Dates which remain unpaid to the Class C Noteholders;*
- (h) *eighth, to pay (pari passu and rateably) any amounts not covered above owing to any Mortgagee under any Trust Document;*
- (i) *ninth, to pay (pari passu and rateable), based on the respective amounts payable to each entity as follows:*
 - (i) *any break costs payable to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, with respect to the termination of the Fixed-Floating Rate Swap or any additional fixed-floating rate swap, where the Fixed-Floating Rate Swap Provider or any additional fixed-floating rate swap provider, as applicable, is the Defaulting Party or sole Affected Party, as follows:*
 - (A) *if there are no additional fixed-floating rate swap providers, the amount available for payment pursuant to this sub-paragraph (i) will be paid to the Fixed-Floating Rate Swap Provider; and*
 - (B) *if there are multiple fixed-floating rate swap providers, the amount available for payment pursuant to this sub-paragraph (i) will be allocated among all of the fixed-floating rate swap providers pursuant to the Fixed-Floating Rate Swap and any additional fixed-floating rate swaps, as applicable; and*
 - (ii) *any settlement amounts payable to the Currency Swap Provider with respect to the termination of a currency swap where the Currency Swap Provider is the Defaulting Party or sole Affected Party;*
- (j) *tenth, to pay the holder of any subsequent Security Interest over assets of the Issuer Trustee of which the Security Trustee has notice of the amount properly secured by the Security Interest; and*

- (k) *eleventh, to pay any surplus to the Issuer Trustee to be paid in accordance with the Master Trust Deed and the Supplementary Terms Notice.*

10. Enforcement

- (a) At any time after an Event of Default occurs in relation to any Notes, the Security Trustee shall (subject to being appropriately indemnified), if so directed by an Extraordinary Resolution of the Voting Mortgagees (being 75% of votes capable of being cast by Voting Mortgagees present in person or by proxy of the relevant meeting or a written resolution signed by all Voting Mortgagees), declare those Notes immediately due and payable and declare the security to be enforceable. If an Extraordinary Resolution of Voting Mortgagees referred to above elects not to direct the Security Trustee to enforce the Security Trust Deed, in circumstances where the Security Trustee could enforce, the Note Trustee must, at the direction of the Class A-1 Noteholders, direct the Security Trustee to enforce the Security Trust Deed on behalf of the Class A-1 Noteholders.

"Voting Mortgagee" means:

- (i) with respect only to the enforcement of the security under the Security Trust Deed, for so long as the Secured Moneys of the Class A-1 Noteholders and the A\$ Noteholders represent 75% or more of total Secured Moneys, the Noteholder Mortgagees alone; and
- (ii) at any other time (subject to the Note Trust Deed and the Security Trust Deed):
- (A) the Note Trustee, acting on behalf of the Class A-1 Noteholders under the Note Trust Deed and the Security Trust Deed and, if the Note Trustee has become bound to take steps and/or to proceed hereunder and fails to do so within a reasonable time and such failure is continuing, the Class A-1 Noteholders and then only if and to the extent the Class A-1 Noteholders are able to do so under the Transaction Documents and Australian law; and
- (B) each other Mortgagee (as defined in the Security Trust Deed) other than the Class A-1 Noteholder.

"Noteholder Mortgagee" means, together:

- (a) the Note Trustee on behalf of the Class A-1 Noteholders save that where the Note Trustee has become bound to take steps and/or proceed hereunder and fails to do so within a reasonable time and such failure is continuing, the Class A-1 Noteholders and then only if and to the extent the Class A-1 Noteholders are able to do so under the Transaction Documents and Australian law; and
- (b) each A\$ Noteholder.

"Mortgagee" means those creditors of the Issuer Trustee specified as such in the Security Trust Deed, and includes the Noteholders, the Manager, the Security Trustee, the Servicer, the Note Trustee, the Lead Manager, the Paying Agents, the Swap Providers, the providers of other support facilities (other than the Mortgage Insurers) and the Approved Seller in respect of any Accrued Interest Adjustment and Redraws.

No Noteholder (in its capacity as Noteholder) is entitled to enforce the Security Trust Deed or to appoint or cause to be appointed a receiver to any of the assets secured by the Security Trust Deed or otherwise to exercise any power conferred by the terms of any applicable law on charges except as provided in the Security Trust Deed.

- (b) If any of the Class A-1 Notes remains outstanding and is due and payable otherwise than by reason of a default in payment of any amount due on the Class A-1 Notes, the Note Trustee must not vote under the Security Trust Deed to, or otherwise direct the Security Trustee to, enforce the Security Trust Deed or dispose of the Mortgaged Property unless either:
- (i) a sufficient amount would be realised to discharge in full all amounts owing to the Class A-1 Noteholders and any other amounts payable by the Issuer Trustee ranking in priority to or *pari passu* with those Class A-1 Notes; or
- (ii) the Note Trustee is of the opinion, reached after considering at any time and from time to time the advice of a merchant bank or other financial adviser selected by the Note Trustee, that the cash flow receivable by the Issuer Trustee (or the Security Trustee under the

Security Trust Deed) will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer Trustee, to discharge in full in due course all the amounts referred to in paragraph (i).

- (c) Except in the case of negligence or fraud or breach of trust (in the case of the Security Trustee) or wilful default (in the case of the Note Trustee), neither the Note Trustee nor the Security Trustee will be liable for any decline in the value, nor any loss realised upon any sale or other dispositions made under the Security Trust Deed, of any Mortgaged Property or any other property which is charged to the Security Trustee by any other person in respect of or relating to the obligations of the Issuer Trustee or any third party in respect of the Issuer Trustee or the Class A-1 Notes or relating in any way to the Mortgaged Property. Without limitation, neither the Note Trustee nor the Security Trustee shall be liable for any such decline or loss directly or indirectly arising from its acting, or failing to act, as a consequence of a reasonable opinion reached by it in good faith based on advice received by it in accordance with the Note Trust Deed or the Security Trust Deed, as the case may be.
- (d) Subject to the provisions of the Note Trust Deed, the Note Trustee shall not be bound to vote under the Security Trust Deed, or otherwise direct the Security Trustee under the Security Trust Deed, or to take any proceedings, actions or steps under, or any other proceedings pursuant to or in connection with the Security Trust Deed, the Note Trust Deed, any Class A-1 Notes, unless directed or requested to do so: (i) by an Extraordinary Resolution of the Class A-1 Noteholders; or (ii) in writing by the holders of at least three-quarters of the aggregate Invested Amount of the Class A-1 Noteholders Notes, as appropriate, and then only if the Note Trustee is indemnified to its satisfaction against all action, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.
- (e) Only the Security Trustee may enforce the provisions of the Security Trust Deed and neither the Note Trustee nor any holder of the Class A-1 Note is entitled to proceed directly against the Issuer Trustee to enforce the performance of any of the provisions of the Security Trust Deed, the Class A-1 Notes (including these Conditions) except as provided for in the Security Trust Deed and the Note Trust Deed.
- (f) The rights, remedies and discretions of the Class A-1 Noteholders under the Security Trust Deed, including all rights to vote or give instructions or consent, can only be exercised by the Note Trustee on behalf of any Class A-1 Noteholders in accordance with the Security Trust Deed. The Security Trustee may rely on any instructions or directions given to it by the Note Trustee as being given on behalf of the Class A-1 Noteholders from time to time and need not enquire whether the Note Trustee or any Class A-1 Noteholders from time to time have complied with any requirements under the Note Trust Deed or as to the reasonableness or otherwise of the Note Trustee. The Security Trustee is not obliged to take any action, give any consent or waiver or make any determination under the Security Trust Deed without being directed to do so by the Note Trustee or the Voting Mortgagees in accordance with the Security Trust Deed.
- (g) Prior to the Security Trustee becoming actually aware of the occurrence of an Event of Default and provided that it has been indemnified in accordance with the Security Trust Deed, the Security Trustee may enforce the Security Trust Deed without an Extraordinary Resolution of the Voting Mortgagees if it believes (in its absolute discretion) that it is necessary to do so to protect the interests of the Mortgagees (provided that it shall enforce the Security Trust Deed if so directed by an Extraordinary Resolution of the Voting Mortgagees).

Upon enforcement of the security created by the Security Trust Deed, the net proceeds of enforcement may be insufficient to pay all amounts due on redemption to the Noteholders. The proceeds from enforcement (which will not include amounts required by law to be paid to the holder of any prior ranking security interest, and the proceeds of cash collateral lodged with and payable to a Swap Provider or other provider of a Support Facility (as defined in the Master Trust Deed)) will be applied in the order of priority as set out in the Security Trust Deed. Any claims of the Noteholders remaining after realisation of the security and application of the proceeds as aforesaid shall, except in certain limited circumstances, be extinguished.

11. Replacements of the Class A-1 Notes

If any Class A-1 Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the costs incurred in

connection with that replacement and on such terms as to evidence and indemnity as the Principal Paying Agent may reasonably require. Mutilated or defaced the Class A-1 Notes must be surrendered before replacements will be issued. No replacement the Class A-1 Note will be delivered in the United States.

12. Notices

All notices, other than notices given in accordance with the following paragraph, to the Class A-1 Noteholders shall be deemed to have been duly given if published in a leading daily newspaper printed in the English language and with general circulation in London (which is expected to be the "Financial Times") or, if this is not practicable, in another leading English language newspaper having general circulation in Europe previously approved in writing by the Note Trustee. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in the newspaper or in one of the newspapers referred to above.

Any notice to the Class A-1 Noteholders specifying a Payment Date, an Interest Rate, Interest payable, a Principal Payment (or the absence of a Principal Payment) or a Invested Amount will be deemed to have been duly given if the information contained in such notice appears on the relevant page of the Reuters Screen or the electronic information system made available to its subscribers by Bloomberg, L.P. or such other similar electronic reporting service as may be approved by the Note Trustee in writing and notified to the Class A-1 Noteholders (the "**Relevant Screen**"). Any such notice will be deemed to have been given on the first date on which such information appeared on the Relevant Screen. If it is impossible or impracticable to give notice in accordance with this paragraph then notice of the matters referred to in this Condition must be given in accordance with applicable law.

13. Meetings of Voting Mortgagees and Meetings of the Class A-1 Noteholders; Modifications; Consents; Waiver

The Security Trust Deed contains provisions for convening meetings of the Voting Mortgagees to, among other things, enable the Voting Mortgagees to direct or consent to the Security Trustee taking or not taking certain actions under the Security Trust Deed, for example to enable the Voting Mortgagees to direct the Security Trustee to enforce the Security Trust Deed.

The Note Trust Deed contains provisions for convening meetings of the Class A-1 Noteholders to consider any matter affecting their interests, including the directing of the Note Trustee to direct the Security Trustee to enforce the security under the Security Trust Deed, or the sanctioning by Extraordinary Resolution of the Class A-1 Noteholders of a modification of the Class A-1 Notes (including these Conditions) or the provisions of any of the Transaction Documents, provided that no modification of certain terms including, among other things, the date of maturity of the Class A-1 Notes, or a modification which would have the effect of altering the amount of interest payable in respect of a Class A-1 Note or modification of the method of calculation of the interest payable or of the date for payment of interest in respect of any Class A-1 Notes, reducing or cancelling the amount of principal payable in respect of any Class A-1 Notes or altering the majority required to pass an Extraordinary Resolution or altering the currency of payment of any Class A-1 Notes or an alteration of the date or priority of payment of interest on, or redemption of, the Class A-1 Notes or an election to receive the Stated Amount of the Class A-1 Notes instead of the Invested Amount in the event of a call under Condition 5(m) "Call" or (n) "Redemption for Taxation or Other Reasons" (any such modification being referred to below as a "**Basic Terms Modification**") shall be effective except that, if the Note Trustee is of the opinion that such a Basic Terms Modification is being proposed by the Issuer Trustee as a result of, or in order to avoid, an Event of Default, such Basic Terms Modification may be sanctioned by Extraordinary Resolution of the Class A-1 Noteholders as described below. The quorum at any meeting of the Class A-1 Noteholders for passing an Extraordinary Resolution of Noteholders or that Class (as the case may be) shall be two or more persons holding or representing over 50% of the aggregate Invested Amount of the Class A-1 Notes then outstanding or, at any adjourned meeting, two or more persons being or representing the Class A-1 Noteholders whatever the aggregate Invested Amount of the Class A-1 Notes so held or represented except that, at any meeting the business of which includes the sanctioning of a Basic Terms Modification, the necessary quorum for passing an Extraordinary Resolution shall be two or more persons holding or representing 75%, or at any adjourned such meeting 25%, or more of the aggregate Invested Amount of the Class A-1 Notes then outstanding. The Note Trust Deed contains provisions limiting the powers of the Class B

Noteholders, among other things, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders. The Note Trust Deed imposes no such limitations on the powers of the Class A-1 Noteholders, the exercise of which will be binding on the Class B Noteholders, irrespective of the effect on their interests, unless the exercise of the powers is a Basic Terms Modification. An Extraordinary Resolution passed at any meeting of a Class of Noteholders shall be binding on all Noteholders of that Class, whether or not they are present at the meeting.

The majority required for an “**Extraordinary Resolution**” of Noteholders or Noteholders of a Class of Notes shall be 75% of the votes cast in respect of that Extraordinary Resolution in accordance with the terms of the Security Trust Deed.

Pursuant to the terms of the Note Trust Deed, the Note Trustee, the Security Trustee, the Manager and the Issuer Trustee may agree, without the consent of any Class A-1 Noteholders, among other things, to any alteration, addition or modification to the Notes or any Transaction Documents (other than the proviso to paragraph 5 of schedule 4 to the Note Trust Deed or any provision of the Note Trust Deed or these Conditions referred to therein) that is:

- (a) to correct a manifest error or ambiguity or is of a formal, technical or administrative nature only;
- (b) in the opinion of the Note Trustee, necessary to comply with the provisions of any law or regulation or with the requirements of any governmental authority;
- (c) in the opinion of the Note Trustee, appropriate or expedient as a consequence of an amendment to any law or regulation or altered requirements of any governmental authority; or
- (d) in the opinion of the Note Trustee, neither materially prejudicial nor likely to be prejudicial to the interests of the Class A-1 Noteholders.

The Note Trustee may also, but is not obliged to, in accordance with the Note Trust Deed and without the consent of any Class A-1 Noteholders (but not in contravention of an Extraordinary Resolution), waive or authorise any breach or proposed breach of the Class A-1 Notes (including these Conditions) or any Transaction Document or determine that any Event of Default or any condition, event or act which with the giving of notice and/or lapse of time and/or the issue of a certificate would constitute an Event of Default shall not, or shall not subject to specified conditions, be treated as such. Any such modification, waiver, authorisation or determination shall be binding on the Class A-1 Noteholders and, if, but only if, the Note Trustee so requires, any such modification shall be notified to the Class A-1 Noteholders in accordance with Condition 12 “Notices” as soon as practicable.

14. Indemnification and Exoneration of the Note Trustee and the Security Trustee

The Note Trust Deed and the Security Trust Deed contain provisions for the indemnification of the Note Trustee and the Security Trustee (respectively) and for their relief from responsibility, including provisions relieving them from taking proceedings to realise the security and to obtain repayment of the Notes unless indemnified to their satisfaction. Each of the Note Trustee and the Security Trustee is entitled to enter into business transactions with the Issuer Trustee and/or any other party to the Transaction Documents without accounting for any profit resulting from such transactions. Except in the case of negligence, fraud or breach of trust (in the case of the Security Trustee) or negligence, fraud or wilful default (in the case of the Note Trustee), neither the Security Trustee nor the Note Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets secured by the Security Trust Deed, the Mortgaged Property or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of the Servicer or any of its affiliates or by clearing organisations or their operators or by any person on behalf of the Note Trustee if prudently chosen in accordance with the Transaction Documents.

Where the Note Trustee is required to express an opinion or make a determination or calculation under the Transaction Documents, the Note Trustee may appoint or engage such independent advisers as the Note Trustee requires to assist in the giving of that opinion or the making of that determination or calculation and any costs and expenses payable to those advisers will be reimbursed to the Note Trustee by the Issuer Trustee or if another person is expressly stated in the relevant provision in a Transaction Document, that person.

15. Limitation of Liability of the Issuer Trustee

(a) General

Clause 30 of the Master Trust Deed applies to the obligations and liabilities of the Issuer Trustee in relation to the Notes.

(b) Liability of Trustee limited to its right of indemnity

- (i) The Issuer Trustee enters into the Transaction Documents and issues the Notes only in its capacity as trustee of the Trust and in no other capacity (except where the Transaction Documents provide otherwise). Subject to paragraph (iii) below, a liability arising under or in connection with the Transaction Documents, the Trust or the Notes is limited to and can be enforced against the Issuer Trustee only to the extent to which it can be satisfied out of the Assets and property of the Trust which are available to satisfy the right of the Issuer Trustee to be indemnified for the liability. This limitation of the Issuer Trustee's liability applies despite any other provision of the Transaction Documents and extends to all liabilities and obligations of the Issuer Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Transaction Documents or the Trust.
- (ii) Subject to paragraph (iii) below, no person (including any Relevant Party) may take action against the Issuer Trustee in any capacity other than as trustee of the Trust or seek the appointment of a receiver (except under the Security Trust Deed), or a liquidator, an administrator or any similar person to the Issuer Trustee or prove in any liquidation, administration or arrangements of or affecting the Issuer Trustee.
- (iii) The provisions of this Condition 15 shall not apply to any obligation or liability of the Issuer 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 Issuer Trustee's indemnification out of the Assets of the Trust as a result of the Issuer Trustee's fraud, negligence or Default.
- (iv) It is acknowledged that the Relevant Parties are or may be responsible under the Transaction Documents for performing a variety of obligations relating to the Trust. No act or omission of the Issuer Trustee (including any related failure to satisfy its obligations under the Transaction Documents) will be considered fraud, negligence or Default of the Issuer Trustee for the purpose of paragraph (iii) of this Condition 15 to the extent to which the act or omission was caused or contributed to by any failure by any Relevant Party or any person who has been delegated or appointed by the Issuer Trustee in accordance with the Transaction Documents to fulfil its obligations relating to the Trust or by any other act or omission of a Relevant Party or any such person.
- (v) In exercising their powers under the Transaction Documents, each of the Issuer Trustee, the Security Trustee and the Noteholders must ensure that no attorney, agent, delegate, receiver or receiver and manager appointed by it in accordance with a Transaction Document has authority to act on behalf of the Issuer Trustee in a way which exposes the Issuer Trustee to any personal liability and no act or omission of any such person will be considered fraud, negligence or Default of the Issuer Trustee for the purpose of paragraph (iii) above.
- (vi) In this Condition, "**Relevant Parties**" means each of the Manager, the Servicer, the Calculation Agent, each Paying Agent, the Note Trustee, the Note Registrar, the Custodian, the Basis Swap Provider, the Fixed-Floating Rate Swap Provider, each Paying Agent, the Lead Manager, the Currency Swap Provider and any other provider of a Support Facility.
- (vii) In this Condition, "**Default**" means a failure by the Issuer Trustee to comply with:
 - (A) an obligation which is expressly imposed on it by the terms of a Transaction Document; or
 - (B) a written direction given by the Manager in accordance with a Transaction Document (and in terms which are consistent with the requirements of the Transaction Documents) in circumstances where the Transaction Documents require or contemplate that the Issuer Trustee will comply with that direction,

in each case within any period of time specified in, or contemplated by, the relevant Transaction Document for such compliance. However, it will not be the Default of the Issuer Trustee if the Issuer Trustee does not comply with an obligation or direction where the Note Trustee or the Security Trustee directs the Issuer Trustee not to comply with that obligation or direction.

- (viii) Nothing in this Condition limits the obligations expressly imposed on the Issuer Trustee under the Transaction Documents.

16. Governing Law

The Class A-1 Notes and the Transaction Documents are governed by, and shall be construed in accordance with, the laws of New South Wales, Australia (except for the Subscription Agreement, which is governed by English law, and except for the administration of the trust under the Note Trust Deed which is governed by the laws of England and Wales).

Summary of Provisions Relating to the Class A-1 Notes while in Book-Entry Form

The Book-Entry Note representing the Class A-1 Notes will be registered in the name of a nominee of, and deposited on behalf of the beneficial owners of the Class A-1 Notes with, Deutsche Bank AG, London Branch as common depositary for Euroclear and Clearstream, Luxembourg. On confirmation from the Common Depositary that it holds the Book-Entry Note representing the Class A-1 Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record interests in the beneficial owner's account or the participant account through which the beneficial owner holds its interests in those Notes. These interests will represent the beneficial owner's beneficial interest in the Book-Entry Note.

Beneficial owners may hold their interests in the Book-Entry Note only through Euroclear or Clearstream, Luxembourg, or indirectly through organisations that are participants in any of those systems. Ownership of these beneficial interests in the Book-Entry Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to interests of their participants) and the records of their participants (with respect to interests of persons other than their participants). Because of this holding structure of notes, beneficial owners of the Class A-1 Notes may look only to Euroclear or Clearstream, Luxembourg, as applicable, or their respective participants for their beneficial entitlement to those Class A-1 Notes.

Principal and interest payments on the Book-Entry Note representing the Class A-1 Notes will be made via the paying agents to the Common Depositary (or its nominee) for Euroclear and Clearstream, Luxembourg, as the holder of the Book-Entry Note. After receipt of any payment by the Common Depositary, Euroclear and Clearstream, Luxembourg, as the case may be, will credit their respective participants' accounts in proportion to those participants' holdings as shown on the records of Euroclear and Clearstream, Luxembourg, respectively, in accordance with the relevant system's rules and procedures. The Euroclear operator or Clearstream, Luxembourg, as the case may be, will take any other action permitted to be taken by a beneficial owner on behalf of its participants only as permitted by its rules and procedures and only if the Common Depositary is able to take these actions on its behalf.

Payments by participants in Euroclear or Clearstream, Luxembourg, to the beneficial owners of the Class A-1 Notes will be governed by standing instructions, customary practice and any statutory or regulatory requirements as may be in effect from time to time. Payments will be the responsibility of the relevant participant and not of Euroclear, Clearstream, Luxembourg, any Paying Agent, the Note Trustee, the Note Registrar, the Calculation Agent, the Manager or the Issuer Trustee. None of the Issuer Trustee, the Note Trustee, the Note Registrar, the Calculation Agent, the Manager nor any Paying Agent will have any responsibility or liability for any aspect of the records of Euroclear or Clearstream, Luxembourg, relating to or payments made by Euroclear or Clearstream, Luxembourg, on account of beneficial interests in the Book-Entry Note or for maintaining, supervising or reviewing any records of Euroclear or Clearstream, Luxembourg, relating to those beneficial interests.

The Book-Entry Note representing the Class A-1 Notes, will be delivered to Deutsche Bank AG, London Branch as common depository for Euroclear and Clearstream, Luxembourg. Customary settlement procedures will be followed for participants of each system at initial settlement. Class A-1 Notes will be credited to investors' securities accounts on the settlement date against payment in same-day funds.

Secondary market sales of interests in Class A-1 Notes held through Euroclear or Clearstream, Luxembourg, to purchasers of interests in Class A-1 Notes through Euroclear or Clearstream, Luxembourg, will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg, and will be settled using the procedures applicable to conventional eurobonds.

Although the foregoing sets out the procedures of Euroclear and Clearstream, Luxembourg in order to facilitate the transfers of interests in the Class A-1 Notes among participants of Euroclear and Clearstream, Luxembourg, neither Euroclear nor Clearstream, Luxembourg is under any obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of Perpetual Trustees Consolidated Limited (in any capacity), the Manager, St. George Bank (in any capacity), P.T. Limited (in any capacity), Deutsche Trustee Company Limited (as Note Trustee), Deutsche Bank AG, London Branch (as Principal Paying Agent and Calculation Agent), Deutsche Bank Luxembourg S.A. (as Note Registrar), the Custodian, the Basis Swap Provider, the Paying Agents, the Fixed-Floating Rate Swap Provider, the Currency Swap Provider or the Lead Manager nor any person affiliated with any of them or any affiliate of any of the above, will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

The Book-Entry Note will be exchangeable for definitive Class A-1 Notes in registered form only if: (i) the principal amount of those Class A-1 Notes becomes immediately due and payable by reason of an Event of Default; or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business; or (iii) as the result of any amendment to, or change in, the laws or regulations of any jurisdiction or any body politic, or government in any jurisdiction, or any minister, department, office, commission, instrumentality, agency, board, authority or organisation of any government or any corporation owned or controlled by any government having power to tax or in the interpretation by a revenue authority or a court of, or in the administration of, laws or regulations relating to taxation which becomes effective on or after the Issue Date, the Issuer Trustee or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of those Class A-1 Notes which would not be required were those Class A-1 Notes in definitive form, then the Issuer Trustee will (at the Issuer Trustee's expense) issue those definitive Class A-1 Notes represented by the Book-Entry Note (which will be serially numbered and in registered form) in exchange for the whole outstanding interest in the Book-Entry Note within 30 days after becoming aware of the occurrence of the relevant event.

Definitive Class A-1 Notes will be transferable and exchangeable at the offices of the Principal Paying Agent located at Winchester House, 1 Great Winchester Street, London, EC2N 2DB, England.

So long as the Class A-1 Notes are represented by any Book-Entry Note and that Book-Entry Notes is held on behalf of Euroclear and/or Clearstream, Luxembourg, or any successor depository, notices to the Class A-1 Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to entitled account holders in substitution for notification as required by the Conditions.

The registered holder of a Book-Entry Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of the Class A-1 Noteholders and, at any such meeting, will be treated as having one vote in respect of each €50,000 principal amount of Class A-1 Notes in respect of which a definitive Class A-1 Note has been issued to attend and speak (but not vote) at a meeting of Noteholders on appropriate proof of his identity and interest.

Cancellation of any Class A-1 Note required by the Conditions will be effected by reduction in the principal amount of the Class A-1 Notes in the Note Register.

In considering the interests of Noteholders while a Book-Entry Note is held on behalf of a clearing system, the Issuer Trustee, the Paying Agents and the Note Trustee may have regard to any information provided to it by such clearing system or its operator as to the identify (either individually or by category) of its account holders with entitlements to the Book-Entry Note and may consider such interests as if such account holders were the holder of a Book-Entry Note.

4. THE ISSUER TRUSTEE, ST.GEORGE BANK LIMITED AND THE MANAGER

4.1 The Issuer Trustee

(a) General

The Issuer Trustee was incorporated on 30 July 1887 as National Trustees Executors and Agency Company of Australia Limited under the Companies Statute 1864 of Victoria as a public company. After name changes in 1987, 1999 and 2000, Perpetual Trustees Consolidated Limited now operates as a limited liability public company under the Corporations Act 2001 (Cth), with its registered office at Level 12, Angel Place, 123 Pitt Street, Sydney, New South Wales, Australia. Perpetual Trustees Consolidated Limited's principal business is the provision of fiduciary, trustee and other commercial services. Perpetual Trustees Consolidated Limited is an authorised trustee corporation under the Corporations Act 2001 (Cth). Perpetual Trustee Company Limited, a related body corporate of the Issuer Trustee, has obtained an Australian Financial Services License under Part 76 of the Corporations Act 2001 (Cth) (Australian Financial Services License No. 236643). Perpetual Trustee Company Limited has appointed Perpetual Trustees Consolidated Limited to act as its authorised representative under that license (Authorised Representative No. 264840).

Perpetual Trustees Consolidated Limited has issued 31,127,695 shares as of the date of this Offering Circular. There are 29,072,305 fully paid ordinary shares of A\$1.00, 1,500,000 partly paid ordinary shares of A\$1.00 (with an unpaid amount of A\$0.90) and 555,390 partly paid ordinary shares of A\$1.00 (with an unpaid amount of A\$0.50) giving total share capital of A\$29,500,000. The Issuer Trustee is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827). Perpetual Limited acquired the shares in the Issuer Trustee on 11 December 2000.

(b) Limitation of Issuer's Liability

The Issuer Trustee acts as issuer of the Notes only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with the Master Trust Deed, any other Transaction Document, the Trust or the Notes is limited to and can be enforced against the Issuer Trustee only to the extent to which it can be satisfied out of the Assets of the Trust which are available to satisfy the right of the Issuer Trustee to be indemnified for the liability. Except as provided in the following sentence, this limitation of the Issuer Trustee's liability applies despite any other provision of the Transaction Documents and extends to all liabilities and obligations of the Issuer Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Master Trust Deed, any other Transaction Document or the Trust. However, the limitation will not apply if there is a reduction in the extent of the Issuer Trustee's indemnification out of the Assets of the Trust as a result of the Issuer Trustee's fraud, negligence or Default. See Condition 15 "Limitation of Liabilities of the Issuer Trustee" for further details.

(c) Experience

Perpetual Trustees Consolidated Limited and its related companies have over 110 years' experience and provide a range of services including custodial and administrative arrangements to the funds management, superannuation, property, infrastructure and capital markets sectors.

The Issuer Trustee and its related companies are leading trustee companies in Australia with in excess of A\$100 billion under administration.

(d) Directors

The directors of the Issuer Trustee are as follows:

Name	Business Address	Principal Activities
Phillip Andrew Vernon	Level 12, Angel Place, 123 Pitt Street Sydney NSW Australia	Director
Ivan Douglas Holyman	Level 12, Angel Place, 123 Pitt Street Sydney NSW Australia	Director

Scott Conrad Riedel	Level 12, Angel Place, 123 Pitt Street Sydney NSW Australia	Director
Patrick John Nesbitt	Level 12, Angel Place, 123 Pitt Street Sydney NSW Australia	Director

4.2 St.George Bank

St.George Bank Limited, together with its subsidiaries, comprise the St.George Bank Group which is the fifth largest banking group in Australia in terms of total lending assets. At 30 September 2006, the St.George Bank Group had total assets of A\$107.0 billion and shareholders' equity of A\$5.3 billion. The St.George Bank Group's primary business is providing personal banking services, including residential mortgage loans for owner occupied and investment housing and retail call and term deposits. The St.George Bank Group's other significant businesses are the provision of personal wealth management services and institutional and business banking services.

The St.George Bank Group commenced operations as a small group of building societies in 1937. Incorporated as a permanent building society in 1951, St.George Bank Limited adopted the name of St.George Building Society Ltd in 1976. On 1 July 1992, St.George Building Society Ltd converted into St.George Bank Limited, a public company now registered in New South Wales under the Australian Corporations Act 2001 (Cth). On 1 January 1994, St.George Bank Limited acquired the commercial banking business of Barclays Bank Australia Limited. On 29 January 1997, St.George Bank Limited acquired Advance Bank Australia Limited, then the seventh largest bank in Australia.

The banking activities of St.George Bank come under the regulatory supervision of the Australian Prudential Regulation Authority, which is responsible (with the Reserve Bank of Australia) for the maintenance of overall financial system stability. On 1 March 2004, St.George Bank obtained an Australian Financial Services Licence under Part 7.6 of the Australian Corporations Act 2001 (Cth) (Australian Financial Services Licence No. 240997).

St.George Bank Limited's registered office is at 4-16 Montgomery Street, Kogarah, New South Wales 2217, Australia. St.George Bank maintains a World Wide Web site at the address "<http://www.stgeorge.com.au>". This website does not form part of this Offering Circular.

For a further description of the business operations of St.George Bank, see "The Servicer".

4.3 The Manager

The Manager, Crusade Management Limited, is a wholly-owned subsidiary of St.George Bank. The Manager is a limited liability company incorporated under the Corporations Act of Australia. Its principal business activity is the management of securitisation trusts established under St.George Bank's Crusade Trust and Crusade Euro Trust Programmes. The Manager also acts as a principal in derivative products entered into with the trustee of such trusts, which are designed to hedge the interest rate risk and basis risk of the underlying cashflows of the relevant trust.

On 1 July 2005, the Manager obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act 2001 (Cth) (Australian Financial Services Licence No. 286595). The Manager's registered office is Level 4, 4-16 Montgomery Street, Kogarah, New South Wales 2217, Australia.

5. THE MORTGAGE POOL

5.1 Description of Assets of the Trust

(a) Assets of the Trust

The Assets of the Trust will include the following:

- (i) the pool of Purchased Loans, including all:
 - (A) principal payments paid or payable on the Purchased Loans at any time from and after the Cut-Off Date; and
 - (B) interest and fee payments paid or payable on the Purchased Loans after the Closing Date;
- (ii) rights of the Issuer Trustee under any Mortgage Insurance Policies issued by, or transferred to, a Mortgage Insurer and the individual property insurance policies covering the Mortgaged Properties relating to the Purchased Loans;
- (iii) amounts on deposit in the accounts established in connection with the creation of the Trust and the issuance of the Notes, including the Collection Account, and any instruments in which these amounts are invested;
- (iv) the Issuer Trustee's rights under the Transaction Documents; and
- (v) rights under any form of credit enhancement.

(b) The Purchased Loans

The Purchased Loans are secured by registered first ranking mortgages on properties located in Australia. The Purchased Loans are from St.George Bank's general residential mortgage product pool and have been originated by St.George Bank in the ordinary course of its business. Each Purchased Loan will be one of the types of products described in Section 5.2(c) "St.George's Product Types". Each Purchased Loan may have some or all of the features described in Section 5.2(d) "Special Features of the Purchased Loans". The Purchased Loans are either fixed rate or variable rate loans or a combination of both. Each Purchased Loan is secured by a registered first ranking mortgage over the related Mortgaged Property or, if the relevant mortgage is not a first ranking mortgage, the Approved Seller will equitably assign to the Issuer Trustee all other prior ranking registered mortgages relating to that Purchased Loan. The Mortgaged Properties consist of one-to-four family owner-occupied properties and one-to-four family non-owner-occupied properties, but do not include mobile homes which are not permanently affixed to the ground, commercial properties or unimproved land.

(c) Transfer and Assignment of the Purchased Loans

The Approved Seller will be St.George Bank, as the originator of the Purchased Loans. During the period between the Cut-Off Date and the Closing Date, the Approved Seller will continue to own the Purchased Loans. Further, the purchase price for the Purchased Loans excludes accrued interest for this period. However, the Servicer will collect payments during this period on behalf of the Trust and will not remit those collections to the Approved Seller. Following the Closing Date, on each Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date), the Issuer Trustee will pay to the Approved Seller the Accrued Interest Adjustment as a priority payment from Total Available Funds to reimburse the Approved Seller for accrued interest and fees during this period until the Accrued Interest Adjustment has been paid in full.

On the Closing Date, the housing loans available to be purchased by the Trust will be specified in a Sale Notice from St.George Bank, in its capacity as Approved Seller of those housing loans, to the Issuer Trustee. The Issuer Trustee need not accept the offer contained in the Sale Notice, but if it does accept the offer it must do so in respect of all such housing loans.

If the Approved Seller's offer in a Sale Notice is accepted, the Approved Seller will equitably assign the housing loans, the Mortgages securing those housing loans and the Mortgage Insurance Policies and insurance policies on the Mortgaged Properties relating to those housing loans to the Issuer Trustee pursuant to the Sale Notice. After this assignment, the Issuer Trustee will be entitled to receive collections on those housing loans (being the Purchased Loans). If a Title Perfection Event occurs, the

Issuer Trustee must use the irrevocable power of attorney granted to it by St.George Bank to take the actions necessary to obtain legal title to the Purchased Loans.

The Approved Seller may in some instances equitably assign a housing loan to the Issuer Trustee secured by an "all moneys" mortgage, which may also secure financial indebtedness that has not been sold to the Issuer Trustee, but is instead retained by the Approved Seller. The Issuer Trustee will hold the proceeds of enforcement of the related Mortgage, to the extent they exceed the amount required to repay the assigned housing loan, as bare trustee without any other duties or obligations, in relation to that other financial indebtedness. The Mortgage will secure the housing loan equitably assigned to the Trust in priority to that other financial indebtedness. If a housing loan is secured on the Closing Date by a first Mortgage over one property and a second Mortgage over a second property, the Approved Seller will assign to the Trust both the first and second mortgages over that second property. The Purchased Loan included in the Trust will then have the benefit of security from both properties ahead of any financial indebtedness owed to St.George Bank which is secured by the second property.

5.2 St.George Bank's Residential Loan Programme

(a) Origination Process

The Purchased Loans included in the Assets of the Trust were originated by St.George Bank from new loan applications and refinancings of acceptable current St.George Bank housing loans. St.George Bank sources its housing loans through its national branch network, the national telemarketing centre, accredited mortgage brokers, mobile lenders and through the internet. The Purchased Loans have been originated by St.George Bank in its own name and under certain business names, for example, Bank SA, a division of St.George Bank Limited. References in this Offering Circular to St.George Bank as an originator include those Purchased Loans originated by St.George Bank in its own name and under certain business names.

(b) Approval and Underwriting Process

Each lending officer of St.George Bank must undertake a formal training programme conducted by St.George Bank and pass an examination to obtain an approval authority limit. The lending officer's performance and approval authority is constantly monitored and reviewed by St.George Bank. Approvals above the lending officer's authority limit are referred to credit for approval. This ensures that housing 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 St.George Bank will either be approved or declined by a lending officer or referred to a credit specialist. A housing loan will generally be referred to a credit specialist for approval where the lending proposal exceeds the lending officer's delegated authority, or does not meet St.George Bank's standard credit policy.

All housing loan applications, including the applications relating to the housing loans included in the Assets of the Trust, must satisfy St.George Bank's credit policy and procedures described in this Section 5.2. St.George Bank, 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 its residential housing loans. All Borrowers must satisfy St.George Bank's underwriting criteria described in this Section 5.2. Borrowers are not charged different rates of interest based on their credit quality.

The approval process consists of determining the value of each proposed security property, verifying the Borrower's details and ensuring these details satisfy St.George Bank's underwriting criteria. St.George Bank conducts this process. Once it is established that the loan application meets St.George Bank's credit standards, only an authorised bank officer may approve the housing loan.

St.George Bank uses the following methods to determine a security property value. Some specialised product or product features vary from the standards described below:

- (i) **(Rate Notices)** St.George Bank will accept an original (or certified copy of) current financial year rate notice showing the unimproved or improved capital value of the property unless the LVR is greater than a specified percentage, the total loan amount secured is greater than a specified amount, the total exposure to the same Borrower exceeds a specified amount, lender's mortgage insurance is required, or when certain types of security, loan

purposes or loan types are involved. This method is not permitted for a Low Doc (Stated Income) Home Loan where the loan amount exceeds a certain percentage of the value shown on the rates notice, or a specified amount.

- (ii) **(Purchase Price)** The purchase price of a property may be used unless the loan amount is greater than a specified amount, the total exposure to the same Borrower exceeds a specified amount, lender's mortgage insurance is required, when certain types of security, loan purposes or loan types are involved, or where the contract price is out of character for the type and location of the property being purchased. This method is not permitted for a Low Doc (Stated Income) Home Loan.
- (iii) **(Electronic Market Value Estimate ("E-Val"))** An E-Val is an electronic valuation method that uses statistical modeling to determine a property value estimate. No valuer is involved with the preparation of an E-Val. St.George Bank will accept E-Vals unless the LVR is greater than a specified percentage, the total loan amount secured is greater than a specified amount, the total exposure to the same borrower exceeds a specified amount, lender's mortgage insurance is required, or when certain types of security, loan purposes or loan types are involved. This method is not permitted for a Low Doc (Stated Income) Home Loan.
- (iv) **(Desktop Market Value Assessment ("Desktop Valuation"))** A Desktop Valuation is a valuation method where a qualified valuer will determine the value of a property without any physical inspection, by downloading site photographs, aerial photographs, using statistical data, comparable sales evidence and in most cases through contact with the customer. St.George Bank will accept Desktop Valuations unless the LVR is greater than a specified percentage, the total loan amount secured is greater than a specified amount, the total exposure to the same borrower exceeds a specified amount, lender's mortgage insurance is required, or when certain types of security, loan purposes or loan types are involved. This method is not permitted for a Low Doc (Stated Income) Home Loan where the LVR exceeds a certain specified percentage, and is not permitted for certain postcodes.
- (v) **(Restricted Valuation)** St.George Bank requires valuers (other than as specified below) to be members of the Australian Property Institute. The panel valuer provides an opinion based on an external inspection of the property giving an indicative market value range. St.George Bank uses the mid point of this range in circumstances where the rates notice, purchase price or existing security value cannot be used, or if the range exceeds a specified percentage and/or a specified amount. This method cannot be used if the total amount secured is over a specified amount, the customer believes the market value of the property being purchased is above a specified amount, lender's mortgage insurance is required, or for certain types of security, loan purposes, loan types or where the valuer has recommended a valuation be prepared. This method is not permitted for a Low Doc (Stated Income) Home Loan where the LVR exceeds a certain specified percentage.
- (vi) **(Valuation)** A valuation is required when lender's mortgage insurance is required, the total amount secured exceeds amounts permitted and which define the use of a restricted valuation, purchase price and/or council rates notices for certain types of security, loan purposes and loan types, and where other methods of security value cannot be used.
- (vii) **(Existing Value Security)** Value for existing security property determined by the above methods may be used except where lender's mortgage insurance is required and the valuation report is older than 12 months.

St.George Bank requires non-internal panel valuers to be members of the Australian Property Institute. In some Bank SA loans, valuations have been undertaken by internal bank valuers. These valuations are prepared by internal bank valuers, and in the case of applications in metropolitan areas, until September 30, 2006, such internal bank valuers were supervised by a St.George Bank employee who was a member of the Australian Property Institute. Beginning in February 2007, these internal bank valuers (known as "internal retail property assessors") who are not members of the Australian Property Institute, will complete an allocated number of valuations only for specified residential properties located in the Adelaide metropolitan area, where the property value does not exceed A\$750,000. In the case of Bank SA loans where the security is located in certain rural postcodes, are below a specified loan amount and which do not exceed a specified LVR percentage, such valuations may be undertaken by internal bank staff

who are not members of the Australian Property Institute. A housing loan may be secured by more than one property, in which case the combined value of the properties is considered. The LVR may not exceed a specified percentage for any housing loan, other than Low Doc (Stated Income) Home Loans where the LVR may not exceed a lower specified percentage. For housing loans approved on or after February 23, 2004, the amount of any premium for mortgage insurance which may be capitalised to the borrower's housing loan principal is excluded when calculating the LVR of that housing loan (although when calculating LVR for the purposes of the eligibility criteria, to allow a housing loan to be equitably assigned to the issuer trustee, this premium is taken into account).

Verification of an applicant's information is central to the approval process. St. George Bank verifies all income on all "full documentation" loan applications by procedures such as employment checks, including a review of the applicant's last two years of employment history and tax returns. It also conducts credit checks and enquiries through a credit reporting agency in accordance with current credit criteria. A statement of the applicant's current assets and liabilities is also obtained.

The prospective borrower must have a satisfactory credit history and stable employment, and, on loans where lender's mortgage insurance is required, some evidence of a genuine savings pattern and a specified deposit in genuine savings.

St. George Bank requires all Borrowers to satisfy a minimum disposable income level after all commitments, including allowances for living expenses and the proposed housing loan, with an allowance for interest rate increases. This is to ensure that the applicant has the capacity to repay loans from his or her current income.

All Borrowers in respect of housing loans are natural persons or corporations. Housing loans to corporations may also be secured by guarantees from directors. Guarantees will also be obtained in other circumstances.

St. George Bank conducts a review of a sample of approved housing loans on a monthly basis to ensure individual lending officers maintain all policy standards. Once a verified application is accepted, St. George Bank provides each loan applicant with a loan agreement comprised of a loan offer document together with a general terms and conditions booklet. Upon receipt of the signed acceptance of this offer from all Borrowers under the particular loan, the loan will proceed to execution of the mortgage documentation and certification of title. When St. George Bank or its solicitors have received these documents, the loan advance is drawn/made and settlement will occur. Upon settlement, the mortgage is registered and the documents stored at St. George Bank's Head Office at Kogarah, Sydney or in interstate branch offices. A condition of settlement is that the mortgagor establishes and maintains full replacement property insurance on the security property for the duration of the loan contract's term.

Some housing loans may have been originated under "limited documentation", "stated documentation" or "no documentation" features that require less documentation and verification than do traditional "full documentation" products. Under a limited documentation, stated documentation or no documentation program options, minimal investigation into the mortgagor's credit history and income profile is undertaken by the originator and the underwriting may be based primarily or entirely on an appraisal of the mortgaged property and the LVR at origination. See Section 5.2(d)(iii) "Low Doc (Stated Income) Home Loans" below.

St. George Bank's credit policies and approval procedures are subject to constant review. Updates in procedures are continuous. Credit policy may change from time to time due to business conditions and legal or regulatory changes.

All St. George Bank's lending officers who have a "delegated risk authority" can approve a loan within that authority, otherwise the loan application must be escalated for assessment by a credit specialist. In certain circumstances, such credit specialists may approve a loan application that falls outside stated policy.

Any material changes to credit policy must be approved by St. George Bank's Group Credit business unit, reviewed by all other affected business units and approved by the Board Risk Management Committee of St. George Bank.

(c) St.George Bank's Product Types

(i) Standard Variable Rate Home Loan

This type of loan is St.George Bank's traditional standard variable rate product. There is not a stated or defined explicit link to the interest rates in the financial markets, although, in general, the interest rate does follow movements in the financial markets. Standard Variable Rate Home Loans may be converted to a Fixed Rate Loan product or other product at the Borrower's request, subject to payment of a "switch fee" and St.George Bank's consent.

Additional sub products of the Standard Variable Rate Home Loan product are available. They include the St.George Bank Loyalty Loan where existing and previous St.George Bank home loan customers with a St.George Bank home loan relationship of five years or more are entitled to a "loyalty" rate whenever their loan is at the Standard Variable Rate Home Loan interest rate. New St.George Bank customers and former Advance Bank home loan customers are not entitled to the "loyalty" rate. The "loyalty" discount rate is guaranteed to be a specified percentage established from time to time by St.George Bank, below the Standard Variable Rate Home Loan.

Another sub product is the Discount Variable Rate Home Loan Product, which is only available for new borrowers to St.George Bank. It commences with a discounted interest rate for the first year, which reverts to the Standard Variable Rate Home Loan interest rate at the end of that period. This product has an early termination fee, which is payable if the loan is discharged within up to the first three years of settlement as described below under "—Special Features of the Purchased Loans—Early Repayment".

Customers that meet loan size or defined contribution thresholds may also be eligible for interest rate discounts under either our Advantage Package, or the previous package, "Professional Benefits". These programs provide for discounts of a specified percentage, established from time to time by St.George Bank, off the Standard Variable Home Loan interest rate for the life of the loan.

(ii) St.George Bank Great Australian Home Loan

The St.George Bank Great Australian Home Loan product has a variable interest rate which is not linked to, and historically has been lower than, St.George Bank's Standard Variable Rate Home Loan product. Consistent with the Standard Variable Rate Home Loan, the interest rates set under the St.George Bank Great Australian Home Loan product have no stated or explicit link to interest rates in the financial markets. Further, the interest rate of a St.George Bank Great Australian Home Loan could fluctuate independently of other variable rates.

The St.George Bank Great Australian Home Loan product may be converted to a Fixed Rate Loan or another St.George Bank residential loan product at the Borrower's request, and if agreed to by St.George Bank, subject to the payment of a "switch fee". Lump sum payments are permitted under the St.George Bank Great Australian Home Loan product at any time without penalty. Partial interest offset is available, however, 100% interest offset is not permitted under this product - see "Interest Offset" below. Loan payments may be made monthly, every two weeks or weekly and must be made by automatic transfer from a St.George Bank transaction account or by direct debit from an account held at an external financial institution approved by St.George Bank. This product was removed from sale on 25 August 2001 when the St.George Essential Home Loan, as described below, was introduced.

(iii) St.George Bank Essential Home Loan

The St.George Bank Essential Home Loan product has a variable interest rate that is not linked to St.George Bank's Standard Variable Rate Home Loan product. Consistent with the Standard Variable Rate Home Loan product, the interest rates set under the St.George Bank Essential Home Loan product have no stated or explicit link to interest rates in the financial markets. Further, the interest rate of the St.George Bank Essential Home Loan product could fluctuate independently of other variable rates.

The St.George Bank Essential Home Loan product may be converted to a Fixed Rate Loan or another St.George Bank residential loan product at the Borrower's request, and if agreed to by St.George Bank, subject to the payment of a "switch fee".

This product was removed from sale on 19 February 2007, and was replaced with the St.George Basic Home Loan, as described below.

(iv) St.George Basic Home Loan

The St.George Basic Home Loan product has a variable interest rate. Similar to the Essential Home Loan, Basic Home Loan offers a reduced set of product features, with a lower interest rate and fee structure compared to the Standard Variable Rate Home Loan product. The product is available for both investment and owner-occupied borrowing purposes, and customers can choose either principal and interest or interest based repayments.

(v) Fixed Rate Loan

A Fixed Rate Loan is a loan where the interest rate is fixed for a selected period of one, two, three, four or five years. Generally St.George Bank also offers a One-Year Introductory Fixed Rate Home Loan which is only available to new Borrowers of St.George Bank. At the end of the fixed rate period, the loans will automatically convert to the Standard Variable Rate Home Loan interest rate. Economic break-costs may apply for Fixed Rate Loans that are prepaid or changed before the end of the fixed interest period.

In addition to economic break costs that may be payable, as with the Discount Variable Rate Home Loan, the One Year Introductory Fixed Rate Home Loan has an early termination fee, which is payable if the housing loan is discharged within the first two years of settlement. For housing loans approved after 16 March 2003, the early termination fee is payable if the housing loan is discharged within the first three years of settlement.

The Servicer will not allow the interest rate on a Fixed Rate Loan product to be re- fixed at the end of its fixed rate term if it will result in a downgrade or withdrawal of the rating of the Notes. All requests for interest rates to be re-fixed at the end of the current fixed rate term are subject to the St.George Bank's agreement, and where applicable, payment of a fee.

(vi) Portfolio Loan

St.George Portfolio Loan is a flexible line of credit facility secured by residential property, that allows customers to separate their total credit limit into a number (maximum 10) of different "sub-accounts." A nominated "primary" sub-account must be at a variable rate, and borrowers can choose between fixed and variable rates on all other sub-accounts.

There is no loan term, and the product does not amortise. Generally, a minimum monthly repayment equal to interest and charges is required on each sub-account, although borrowers can elect to capitalise fees and interest on investment sub-accounts up to the credit limit of that sub-account. The product is available for both personal and investment purposes, and is currently priced at a premium to our Standard Variable Rate home loan. Interest rate discounts can apply to Portfolio Loan in line with the Advantage Package or previous Professional Benefits package structures.

(d) Special Features of the Purchased Loans

Each Purchased Loan may have some or all of the features described in this Section 5.2(d). In addition, during the term of any Purchased Loan, St.George Bank may agree to change any of the terms of that Purchased Loan from time to time at the request of the Borrower.

(i) Switching Interest Rates

St.George Bank will consider requests from Borrowers to change from a Fixed Rate Loan product to a variable interest rate loan product or vice versa. A borrower may incur a "switch fee" in an amount between A\$350 and A\$1,000, depending on the loan product and the date of approval. The Servicer will not allow the conversion of a Purchased Loan if it will result in a downgrade or withdrawal of the rating of the Notes. Any variable rate loan product converting to a Fixed Rate

Loan product will be matched by an increase in the Fixed-Floating Rate Swap to hedge the fixed rate exposure. Prior to August 2003, the "Professional Pricing" product provided for discounts of up to 0.10% off the standard Fixed Rate Loan interest rate for the term of the fixed rate period for new Borrowers that meet loan size or defined contribution thresholds. Although St.George Bank no longer offers a standard interest rate discount on fixed rate loans, there may be some fixed rate Purchased Loans which have the benefit of this product or receive a discount on the fixed rate based on individual circumstances. Economic break-costs may apply for Fixed Rate Loans that are prepaid or changed before the end of the fixed interest rate period.

(ii) Interest Based Repayment Option

In addition to standard principal and interest repayments, borrowers may also choose an "Interest Based" repayment option on Discount Variable Rate, Standard Variable Rate, Essential, Basic Home Loan, One Year Introductory Fixed Rate, Fixed Rate Home Loans and Low Doc (Stated Income) Home Loans. Each Interest Based repayment is calculated by St.George Bank by taking the interest rate specified in the repayment notice notifying the borrower of the amount of the Interest Based repayment, calculating one year's interest charges at that rate on the balance owing on the loan account as of a specified date and dividing such amount by 12 and adding any monthly administration fee. The Interest Based repayment amount does not vary according to the number of days in a month. In shorter months, the repayment amount may be greater than the actual interest accrued whereby such excess reduces the balance owed on the loan account. In longer months, the repayment amount may be slightly less than the actual interest accrued and such amount of accrued but unpaid interest is added to the balance owed on the loan account and is capitalised. A borrower is permitted to make additional repayments, which may be subject to economic break-costs in the case of a fixed rate loan, on their Interest Based repayment loan. A borrower may have an Interest Based repayment period of up to 15 years throughout the term of the loan with St.George Bank. Interest Based repayment loans always convert to principal and interest for at least one year before the end of the loan's term to ensure repayment of the loan. A borrower may change between Interest Based and principal and interest repayment options throughout the loan term, so long as the borrower does not exceed the maximum Interest Based term of 15 years and provided that the borrower is not changing repayment options during a fixed rate term. Repayment offset is also available for borrowers on certain housing loans with Interest Based repayments. See "Interest Offset" below.

(iii) Low Doc (Stated Income) Home Loans

Low Doc (Stated Income) Home Loans do not require St.George Bank to verify the applicant's income. Instead, prior to approval, St.George Bank requires that the borrower complete a self-assessment of affordability and provide a signed affordability statement to confirm that the borrower is able to support the loan. In the case of self-employed borrowers, St.George Bank verifies (using Australian Business Number details) that the borrower has been in business for a minimum of two years. Individuals in business in Australia must be registered with the tax office so that their income can be tracked. For salaried borrowers, St.George Bank obtains an employment confirmation, and verifies, from information contained in the application, that the borrower has been employed for 30 months over the past three years. For salaried borrowers, an independent assessment of affordability is completed by St.George Bank to confirm that the resulting minimum policy ratios using the stated income conform to St.George Bank's minimum policy requirements.

Lender's mortgage insurance is required at a lower LVR than for standard loans (60% instead of 80%), and Low Doc (Stated Income) Home Loans are written at a lower maximum LVR (80%) and loan size (which is limited to housing loans with a loan amount of less than A\$1.5 million) than standard loans. Low Doc (Stated Income) Home Loans are available as a standard variable rate product, as a fixed rate or as a line of credit and are priced in line with St.George Bank's standard rates.

Customers that meet loan size or defined contribution thresholds may also be eligible for "Professional Pricing" that provides for discounts of up to current "Professional Package" discounts of a specified percentage, established from time to time by St. George Bank, off the Standard Variable Home Loan interest rate for the life of the loan. Low Doc Professional Package discounts are generally lower than those available for loans where standard credit criteria such as income verification is applied.

(iv) Low Doc (Stated Income) Portfolio Loan

St.George Low Doc (Stated Income) Portfolio Loan is a flexible line of credit facility secured by residential property, that allows customers to separate their total credit limit into a number (maximum 10) of different "sub-accounts." A nominated "primary" sub-account must be at a variable rate, and borrowers can choose between fixed and variable rates on all other sub-accounts.

There is no loan term, and the product does not amortise. A minimum monthly repayment equal to interest and charges is required on each sub-account. The product is available for both personal and investment purposes, and is currently priced at a premium to our Standard Variable Rate home loan. Interest rate discounts can apply to Low Doc (Stated Income) Portfolio Loan in line with the Low Doc Professional Benefits package structures.

(v) Further Borrowings

A Borrower may, if the terms of their housing loan so allow, request a further advance from St.George Bank which amount if approved and drawn takes the outstanding principal balance of their housing loan above the scheduled amortised principal balance of its housing loan. Such an advance is to be distinguished from a Redraw, which is for an amount up to the scheduled amortised principal balance. Such an advance may be used by the Borrower for any purpose.

Where a further advance, which is not a Redraw, is requested by a Borrower, that advance may (at the Borrower's option) be treated as either:

- (A) a separate loan; or
- (B) an increase to the principal balance of the relevant Purchased Loan held by the Issuer Trustee.

Some of the Purchased Loans in the housing loan pool as of the Cut-Off Date were originated as these separate loans. All of these separate loans will be assigned to the Trust, together with each related Purchased Loan, and form part of the Assets of the Trust.

If the advance takes the form of a separate loan and is sought by the Borrower after the Cut-Off Date, and the aggregate of the existing housing loan and the separate loan meets the eligibility and servicing criteria, the separate loan will be approved and settled by St.George Bank.

St.George Bank will provide the funding for the separate loan, which will be secured by the existing Mortgage. In the event, however, that it becomes necessary to enforce the separate loan or the Mortgage, the Master Trust Deed requires that any proceeds of that enforcement be applied in satisfaction of all amounts owing actual or contingent, under the Purchased Loan included in the Assets of the Trust, before any amounts may be applied in satisfaction of the new loan.

Under the Master Trust Deed, the Servicer will, at the direction of the Manager, in the event of enforcement of a Purchased Loan, distribute the proceeds to the Issuer Trustee of all Purchased Loans which are Assets of the Trust in priority to any separate loan advanced by St.George Bank after the Cut-Off Date.

If the further advance takes the form of an increase in the principal balance of the existing Purchased Loan above the scheduled principal balance of the Purchased Loan, and St.George Bank's applicable underwriting and credit criteria are satisfied, then St.George Bank will arrange to have that Purchased Loan removed as an Asset of the Trust in consideration of payment to the Issuer Trustee of an amount equal to the then Unpaid Balance of that Purchased Loan.

(vi) Substitution of Security

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

- (A) substitute a different property in place of the existing Mortgaged Property; or
- (B) release a Mortgaged Property under an existing loan contract.

If the Servicer's credit criteria are satisfied and another property is substituted for the existing security for the Purchased Loan, the Mortgage which secures the existing Purchased Loan may

be discharged without the Borrower being required to repay the Purchased Loan after the substituted security is registered.

If all of the following conditions occur, then the Purchased Loan will remain in the Purchased Loan pool, secured by the new Mortgage:

- (1) a new property subject to a Mortgage satisfies the Eligibility Criteria;
- (2) the principal outstanding under the Purchased Loan does not increase;
- (3) the purchase of the new property by the Borrower occurs simultaneously with the discharge of the original Mortgage; and
- (4) the new property is acceptable to the relevant Mortgage Insurer.

If any of the following conditions occur, then the Unpaid Balance will be repaid by St.George Bank and the Purchased Loan will cease to be an Asset of the Trust:

- (1) the new property does not satisfy the Eligibility Criteria;
- (2) the principal outstanding under the Purchased Loan will change (increase); or
- (3) settlement does not occur simultaneously with discharge.

That payment of the Unpaid Balance will form part of the Collections for the relevant Monthly Collection Period.

(vii) Redraws

The general terms and conditions of the variable rate housing loans allow the Borrower to request a Redraw of principal repayments made in excess of scheduled principal repayments during the period in which the relevant housing loan is charged a variable rate of interest. As of 23 June 2004 there has been no minimum Redraw amount. Borrowers may request a Redraw at any time, but its availability is always at the discretion of St.George Bank. The Borrower is required to pay a fee to St.George Bank in connection with a Redraw. Currently, St.George Bank does not permit Redraws on fixed rate housing loans. A Redraw will not result in the related Purchased Loan being removed from the Trust.

(viii) Payment Holiday

A Borrower may be allowed a payment holiday where the Borrower has prepaid principal, creating a difference between the outstanding principal balance of the housing loan and the scheduled amortised principal balance of the housing loan. The Servicer may agree that a Borrower does not need to make any payments, including payments of interest, until the outstanding principal balance of the Purchased Loan plus unpaid interest equals the scheduled amortised principal balance. The failure by the Borrower to make payments during a payment holiday would not lead the related Purchased Loan to be considered delinquent.

(ix) Early Repayment

A borrower will not incur break-costs if an early repayment or partial prepayment of principal occurs under a variable rate housing loan contract approved on or after November 1, 1996 (although a borrower may still be subject to an early termination or early repayment fee, depending on the loan product); provided, however, on or after February 1, 2000, regardless of the date of origin of a housing loan, if the housing loan is switched to a Fixed Rate Loan product from that time, a borrower will incur a break-cost in an amount calculated based on the method set forth in the general terms and conditions of a particular housing loan contract. However, in the case of housing loans approved prior to November 1, 1996, the equivalent of one month's interest may be payable as a break-cost.

While all fixed rate housing loans are subject to break-costs, currently the servicer's policy is not to charge break-costs in respect of a fixed rate housing loan if prepayments for that housing loan are less than A\$10,000 in any 12 month period while the interest rate is fixed. Where break-costs are payable, payment of the break-cost is required upon receipt of the prepayment or discharge. The amount of such break-costs are calculated based on the method set forth in the general terms and conditions of a particular housing loan contract. In some circumstances, the break-costs will be capitalised.

With the Discount Variable Rate and Introductory One-Year Fixed Rate loans approved on or after March 16, 2003, an early termination fee, currently of 0.9% of the balance owing on the day of discharge, may be payable if the housing loan is repaid before the third anniversary of the drawdown. Other than as set forth in the immediately preceding sentence, no early termination fee is due or payable with respect to the Discount Variable Rate or Introductory One-Year Fixed Rate loans.

With respect to Basic Home Loans, Standard Variable Rate loans (other than Discount Variable Rate loans) entered into at negotiated rates and Fixed Rate loans (other than Introductory One-Year Fixed Rate loans) entered into at negotiated rates, an early termination fee of A\$1,000 may be payable if the housing loan is discharged within the first three years of settlement.

With respect to Standard Variable Rate loans (other than Discount Variable Rate loans) entered into at non-negotiated rates, St.George Great Australian Home Loans, St.George Essential Home Loans and Fixed Rate loans (other than Introductory One-Year Fixed Rate loans) entered into at non-negotiated rates, no early termination or early repayment fee will be payable.

(x) *Switching to an Investment or Owner-Occupied Purchased Loan*

A Borrower may elect to switch the use of the Mortgaged Property from owner-occupied property to investment or vice versa. St.George Bank must ensure that following any switch, the related Purchased Loans in the pool still satisfy the Eligibility Criteria. St.George Bank requires notification from the Borrower, and St.George Bank reserves the right to change the interest rate or the fees charged with respect to the housing loan.

(xi) *Capitalised Fees*

A Borrower may request St.George Bank to provide product features under its housing loan contract without having to pay the usual up-front fee relating to that product. In those cases, St.George Bank may capitalise the fee, which will thus constitute part of the principal to be amortised over the remaining term of the housing loan.

(xii) *Combination or "Split" Purchased Loans*

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

If a Purchased Loan is split, each separate loan will remain in the Trust as long as each individual loan matures before the Final Maturity Date. If any loan matures after the Final Maturity Date, that loan will be removed from the Trust and the Unpaid Balance of the loan will be paid to the Issuer Trustee by St.George Bank. The other segments of the "split" loan which mature before the Final Maturity Date will remain in the Trust.

(xiii) *Interest Offset*

St.George Bank offers Borrowers two interest offset features which may be linked to the Borrower's housing loan which reduce (offset) interest charged to the housing loan account. One option is called "partial offset" and offsets the interest notionally accrued in the Borrower's linked savings account against the interest calculated on the Borrower's housing loan and charged on a monthly basis. It has only been available on Interest Based Fixed Rate Loans since March 2003. The second option is called "100% interest offset" and the amount of interest charged on the housing loan is calculated on the difference between the housing loan balance and the balance in the linked savings account. This feature is available on Standard Variable Rate Home Loans, Discount Variable Rate Home Loans, Introductory Fixed Rate Home Loans and Low Doc (Stated Income) Home Loans (variable rate only). St.George Bank does not actually pay interest on the balance(s) held in the linked savings account, but reduces the amount of interest which is payable by the Borrower under the Borrower's housing loan. The Borrower continues to make the Borrower's scheduled mortgage payment under the housing loan with the result that the portion allocated to principal is increased by the amount of interest offset.

As of February 2004, an additional option, "repayment offset", has been available for borrowers with 100% interest offset attached to an investment housing loan with Interest Based repayments. Repayment offset allows a borrower to have their housing loan repayment reduced

by the amount of the interest offset benefit, so the offset reduces their repayment, not the housing loan principal. This feature is only available for investment/non-regulated housing loans.

St.George Bank will pay to the Trust the aggregate of all interest amounts offset in respect of Purchased Loans on a monthly basis. These amounts will constitute Finance Charge Collections and Principal Collections for the relevant period. Only one nominated Borrower to the housing loan needs to have ownership status of the linked savings account.

If at any time there is no Basis Swap in place, St.George Bank must ensure that the interest rate applicable to the Borrower's deposit account is such that St.George Bank, as Servicer, will not be required to increase the Threshold Rate as described in Section 9.3(e) "Threshold Rate".

If, following a Title Perfection Event, the Issuer Trustee obtains legal title to a Purchased Loan, St.George Bank will no longer be able to offer an interest offset arrangement for that Purchased Loan.

(xiv) No Set Off Against Amounts Owning to St.George Bank

Under the housing loan documentation, Borrowers have waived their right to set off against all deposits held with St.George Bank.

(xv) Additional Features

St.George Bank may from time to time offer additional features in relation to a Purchased Loan which are not described in the preceding paragraphs of this Section 5.2(d). However, before doing so, St.George Bank must satisfy the Manager that the additional features would not affect any Mortgage Insurance Policy covering the Purchased Loan and would not cause a downgrade or withdrawal of the rating of any Notes. In addition, except for the interest rate and the amount of fees, St.George Bank generally does not change any of the terms of a housing loan without the related Borrower's consent.

(e) Collection and Foreclosure Process

When a housing loan is 14 days delinquent, a computer generated letter is sent to the relevant borrower advising of the situation and requesting that payment be made to rectify the situation. At 28 days delinquent, a further letter is generated and, at around 30 days delinquent (or 1 days delinquent in the case of Low Doc (Stated Income) loans), phone calls are made.

When a housing loan is more than 63 days delinquent, a default notice is sent advising the relevant borrower that if the matter is not rectified within a period of 31 days, St.George Bank is entitled to commence enforcement proceedings without further notice. A statement of claim will normally be issued to a borrower on an account which is greater than 120 days delinquent, if satisfactory arrangements are not in place. At any time a housing loan is more than 150 days delinquent, St.George Bank may apply for judgment in the Supreme Court of the relevant jurisdiction. Generally at greater than 150 days delinquent, St.George Bank applies for a writ of possession and generally when a housing loan is delinquent for 180 days, the sheriff is in a position to set an eviction date. Appraisals and valuations are ordered and a reserve price is set for sale via auction or private treaty. In most instances, if the account continues to be in arrears, the relevant mortgaged property is placed on the market and sold via either private treaty or auction. These time frames assume that the relevant borrower has either taken no action or has not honoured any commitments made in relation to the delinquency.

It should also be noted that the mortgagee'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 the mortgagee to exercise its power of sale and final completion of the sale. See also Section 5.5(f) "Enforcement of Registered Mortgages".

Under St.George Bank's housing loan product specifications, housing loans which are subject to a variable rate of interest enable a borrower to have a "payment holiday" where the borrower has made excess payments. The excess payments are the difference between the total amount paid by the borrower and the amount of the minimum payments required under the relevant housing loan. In accordance with the relevant product specifications, if a borrower with excess payments fails to make

some or all of a minimum payment, the Servicer will apply the excess payments against that missed payment. As such, the relevant housing loan will not be considered delinquent until such time as and when the amount of missed payments is greater than the excess payments.

The arrears and security enforcement procedures may change over time as a result of business changes, or legislative and regulatory changes.

5.3 Details of the Mortgage Pool

The information in the following tables set out various details relating to the housing loans to be offered to the Issuer Trustee on the Closing Date. The information is provided as of the close of business on 29 May 2007. 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 housing loan pool as of the Cut-Off Date or the Closing Date because the Approved Seller may substitute loans proposed for sale with other eligible housing loans or add additional eligible housing loans. The Approved Seller may do this if, for example, the loans originally selected are repaid early. These details may not reflect the Mortgage Pool as at the Cut-Off Date or the Closing Date due to repayments, prepayments, arrears and other factors between 29 May 2007 and the Closing Date.

Crusade Euro Trust No. 1E of 2007

Selected Housing Loan Pool Data as of Close of Business on May 29, 2007

Number of Housing Loan Groups	10,234
Number of Housing Loans	11,398
Number of Mortgaged Properties	11,602
Housing Loan Pool Size	\$2,550,000,002
Average Housing Loan Group Balance	\$249,169
Maximum Housing Loan Group Balance	\$1,499,626
Minimum Housing Loan Group Balance	\$10,001
Total Valuation of the Properties	\$4,598,426,374
Maximum Remaining Term To Maturity in months	359
Weighted Average Remaining Term To Maturity in months	318
Weighted Average Seasoning in months	21
Weighted Average Current Loan-to-Value Ratio	64.55%
Maximum Current Loan-to-Value Ratio	94.99%
Percentage of Investment Loans	38.57%
Percentage of Interest-Based Repayment Loans	30.00%
Percentage of Low Doc (Stated Income) Home Loans	9.35%
Weighted Average Coupon Rate	7.28%

Seasoning Analysis

Range of Months of Seasoning	Number of Loans	Balance Outstanding (A\$)	Average Balance (A\$)	% by Number of Loans	% by Balance Outstanding
01 - 03	1,789	\$400,398,725	\$223,811	15.70%	15.70%
04 - 06	2,917	\$703,311,815	\$241,108	25.59%	27.58%
07 - 09	812	\$198,978,659	\$245,048	7.12%	7.80%
10 - 12	561	\$157,219,308	\$280,248	4.92%	6.17%
13 - 18	646	\$199,882,718	\$309,416	5.67%	7.84%
19 - 24	460	\$139,450,679	\$303,154	4.04%	5.47%
25 - 36	871	\$258,852,076	\$297,190	7.64%	10.15%
37 - 48	694	\$183,272,489	\$264,081	6.09%	7.19%
49 - 60	445	\$92,913,389	\$208,794	3.90%	3.64%
61+	2,203	\$215,720,143	\$97,921	19.33%	8.46%
Grand Total	11,398	\$2,550,000,002	\$223,723	100.00%	100.00%

Pool Profile by Geographic Distribution

State	Region	Number of Properties	Total Valuation (A\$)	% by Number of Properties	% by Total Valuation
ACT	ACT Inner city	294	117,990,504	2.53%	2.57%
	ACT Metro	163	57,812,480	1.40%	1.26%
ACT Total		457	175,802,984	3.94%	3.82%
NSW	NSW Inner city	42	24,352,500	0.36%	0.53%
	NSW Metro	4,422	2,170,516,189	38.11%	47.20%
	NSW Non metro	1,895	602,873,684	16.33%	13.11%
NSW Total		6,359	2,797,742,373	54.81%	60.84%
QLD	QLD Inner city	11	3,696,000	0.09%	0.08%
	QLD Metro	585	217,413,314	5.04%	4.73%
	QLD Non metro	484	174,190,479	4.17%	3.79%
QLD Total		1,080	395,299,793	9.31%	8.60%
SA	SA Inner city	21	7,718,800	0.18%	0.17%
	SA Metro	999	327,061,323	8.61%	7.11%
	SA Non metro	838	200,015,416	7.22%	4.35%
SA Total		1,858	534,795,539	16.01%	11.63%
TAS	TAS Inner city	1	220,000	0.01%	0.00%
	TAS Metro	13	2,776,400	0.11%	0.06%
	TAS Non metro	8	996,000	0.07%	0.02%
TAS Total		22	3,992,400	0.19%	0.09%
VIC	VIC Inner city	30	12,436,500	0.26%	0.27%
	VIC Metro	1,044	409,748,803	9.00%	8.91%
	VIC Non metro	291	69,705,753	2.51%	1.52%
VIC Total		1,365	491,891,056	11.77%	10.70%
WA	WA Metro	418	181,780,897	3.60%	3.95%
	WA Non metro	24	10,348,500	0.21%	0.23%
WA Total		442	192,129,397	3.81%	4.18%
NT	NT Inner city	15	5,692,832	0.13%	0.12%
	NT Non metro	4	1,080,000	0.03%	0.02%
NT Total		19	6,772,832	0.16%	0.15%
Grand Total		11,602	4,598,426,374	100.00%	100.00%

Pool Profile by Repayment Method

Repayment Method	Number of Loans	Balance Outstanding (A\$)	Average Balance (A\$)	% by Number of Loans	% by Balance Outstanding
Principal & Interest	9,312	\$1,784,998,652	\$191,688	81.70%	70.00%
Interest Based Repayment	2,086	\$765,001,350	\$366,731	18.30%	30.00%
Grand Total	11,398	\$2,550,000,002	\$223,723	100.00%	100.00%

Pool Profile by Income Verification Type

Documentation Type	Number of Loans	Balance Outstanding (A\$)	Average Balance (A\$)	% by Number of Loans	% by Balance Outstanding
Verified Income	10,344	\$2,311,574,892	\$223,470	90.75%	90.65%
Stated Income	1,054	\$238,425,110	\$226,210	9.25%	9.35%
Grand Total	11,398	\$2,550,000,002	\$223,723	100.00%	100.00%

Low Doc (Stated Income) Housing Loan Summary Report

Number of Housing Loan Groups	869
Number of Housing Loans	1,054
Number of Mortgaged Properties	984
Housing Loan Pool Size	\$238,425,110
Average Housing Loan Group Balance	\$274,367
Maximum Housing Loan Group Balance	\$697,914
Minimum Housing Loan Group Balance	\$13,291
Total Valuation of the Properties	\$457,333,990
Maximum Remaining Term To Maturity in months	359
Weighted Average Remaining Term To Maturity in months	331
Weighted Average Seasoning in months	15.75
Weighted Average Current Loan-to-Value Ratio	59.90%
Maximum Current Loan-to-Value Ratio	79.99%
Percentage of Investment Loans	37.37%
Percentage of Interest-Based Repayment Loans	30.00%
Weighted Average Coupon Rate	7.36%

Pool Profile by Balance Outstanding

Current Balance (A\$)	Number of Loan Groups	Balance Outstanding (A\$)	Weighted Average LVR %	% by Number of Loans	% by Balance Outstanding
0.01 - 20,000.00	162	2,493,947	10.04%	1.58%	0.10%
20,000.01 - 30,000.00	204	5,209,197	16.26%	1.99%	0.20%
30,000.01 - 50,000.00	466	19,040,850	26.22%	4.55%	0.75%
50,000.01 - 100,000.00	1,250	95,258,677	40.84%	12.21%	3.74%
100,000.01 - 150,000.00	1,341	169,767,986	52.06%	13.10%	6.66%
150,000.01 - 200,000.00	1,472	259,424,755	59.28%	14.38%	10.17%
200,000.01 - 250,000.00	1,288	290,958,732	66.29%	12.59%	11.41%
250,000.01 - 300,000.00	1,120	308,415,064	68.89%	10.94%	12.09%
300,000.01 - 350,000.00	795	257,667,327	69.45%	7.77%	10.10%
350,000.01 - 400,000.00	548	204,669,228	70.62%	5.35%	8.03%
400,000.01 - 450,000.00	314	133,522,341	68.66%	3.07%	5.24%
450,000.01 - 500,000.00	356	169,551,101	65.29%	3.48%	6.65%
500,000.01 - 550,000.00	230	119,954,602	66.01%	2.25%	4.70%
550,000.01 - 600,000.00	182	104,814,707	67.78%	1.78%	4.11%
600,000.01 - 650,000.00	125	77,804,791	69.00%	1.22%	3.05%
650,000.01 - 700,000.00	93	62,835,846	68.51%	0.91%	2.46%
700,000.01 - 750,000.00	59	42,752,715	67.25%	0.58%	1.68%
750,000.01 - 800,000.00	53	40,854,209	65.32%	0.52%	1.60%
800,000.01 - 850,000.00	24	19,702,511	67.33%	0.23%	0.77%
850,000.01 - 900,000.00	21	18,380,443	67.10%	0.21%	0.72%
900,000.01 - 950,000.00	16	14,795,816	75.64%	0.16%	0.58%
950,000.01 - 1,000,000.00	22	21,645,014	68.10%	0.21%	0.85%
1,000,000.01 - 1,050,000.00	19	19,507,100	66.62%	0.19%	0.76%
1,050,000.01 - 1,100,000.00	14	15,154,304	73.78%	0.14%	0.59%
1,100,000.01 - 1,150,000.00	9	10,134,982	69.11%	0.09%	0.40%
1,150,000.01 - 1,200,000.00	13	15,344,890	62.18%	0.13%	0.60%
1,200,000.01 - 1,250,000.00	10	12,262,633	67.37%	0.10%	0.48%
1,250,000.01 - 1,300,000.00	9	11,430,253	67.12%	0.09%	0.45%
1,300,000.01 - 1,350,000.00	6	7,875,145	64.89%	0.06%	0.31%
1,350,000.01 - 1,400,000.00	2	2,704,321	60.55%	0.02%	0.11%
1,400,000.01 - 1,450,000.00	4	5,713,147	63.22%	0.04%	0.22%
1,450,000.01 - 1,500,000.00	7	10,353,366	64.59%	0.07%	0.41%
Grand Total	10,234	2,550,000,002	64.55%	100.00%	100.00%

Pool Profile by Occupancy Type

Occupancy Type	Number of Loans	Balance Outstanding (A\$)	Average Balance	% by Number of Loans	% by Balance Outstanding
Owner Occupied	8,025	1,566,432,894	195,194	70.41%	61.43%
Investment	3,373	983,567,108	291,600	29.59%	38.57%
Grand Total	11,398	2,550,000,002	223,723	100.00%	100.00%

Pool Profile by LVR

Current LVR (%)	Number of Loan Groups	Balance Outstanding (A\$)	Weighted Average LVR (%)	% by Number of Loans	% by Balance Outstanding
00.01 - 30.00	1,452	131,220,865	21.62%	14.19%	5.15%
30.01 - 35.00	449	71,566,769	32.63%	4.39%	2.81%
35.01 - 40.00	527	96,246,620	37.57%	5.15%	3.77%
40.01 - 45.00	575	117,941,529	42.59%	5.62%	4.63%
45.01 - 50.00	656	151,535,935	47.59%	6.41%	5.94%
50.01 - 55.00	687	163,208,936	52.39%	6.71%	6.40%
55.01 - 60.00	776	210,443,013	57.72%	7.58%	8.25%
60.01 - 65.00	646	182,674,363	62.55%	6.31%	7.16%
65.01 - 70.00	776	225,290,181	67.62%	7.58%	8.83%
70.01 - 75.00	847	267,929,999	72.78%	8.28%	10.51%
75.01 - 80.00	1,773	607,207,819	78.51%	17.32%	23.81%
80.01 - 85.00	171	50,486,557	83.23%	1.67%	1.98%
85.01 - 90.00	437	134,860,449	88.22%	4.27%	5.29%
90.01 - 95.00	462	139,386,965	92.91%	4.51%	5.47%
Grand Total	10,234	2,550,000,002	64.55%	100.00%	100.00%

Pool Profile by Year of Maturity

Maturity Year	Number of Loans	Balance Outstanding (A\$)	Average Balance (A\$)	% by Number of Loans	% by Balance Outstanding
2008	1	589,091	589,091	0.01%	0.02%
2009	14	216,128	15,438	0.12%	0.01%
2010	18	734,341	40,797	0.16%	0.03%
2011	26	929,019	35,732	0.23%	0.04%
2012	55	1,742,543	31,683	0.48%	0.07%
2013	27	2,101,418	77,830	0.24%	0.08%
2014	70	3,808,370	54,405	0.61%	0.15%
2015	48	2,924,554	60,928	0.42%	0.11%
2016	65	5,744,646	88,379	0.57%	0.23%
2017	111	8,231,539	74,158	0.97%	0.32%
2018	59	5,083,556	86,162	0.52%	0.20%
2019	219	14,269,642	65,158	1.92%	0.56%
2020	145	9,640,891	66,489	1.27%	0.38%
2021	137	14,186,266	103,549	1.20%	0.56%
2022	250	25,117,814	100,471	2.19%	0.99%
2023	225	17,164,727	76,288	1.97%	0.67%
2024	420	40,079,752	95,428	3.68%	1.57%
2025	221	27,947,104	126,457	1.94%	1.10%
2026	284	37,705,451	132,766	2.49%	1.48%
2027	355	58,927,075	165,992	3.11%	2.31%
2028	271	64,281,313	237,200	2.38%	2.52%
2029	309	76,215,833	246,653	2.71%	2.99%
2030	247	61,172,979	247,664	2.17%	2.40%
2031	463	110,363,449	238,366	4.06%	4.33%
2032	931	183,776,903	197,397	8.17%	7.21%
2033	212	60,263,847	284,263	1.86%	2.36%
2034	411	130,543,130	317,623	3.61%	5.12%
2035	648	217,650,956	335,881	5.69%	8.54%
2036	1,698	500,396,295	294,697	14.90%	19.62%
2037	3,458	868,191,370	251,067	30.34%	34.05%
Grand Total	11,398	2,550,000,002	223,723	100.00%	100.00%

Distribution of Current Coupon Rates (%)

Range of Current Coupon Rates (%)	Number of Loans	Balance Outstanding (A\$)	Average Balance (A\$)	% by Number of Loans	% by Balance Outstanding
5.51 - 6.00	8	\$4,403,035	\$550,379	0.07%	0.17%
6.01 - 6.50	160	\$54,041,777	\$337,761	1.40%	2.12%
6.51 - 7.00	1,604	\$446,914,556	\$278,625	14.07%	17.53%
7.01 - 7.50	6,989	\$1,748,563,453	\$250,188	61.32%	68.57%
7.51 - 8.00	1,771	\$172,388,989	\$97,340	15.54%	6.76%
8.01 - 8.50	865	\$123,680,929	\$142,984	7.59%	4.85%
9.01+	1	\$7,263	\$7,263	0.01%	0.00%
Grand Total	11,398	\$2,550,000,002	\$223,723	100.00%	100.00%

Pool Profile by Product

Loan Product	Number of Loans	Balance Outstanding (A\$)	Average Balance (A\$)	% by Number of Loans	% by Balance Outstanding
1 Year Fixed	229	\$69,269,210	\$302,486	2.01%	2.72%
2 Year Fixed	86	\$21,478,317	\$249,748	0.75%	0.84%
3 Year Fixed	1,952	\$484,896,004	\$248,410	17.13%	19.02%
4 Year Fixed	77	\$19,766,908	\$256,713	0.68%	0.78%
5 Year Fixed	1,563	\$367,937,187	\$235,404	13.71%	14.43%
Basic Home Loans/STG					
Essential Home Loan/GAHL	2,143	\$317,234,565	\$148,033	18.80%	12.44%
Standard Variable	569	\$65,860,097	\$115,747	4.99%	2.58%
Other Variable	4,779	\$1,203,557,713	\$251,843	41.93%	47.20%
Grand Total	11,398	\$2,550,000,002	\$223,723	100.00%	100.00%

Distribution of Months Remaining to Maturity

Range of Months Remaining to Maturity	Number of Loans	Balance Outstanding (A\$)	Average Balance (A\$)	% by Number of Loans	% by Balance Outstanding
1 - 36	26	\$1,368,721	\$52,643	0.23%	0.05%
37 - 48	18	\$499,889	\$27,772	0.16%	0.02%
49 - 60	50	\$1,797,703	\$35,954	0.44%	0.07%
61 - 72	36	\$2,156,926	\$59,915	0.32%	0.08%
73 - 84	54	\$2,897,052	\$53,649	0.47%	0.11%
85 - 96	53	\$2,964,780	\$55,939	0.46%	0.12%
97 - 108	45	\$3,595,436	\$79,899	0.39%	0.14%
109 - 120	131	\$10,638,616	\$81,211	1.15%	0.42%
121 - 132	45	\$2,104,231	\$46,761	0.39%	0.08%
133 - 144	143	\$10,613,110	\$74,218	1.25%	0.42%
145 - 156	196	\$13,684,414	\$69,818	1.72%	0.54%
157 - 168	127	\$11,036,157	\$86,899	1.11%	0.43%
169 - 180	239	\$24,411,276	\$102,139	2.10%	0.96%
181 - 192	186	\$15,402,636	\$82,810	1.63%	0.60%
193 - 204	312	\$28,697,056	\$91,978	2.74%	1.13%
205 - 216	354	\$35,043,618	\$98,993	3.11%	1.37%
217 - 228	244	\$32,008,360	\$131,182	2.14%	1.26%
229 - 240	375	\$56,445,966	\$150,523	3.29%	2.21%
241 - 252	254	\$54,987,354	\$216,486	2.23%	2.16%
253 - 264	321	\$76,475,010	\$238,240	2.82%	3.00%
265 - 276	271	\$71,256,580	\$262,939	2.38%	2.79%
277 - 288	264	\$64,979,250	\$246,134	2.32%	2.55%
289 - 300	1,206	\$245,378,161	\$203,464	10.58%	9.62%
301 - 312	100	\$23,353,251	\$233,533	0.88%	0.92%
313 - 324	317	\$98,726,181	\$311,439	2.78%	3.87%
325 - 336	545	\$178,943,899	\$328,337	4.78%	7.02%
337 - 348	886	\$293,284,883	\$331,021	7.77%	11.50%
349 - 360	4,600	\$1,187,249,487	\$258,098	40.36%	46.56%
Grand Total	11,398	\$2,550,000,002	\$223,723	100.00%	100.00%

Distribution of Months Remaining to Interest Based Repayment End Date

Range of Months Remaining to Maturity	Number of Loans	Balance Outstanding (A\$)	Average Balance (A\$)	% by Number of Loans	% by Balance Outstanding
1 - 12	183	\$66,750,765	\$364,758	8.77%	8.73%
13 - 24	199	\$74,867,230	\$376,217	9.54%	9.79%
25 - 36	331	\$115,786,936	\$349,809	15.87%	15.14%
37 - 48	183	\$72,435,045	\$395,820	8.77%	9.47%
49 - 60	402	\$135,519,800	\$337,114	19.27%	17.71%
61 - 72	3	\$645,200	\$215,067	0.14%	0.08%
73 - 84	7	\$2,983,606	\$426,229	0.34%	0.39%
85 - 96	24	\$10,096,440	\$420,685	1.15%	1.32%
97 - 108	28	\$13,268,163	\$473,863	1.34%	1.73%
109 - 120	59	\$19,182,120	\$325,121	2.83%	2.51%
121 - 132	5	\$3,066,470	\$613,294	0.24%	0.40%
133 - 144	63	\$30,623,871	\$486,093	3.02%	4.00%
145 - 156	139	\$56,117,261	\$403,721	6.66%	7.34%
157 - 168	168	\$70,940,413	\$422,264	8.05%	9.27%
169 - 180	292	\$92,718,030	\$317,528	14.00%	12.12%
Grand Total	2,086	\$765,001,350	\$366,731	100.00%	100.00%

Distribution of Mortgage Insurer

Mortgage Insurer	Number of Loan Groups	Balance Outstanding (A\$)	Weighted Average LVR	% By Number of Loans	% by Balance Outstanding
Commonwealth of Australia Managed by Genworth Financial Mortgage Insurance Pty Limited (Reverted LVR Specific)	44	3,558,618	53.26%	0.43%	0.14%
Genworth Financial Mortgage Insurance Pty Limited (Reverted LVR Specific)	1,169	104,449,723	46.79%	11.42%	4.10%
Genworth Financial Mortgage Insurance Pty Limited (Reverted LMI Policy)	338	65,394,218	58.63%	3.30%	2.56%
PMI Mortgage Insurance Ltd (Reverted LMI Policy)	896	176,970,010	60.56%	8.76%	6.94%
PMI Mortgage Insurance Ltd (LMI Policy)	3,271	924,630,031	61.26%	31.96%	36.26%
St.George Insurance Australia Pty Limited (LVR Specific)	1,606	491,866,726	81.01%	15.69%	19.29%
St.George Insurance Australia Pty Limited (Reverted LVR Specific)	365	74,878,063	70.31%	3.57%	2.94%
St.George Insurance Australia Pty Limited (LMI Policy)	2,545	708,252,614	61.02%	24.87%	27.77%
Grand Total	10,234	2,550,000,002	64.55%	100.00%	100.00%

5.4 Prepayment and Yield Considerations

The following information is given solely to illustrate the effect of prepayments of the Purchased Loans on the weighted average life of the Notes under the stated assumptions and is not a prediction of the prepayment rate that might actually be experienced.

(a) General

The rate of principal payments and aggregate amount of payments on the Notes and the yield to maturity of the Notes will relate to the rate and timing of payments of principal on the Purchased Loans. The rate of principal payments on the Purchased Loans will in turn be affected by the amortisation schedules of the Purchased Loans and by the rate of principal prepayments, including, for this purpose, prepayments resulting from refinancing, liquidations of the Purchased Loans due to defaults, casualties, condemnations and repurchases by the Approved Seller. Subject, in the case of fixed rate Purchased Loans, to the payment of applicable fees, the Purchased Loans may be prepaid by the Borrowers at any time.

(b) Prepayments

Prepayments, liquidations and purchases of the Purchased Loans, including optional purchase of the remaining Purchased Loans in connection with the termination of the Trust, will result in early payments of Invested Amounts on the Notes. Prepayments of principal may occur in the following situations:

- (i) refinancing by Borrowers with other financiers;
- (ii) receipt by the Issuer Trustee of enforcement proceeds due to a Borrower having defaulted on its Purchased Loan;
- (iii) receipt by the Issuer Trustee of insurance proceeds in relation to a claim under a Mortgage Insurance policy in respect of a Purchased Loan;
- (iv) repurchase by the Approved Seller as a result of a breach by it of certain representations, less the principal balance of any related substituted loan, if any;
- (v) receipt by the Trust of any net amount attributable to principal from the Approved Seller or another trust established under the Master Trust Deed with respect to the substitution of a Purchased Loan;
- (vi) repurchase of the Purchased Loans as a result of an optional termination or a redemption for taxation or other reasons;
- (vii) receipt of proceeds of enforcement of the Security Trust Deed prior to the Final Maturity Date of the Notes; or
- (viii) receipt of proceeds of the sale of Purchased Loans if the trust is terminated while Notes are outstanding, for example, if required by law, and the Purchased Loans are then either:
 - (A) repurchased by St. George Bank under its right of first refusal; or
 - (B) sold to a third party.

The prepayment amounts described above are reduced by:

- (1) Principal Draws; and
- (2) the Redraw Retention Amount retained in the Collection Account.

Since the rate of payment of principal of the Purchased Loans cannot be predicted and will depend on future events and a variety of factors, no assurance can be given as to this rate of payment or the rate of principal prepayments. The extent to which the yield to maturity of any Note may vary from the anticipated yield will depend upon the following factors:

- (i) the degree to which a Note is purchased at a discount or premium; and
- (ii) the degree to which the timing of payments on the Note is sensitive to prepayments, liquidations and purchases of the Purchased Loans.

A wide variety of factors, including economic conditions, the availability of alternative financing and homeowner mobility may affect the Trust's prepayment experience with respect to the Purchased Loans.

(c) Weighted Average Lives

The weighted average life of a Note refers to the average amount of time that will elapse from the date of issuance of the Note to the date each Euro or dollar (as the case may be) in respect of principal repayable under the Note is reduced to zero.

Usually, greater than anticipated principal prepayments will increase the yield on Notes purchased at a discount and will decrease the yield on Notes purchased at a premium. The effect on yield due to principal prepayments occurring at a rate that is faster or slower than the rate initially anticipated will not be entirely offset by a subsequent similar reduction or increase, respectively, in the rate of principal payments. The amount and timing of delinquencies and defaults on the Purchased Loans and the recoveries, if any, on defaulted Purchased Loans and foreclosed properties will also affect the weighted average life of the Notes.

The following table is based on a constant prepayment rate model. Constant prepayment rate represents an assumed constant rate of prepayment each month, expressed as a per annum percentage of the principal balance of the pool of housing loans for that month. Constant prepayment rate does not purport to be a historical description of prepayment experience or a prediction of the anticipated rate of prepayment of any pool of housing loans, including the Purchased Loans. Neither the Approved Seller nor the Manager believes that any existing statistics of which it is aware provide a reliable basis for Noteholders to predict the amount or timing of receipt of Purchased Loan prepayments.

The following table is based upon the assumptions in the following paragraph, and not upon the actual characteristics of the anticipated Purchased Loans. Any discrepancies between characteristics of the actual Purchased Loans and the assumed Purchased Loans may have an effect upon the percentages of the Invested Amounts outstanding and weighted average lives of the Notes set forth in the table. Furthermore, since these discrepancies exist, principal payments on the Notes may be made earlier or later than the table indicates.

For the purpose of the following table, it is assumed that:

- (i) the Purchased Loan pool consists of fully-amortising Purchased Loans having the following approximate characteristics*:

Pool Number	Repline	Balance Outstanding	WA Interest Rate %	WA Original Term to Maturity in Months*	WA Remaining Term to Maturity in Months*	WA Remaining IBO Period
1	0<RT<=100	8,176,286	7.55%	142	74	-
2	100<RT<=150	23,700,675	7.57%	211	130	-
3	150<RT<=200	51,057,460	7.53%	257	178	-
4	200<RT<=275	188,797,995	7.49%	294	238	-
5	275<RT<=285	23,957,336	7.40%	312	280	-
6	285<RT<=300	182,477,879	7.31%	310	294	-
7	300<RT<=345	178,934,081	7.37%	361	331	-
8	345<RT<=360	784,652,199	7.23%	362	355	-
9	IO 0<RT<=15	65,140,659	7.09%	330	298	9
10	IO 15<RT<=30	89,872,053	7.25%	342	316	24
11	IO 30<RT<=40	63,771,609	7.20%	349	329	34
12	IO 40<RT<=50	58,340,772	7.09%	349	334	46
13	IO 50<RT<=60	98,748,736	7.25%	349	341	55
14	IO 60<RT<=160	126,907,433	7.23%	342	313	135
15	IO 160<RT<=240	115,114,828	7.22%		335	171

				347		
		2,059,650,001	7.28%	340	319	24

- (ii) the Cut-Off Date is the close of business on 29 May 2007;
- (iii) the Closing Date for the Notes is 26 June 2007;
- (iv) payments on the Notes are made on each Monthly Payment Date or Quarterly Payment Date, as applicable, regardless of the day on which payment actually occurs, commencing on 13 September 2007, in the case of the first Monthly Payment Date, and 13 September 2007, in the case of the first Quarterly Payment Date, and are made in accordance with the priorities described in this Offering Circular;
- (v) the model uses a prepayment assumption (the "**Prepayment Assumption**") which represents an assumed rate of prepayment each month relative to the then outstanding principal balance of the pool of Purchased Loans. A 100% Prepayment Assumption assumes a constant prepayment rate ("**CPR**") of 26% per annum. As used in the following table, the 0% Prepayment Assumption assumes prepayment rates equal to 0% of the related Prepayment Assumption (i.e., no prepayments). Correspondingly, the 75% Prepayment Assumption assumes prepayment rates equal to 75% of the 100% Prepayment assumption (i.e., a CPR of 19.5% per annum), and so forth for any of the other scenarios;
- (vi) the scheduled monthly payments of principal and interest on the Purchased Loans will be timely delivered on the first day of each month, including in the month of June 2007, which will have principal payments based on one full month's collections, with no defaults;
- (vii) there are no additional Redraws, Further Advances, substitutions or payment holidays with respect to the Purchased Loans, other than those accounted for in the Prepayment Assumption;
- (viii) all prepayments are prepayments in full received on the last day of each month and include 30 days' interest on the prepayment;
- (ix) principal collections are paid according to the rules of distribution set forth in this Offering Circular;
- (x) all payments under the Hedge Agreements are made as scheduled;
- (xi) the Manager does not direct the Issuer Trustee to exercise its right of optional redemption of the Notes, except with respect to the line titled "Weighted Average Life-To Call (Years)"; and
- (xii) the exchange rate is €0.61248 = A\$1.00.

It is not likely that the Purchased Loans will pay at any assumed constant prepayment rate to maturity or that all Purchased Loans will prepay at the same rate. In addition, the diverse remaining terms to maturity of the Purchased Loans could produce slower or faster payments of principal than indicated in the tables at the assumed constant prepayment rate specified, even if the weighted average remaining term to maturity of the Purchased Loans is the same as the weighted average remaining term to maturity of the assumptions described in this Section 5.4(c). Each investor or potential investor in Notes is urged to make their investment decisions on a basis that includes a determination as to anticipated prepayment rates under a variety of the assumptions discussed in this Offering Circular as well as other relevant assumptions.

In the following table, the percentages have been rounded to the nearest whole number and the weighted average life of a Class of Notes is determined by the following three step process:

- (A) multiplying the amount of each payment of principal thereof by the number of years from the date of issuance to the related Monthly Payment Date or Quarterly Payment Date, as applicable;
- (B) summing the results; and
- (C) dividing the sum by the aggregate payments of principal referred to in paragraph (A) above and rounding to two decimal places.

Percentage of Initial Principal Outstanding at the Following Constant Prepayment Rate Percentages

Class A-1 Notes

Date	0%	75%	90%	100%	110%	125%	150%
26-Jun-07	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
13-Jun-08	99%	79%	75%	73%	70%	66%	59%
13-Jun-09	98%	63%	56%	53%	49%	43%	35%
13-Jun-10	96%	49%	42%	38%	34%	28%	20%
13-Jun-11	95%	39%	32%	28%	24%	19%	13%
13-Jun-12	93%	31%	24%	20%	17%	13%	8%
13-Jun-13	91%	24%	18%	15%	12%	8%	4%
13-Jun-14	89%	19%	13%	11%	8%	5%	2%
13-Jun-15	87%	15%	10%	7%	6%	3%	1%
13-Jun-16	85%	12%	7%	5%	4%	2%	*
13-Jun-17	82%	9%	5%	4%	2%	1%	*
13-Jun-18	80%	7%	4%	2%	1%	1%	0%
13-Jun-19	77%	5%	3%	2%	1%	*	0%
13-Jun-20	74%	4%	2%	1%	*	0%	0%
13-Jun-21	70%	3%	1%	1%	*	0%	0%
13-Jun-22	66%	2%	1%	*	0%	0%	0%
13-Jun-23	62%	1%	*	*	0%	0%	0%
13-Jun-24	58%	1%	*	0%	0%	0%	0%
13-Jun-25	54%	1%	0%	0%	0%	0%	0%
13-Jun-26	49%	*	0%	0%	0%	0%	0%
13-Jun-27	44%	*	0%	0%	0%	0%	0%
13-Jun-28	39%	0%	0%	0%	0%	0%	0%
13-Jun-29	35%	0%	0%	0%	0%	0%	0%
13-Jun-30	29%	0%	0%	0%	0%	0%	0%
13-Jun-31	24%	0%	0%	0%	0%	0%	0%
13-Jun-32	19%	0%	0%	0%	0%	0%	0%
13-Jun-33	14%	0%	0%	0%	0%	0%	0%
13-Jun-34	9%	0%	0%	0%	0%	0%	0%
13-Jun-35	4%	0%	0%	0%	0%	0%	0%
13-Jun-36	1%	0%	0%	0%	0%	0%	0%
13-Jun-37	0%	0%	0%	0%	0%	0%	0%
13-Jun-38	0%	0%	0%	0%	0%	0%	0%
13-Jun-39	0%	0%	0%	0%	0%	0%	0%
13-Jun-40	0%	0%	0%	0%	0%	0%	0%
	0%	75%	90%	100%	110%	125%	150%
Weighted Average Life —to Maturity (Years)	17.83	4.21	3.51	3.15	2.84	2.47	1.99
Weighted Average Life —to Call (Years)	17.72	3.91	3.24	2.91	2.63	2.27	1.84

5.5 Legal Aspects of the Purchased Loans

The following discussion is a summary of the material legal aspects of Australian retail housing loans and mortgages. It is not an exhaustive analysis of the relevant law. Some of the legal aspects are governed by the law of the applicable State or Territory of Australia. Laws may differ between such States and Territories. The summary does not reflect the laws of any particular jurisdiction or cover all relevant laws of all jurisdictions in which a mortgaged property may be situated, although it reflects the

material aspects of the applicable Australian Federal laws and the laws of New South Wales, without referring to any specific legislation of that State.

(a) General

There are two parties to a mortgage. The first party is the mortgagor, who is either the Borrower and home owner or, where the relevant loan is guaranteed and the guarantee is secured by a mortgage, the guarantor. The mortgagor grants the mortgage over their property. The second party is the mortgagee, who is the lender. Each housing loan will be secured by a mortgage which has a first ranking priority over all other mortgages granted by the relevant Borrower and over all unsecured creditors of the Borrower, except in respect of certain statutory rights such as some rates and taxes, which are granted statutory priority.

(b) Nature of Purchased Loans as Security

A Purchased Loan held or to be held by the Issuer Trustee is most likely to be secured over property which is subject to Torrens title.

There are a number of different forms of title to land in Australia. The most common form of title in Australia is "Torrens title". The Purchased Loans in the proposed housing loan pool are all secured by Torrens title land. Torrens Title land is freehold or leasehold title, interests in which are created by registration in one or more central land registries of the relevant State or Territory of Australia. Each parcel of land is represented by a specific certificate of title. The original certificate is retained by the registry, and in most States a duplicate certificate is issued to the owner who then provides it to the mortgagee as part of the security for the Loan. Any dealing with the relevant land is carried out by *pro forma* instruments which become effective on registration and which normally require production of the duplicate certificate of title for registration.

Ordinarily the relevant certificate of title, or any registered plan and instruments referred to in it, will reveal the position and dimensions of the land, the present owner, and any registered leases, registered mortgages, registered easements and other dealings to which it is subject. In some jurisdictions, leases of more than three years are required to be registered in order to gain security of title against subsequent registered dealings. Otherwise, leases of residential land are generally not registered.

The Torrens Title system provides that the certificate of title is conclusive evidence, except in limited circumstances, such as fraud, of the matters stated in it. This means that lenders and home owners do not need to make historical searches and enquiries about the title, as a search of the relevant title register is sufficient.

Some Torrens title property securing housing loans and thus comprised in the mortgaged property, will be "strata title" or "urban leasehold".

(c) Strata Title

Strata Title is an extension of the Torrens title system and was developed to enable the creation of, and dealings with, various parts of multi-storey buildings, commonly referred to as apartment units or strata lots and is governed by the legislation of the State or Territory of Australia in which the property is situated. Under strata title, each proprietor has title to, and may freely dispose of, their strata lot. Certain parts of the property, such as the land on which the building is erected, the stairwells, entrance lobbies and the like, are known as "common property" and are held by an "owners corporation" for the benefit of the individual proprietors. All proprietors are members of the owners corporation, which is vested with the control, management and administration of the common property and the strata scheme generally, for the benefit of the proprietors, including the rules governing the apartment block. Generally, an owners corporation may sue an owner for unpaid levies.

Only Torrens title land can be the subject of strata title in this way, and so the provisions referred to in this Section 5.5 in relation to Torrens title apply to the title in an apartment unit held by a strata proprietor. In some jurisdictions, strata title can be used to subdivide land other than an apartment building, and some jurisdictions have leasehold strata title.

(d) Urban Leasehold

All land in the Australian Capital Territory is owned by, or on behalf, of the Commonwealth of Australia and is subject to a leasehold system of land title known as urban leasehold. Dealings with these

leases are registered under the Torrens title system. Mortgaged property in that jurisdiction comprises a Crown lease and developments on the land are subject to the terms of that lease. Any such lease:

- (i) cannot have a term exceeding 99 years, although the term can be extended under a straightforward administrative process in which the only qualification to be considered is whether the land may be required for a public purpose; and
- (ii) where it involves residential property, is usually subject to a nominal rent.

As with Torrens title land, the proprietor's leasehold interest in the land is entered in a central register and the proprietor may deal with their leasehold interest, including granting a mortgage over the property, without consent from the government.

In all cases where mortgaged property consists of a leasehold interest, the unexpired term of the lease exceeds the term of the housing loan secured by that mortgaged property.

Other States and Territories also have systems of Crown leasehold (usually for rural, coastal and island landholdings). These do not usually arise under the "Torrens title" system and different rules apply to the taking and enforcement of security over such title.

(e) Native Title

Crown property including Crown leasehold property, may be or may become subject to native title claims. Native title was recognised by Australian courts in 1992. Native title to particular property is based on the traditional laws and customs of indigenous Australians and is not necessarily extinguished by grants of Crown leases over that property. The extent to which native title exists over property, including property subject to a Crown lease, depends on whether a continuing connection with that land can be demonstrated by the indigenous claimants asserting native title, and whether the native title has been extinguished by the granting of the leasehold interest or other prior interests. To give statutory recognition to indigenous Australian's common law rights and to resolve a number of land management issues, the Commonwealth legislated the Native Title Act in 1993, and amended it in 1998. This legislation is complemented in the Australian Capital Territory by a Native Title Act, passed by the Australian Capital Territory Legislative Assembly in 1994. These laws operate in tandem in the Australian Capital Territory to regulate dealings with property interests which may affect native title.

The generally accepted view is that a lease that confers the right to exclusive possession over the property, which is typically the case with a residential lease, will extinguish native title over the relevant property if that lease was granted either by the Commonwealth prior to 23 December 1996 or by the Australian Capital Territory Government prior to 1 January 1994. For leases granted subsequently, the governmental authority which granted the lease must follow the procedures under the Commonwealth Native Title Act which require compensation payments to native title holders, generally by the authority, in respect of the grant of those leases.

Whether a lease confers exclusive possession will depend on a construction of the lease and the legislation under which the lease was granted.

(f) Taking Security Over Land

The law relating to the granting of security over real property is made complex by the fact that each State and Territory of Australia has separate governing legislation. The following is a brief overview of some issues involved in taking security over land.

Under Torrens title, registration of a mortgage using the prescribed form executed by the mortgagor is required in order for the mortgagee to obtain both the remedies of a mortgagee granted by statute and the relevant priorities against other secured creditors. To this extent, the mortgagee is said to have a legal or registered title. However, registration does not transfer title in the property and the mortgagor remains as legal owner. Rather, the Torrens title mortgage takes effect as a statutory charge or security only. The Torrens title mortgagee does not obtain an "estate" in the property but does have an interest in the land which is recorded on the register and the certificate of title for the property. A search of the register by any subsequent creditor or proposed creditor will reveal the existence of the prior registered mortgage.

In most States and Territories of Australia, a mortgagee will retain a duplicate certificate of title which mirrors the original certificate of title held at the relevant land registry office. Although the certificate is not a document of title as such, the procedure for replacement is sufficiently onerous to act as a

deterrent against most mortgagor fraud. Failure to retain the certificate may in certain circumstances constitute negligent conduct resulting in a postponement of the mortgagee's priority to a later secured creditor.

In Queensland and Victoria, duplicate certificates of title are no longer issued to mortgagees as a matter of practice. A record of the title is stored on computer at the land registry office and the mortgage is registered on that computerised title.

Once the mortgagor has repaid the loan, a discharge of mortgage executed by the mortgagee is lodged with the relevant land registry office by the mortgagor or the mortgagee and the mortgage will then be removed from the certificate of title for the property. However, a copy of the computer title can be used and held by the mortgagee. In Western Australia, under the Transfer of Land Act 1893, duplicate certificates of title are optional at the election of the registered proprietor.

(g) Enforcement of Registered Mortgages

Subject to the discussion in this Section 5.5(f), if a Borrower defaults under a housing loan, the loan documents should provide that all monies under the housing loan may be declared due and payable either, in limited circumstances, immediately, or otherwise after a default notice has been given and the default has not been remedied within a prescribed period of time (generally at least 30 days). In Australia, a lender may sue to recover all outstanding principal, interest and fees under the personal covenant of a Borrower contained in the loan documents to repay those amounts. In addition, the lender may enforce a registered mortgage in relation to the defaulted loan. Enforcement may occur in a number of ways, including the following:

- (i) the mortgagee may enter into possession of the property. If it does so, it does so in its own right and not as agent of the mortgagor, and so may be personally liable for mismanagement of the property and to third parties as occupier of the property;
- (ii) the mortgagee may, in limited circumstances, lease the property to third parties;
- (iii) the mortgagee may foreclose on the property. Under foreclosure procedures, the mortgagee extinguishes the mortgagor's title to the property so that the mortgagee becomes the absolute owner of the property, a remedy that is, because of procedural constraints, rarely used. If the mortgagee forecloses on the property, it loses the right to sue the Borrower under the personal covenant to repay and can only look to the value of the property for satisfaction of the debt;
- (iv) the mortgagee may appoint a receiver to deal with income from the property or exercise other rights delegated to the receiver by the mortgagee. A receiver is the agent of the mortgagor and so, unlike when the mortgagee enters possession of property, in theory the mortgagee is not liable for the receiver's acts or as occupier of the property. In practice, however, the receiver will require indemnities from the mortgagee that appoints it; or
- (v) the mortgagee may sell the property, subject to various duties to ensure that the mortgagee exercises proper care in relation to the sale. This power of sale is usually expressly contained in the mortgage documents, and is also implied in registered mortgages under the relevant Torrens title legislation. The Torrens title legislation prescribes certain forms and periods of notice to be given to the mortgagor prior to enforcement. A sale under a mortgage may be by public auction or private treaty. Once registered, the purchaser of property sold pursuant to a mortgagee's power of sale becomes the absolute owner of the property.

A mortgagee who exercises any of the powers referred to above, or any person who acts on behalf of the mortgagee, will be subject to various duties to the relevant mortgagor in relation to the actions it takes. For example, on a sale of property the mortgagee is under a duty to take reasonable care to ensure the mortgaged property is sold at its market value.

A mortgagee's ability to call in all amounts under a housing loan or enforce a mortgage which is subject to the Consumer Credit Legislation is limited by various demand and notice procedures which are required to be followed, notwithstanding any provisions to the contrary in the residential loan and mortgage documents. For example, as a general rule enforcement cannot occur unless the relevant default is not remedied within 30 days after a default notice is given. Borrowers may also be entitled to initiate negotiations with the mortgagee for a postponement of enforcement proceedings.

(h) Penalties and Prohibited Fees

Australian courts will not enforce an obligation of a Borrower to pay default interest on delinquent payments if the court determines that the relevant default interest rate is a penalty. Certain jurisdictions prescribe a maximum recoverable interest rate, although in most jurisdictions there is no specified threshold rate to determine what is a penalty. In those circumstances, whether a rate is a penalty or not will be determined by reference to factors such as the prevailing market interest rates. The Consumer Credit Legislation does not impose a limit on the rate of default interest, but a rate which is too high may entitle the Borrower to have the loan agreement re-opened on the ground that it is unjust. Under the Corporations Act 2001 of Australia, the liquidator of a company may avoid a loan under which an extortionate interest rate is levied.

The Consumer Credit Legislation requires that any fee or charge to be levied by the lender must be provided for in the contract, otherwise it cannot be levied. The regulations under the Consumer Credit Legislation may also from time to time prohibit certain fees and charges. The Consumer Credit Legislation also requires that establishment fees, termination fees and prepayment fees must be reasonable otherwise they may be reduced or set aside.

(i) Bankruptcy

The insolvency of a natural person is governed by the provisions of the Bankruptcy Act 1966 of Australia, which is a federal statute. Generally, secured creditors of a natural person, such as mortgagees under real property mortgages, stand outside the bankruptcy. That is, the property of the bankrupt which is available for distribution by the trustee in bankruptcy does not include the secured property. The secured creditor may, if it wishes, prove, or file a claim, in the bankruptcy proceeding as an unsecured creditor a number of circumstances, including if it has realised the related mortgaged property and its debt has not been fully repaid, in which case it can prove for the unpaid balance. Certain dispositions of property by a bankrupt may be avoided by the trustee in bankruptcy. These include where:

- (i) the disposition was made to defraud creditors;
- (ii) the disposition was made by an insolvent debtor within six months of the commencement of bankruptcy and that disposition gave a preference to an existing creditor over at least one other creditor; or
- (iii) the disposition was made within five years of the commencement of the bankruptcy for which no consideration or consideration of less than market value was given.

The insolvency of a company is governed by the Corporations Act 2001 of Australia. Again, secured creditors generally stand outside the insolvency. However, a liquidator may avoid a mortgage which is voidable under the Corporations Act 2001 of Australia because it is an uncommercial transaction, or an unfair preference to a creditor or a transaction for the purpose of defeating creditors, and that transaction occurred:

- (A) when the company was insolvent, or an act is done to give effect to the transaction when the company is insolvent, or the company becomes insolvent because of the transaction or the doing of an act to give effect to the transaction; and
- (B) within a prescribed period prior to the commencement of the winding-up of the company.

The liquidator may also avoid a loan under which an extortionate interest rate is levied.

(j) Environmental

Real property which is mortgaged to a lender may be subject to unforeseen environmental problems, including land contamination. Environmental legislation which deals with liability for such problems exists at both State and Federal levels, although the majority of relevant legislation is imposed by the States. No Australian statute expressly imposes liability on "passive" lenders or security holders for environmental matters, and some States expressly exclude such liability. However, liability in respect of environmentally damaged land, which liability may include the cost of rectifying the damage, may attach to a person who is, for instance, an owner, occupier or person in control of the relevant property.

In some but not all States, lenders are expressly excluded from the definitions of one or more of these categories.

Merely holding security over property will not convert a lender into an occupier. However, a lender or receiver who takes possession of contaminated mortgaged property or otherwise enforces its security may be liable as an occupier.

Some environmental legislation provides that security interests may be created over contaminated or other affected property to secure payment of the costs of any necessary rectification of the property. The security interests may have priority over pre-existing mortgages. To the extent that the Issuer Trustee or a receiver appointed on its behalf incurs any such liabilities, it will be entitled to be indemnified out of the Assets of the Trust.

(k) Insolvency Considerations

The current transaction is designed to mitigate insolvency risk. For example, the assignment of the beneficial interest of the Approved Seller in the relevant Loans to the Issuer Trustee should ensure that those Loans are not assets available to the liquidator or creditors of the Approved Seller in the event of an insolvency of the Approved Seller. Similarly, the Assets in the Trust should not be available to other creditors of the Issuer Trustee in its personal capacity or as trustee of any other trust in the event of an insolvency of the Issuer Trustee.

If any Insolvency Event occurs with respect to the Issuer Trustee in its capacity as trustee of the Trust, the Security Trust Deed may be enforced by the Security Trustee at the direction of the Voting Mortgagees – see Section 11.2 “Enforcing the Security”. The security created by the Security Trust Deed will stand outside any liquidation of the Issuer Trustee, and the assets the subject of that security will not be available to the liquidator or any creditor of the Issuer Trustee, other than a creditor which has the benefit of the Security Trust Deed, until the secured obligations have been satisfied. The proceeds of enforcement of the Security Trust Deed are to be applied by the Security Trustee as set out in Section 11.3 “Priorities under the Security Trust Deed”. If the proceeds from enforcement of the Security Trust Deed are not sufficient to redeem the Notes in full, some or all of the Noteholders will incur a loss.

(l) Tax Treatment of Interest on Australian Purchased Loans

Under Australian law, interest on loans used to purchase a person's primary place of residence is not ordinarily deductible for taxation purposes. Conversely, interest payments on loans and other non-capital expenditures relating to non-owner-occupied properties that generate taxable income are generally allowable as tax deductions.

(m) Consumer Credit Legislation

The majority of the Purchased Loans are regulated by the Consumer Credit Legislation. This legislation regulates the entire term of a typical (non-investment) housing loan. It imposes significant obligations on the lender regarding pre-contract disclosure. It regulates the form of the credit contract and mortgage and imposes obligations on the lender during the term of the loan including restrictions on enforcement.

Under the Consumer Credit Legislation, a Borrower has the right to apply to a court to do the following, among other things:

- (i) vary the terms of a Purchased Loan on the grounds of hardship or that it is an unjust contract;
- (ii) reduce or cancel any interest rate payable on a Purchased Loan if the interest rate is changed in a way which is unconscionable;
- (iii) reduce or cancel establishment fees payable on prepayment or early termination if they are unconscionable;
- (iv) have certain provisions of a Purchased Loan or a relevant Mortgage which are in breach of the legislation declared unenforceable;
- (v) obtain an order for a civil penalty, the amount of which may be set off against any amount payable by the Borrower under the applicable Purchased Loan; or
- (vi) obtain additional restitution or compensation in relation to breaches of the Consumer Credit Legislation in relation to a Purchased Loan or a Mortgage.

The Issuer Trustee will become liable for compliance with the Consumer Credit Legislation if it acquires legal title to the housing loans and will take this legal title subject to any breaches of the

Consumer Credit Legislation by the Approved Seller. In particular, once the Issuer Trustee acquires legal title it may become liable for criminal fines in relation to breaches of the Consumer Credit Legislation. Criminal fines may be imposed on the Approved Seller in respect of any breaches of the Consumer Credit Legislation by it while it held legal title to the housing loans. In addition, a mortgagee's ability to enforce a mortgage which is subject to the Consumer Credit Legislation is limited by various demand and notice procedures which are required to be followed. For example, as a general rule enforcement cannot occur unless the relevant default is not remedied within 30 days after a default notice is given. Borrowers may also be entitled to initiate negotiations with the mortgagee for a postponement of enforcement proceedings.

Any order under the Consumer Credit Legislation may affect the timing or amount of interest or principal payments or repayments under the relevant Purchased Loan, which might in turn affect the timing or amount of Interest or Principal Payments or repayments under the Notes.

At the time the Issuer Trustee acquires the beneficial interest in the Loans, the Approved Seller represents and warrants that the Loans and related Mortgages complied in all material respects with the Consumer Credit Legislation at the Cut-Off Date. Under the Servicing Agreement, the Servicer has undertaken to comply with the Consumer Credit Legislation in connection with servicing the Purchased Loans and related Mortgages.

The Approved Seller has indemnified the Issuer Trustee against any loss the Issuer Trustee may incur as a result of a failure by the Approved Seller to comply with the Consumer Credit Legislation in respect of a mortgage.

In addition:

- (i) each of the Custodian, in respect of custodial services provided by it, and the Servicer, in respect of its servicing obligations, have undertaken to comply with the Consumer Credit Legislation where failure to do so would mean the Issuer Trustee became liable to pay any civil penalty payments; and
- (ii) each of the Approved Seller and the Servicer further undertakes to ensure that each housing loan continues to satisfy certain eligibility criteria which includes the requirement that the housing loan complies, in all material respects, with applicable laws, including the Consumer Credit Legislation.

In some circumstances the Issuer Trustee may have the right to claim damages from the Approved Seller or the Servicer, as the case may be, where the Issuer Trustee suffers a loss in connection with a breach of the Consumer Credit legislation which is caused by a breach of a relevant representation or undertaking.

6. ACQUISITION OF THE MORTGAGE POOL

6.1 Process of Acquisition

(a) Sale Notice

Pursuant to a Sale Notice from the Approved Seller to the Issuer Trustee, the Approved Seller will offer to sell on the Closing Date its beneficial ownership in the housing loans described in the Sale Notice and certain rights related thereto.

The offer to sell may only be accepted by the Issuer Trustee paying the Purchase Price to the Approved Seller.

The net proceeds of the issue of the Notes will amount to A\$2,240,360,434.95 and (after making payments under the Currency Swap) will be used by the Issuer Trustee, together with the proceeds of issue of the A\$ Notes, to acquire equitable title to the Purchased Loans from the Approved Sellers, to establish the Liquidity Reserve and to invest in other Authorised Investments.

(b) Accrued Interest Adjustment

The “**Accrued Interest Adjustment**” means, in relation to the Approved Seller, all interest and fees accrued on the Purchased Loans purchased from the Approved Seller up to (but excluding) the Closing Date which are unpaid as at the close of business on the Closing Date.

On each Monthly Payment Date after the Closing Date amounts will be paid by the Issuer Trustee to the Approved Seller in priority to other Trust payments payable on that date until the Accrued Interest Adjustments for all Purchased Loans have been paid.

6.2 Approved Seller Representations and Warranties

The Approved Seller makes various representations and warranties to the Issuer Trustee in relation to the Sale Notice including:

- (a) that the housing loans proposed for sale on the Closing Date are assignable and that all consents required in relation to the assignment have been obtained;
- (b) that each housing loan proposed for sale on the Closing Date is legally valid, binding and enforceable against the relevant Borrower(s) in all material respects except to the extent that it is affected by laws relating to creditors' rights generally or doctrines of equity;
- (c) each housing loan (other than the Reverted Housing Loans) with an LVR greater than 80% (or 60% in the case of a Low Doc (Stated Income) Home Loan) at the time of origination is the subject of a mortgage insurance policy issued by St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited or the Commonwealth of Australia;
- (d) there is a lenders mortgage insurance policy with either PMI Mortgage Insurance Ltd or St.George Insurance Australia Pty Limited in place for those housing loans (other than the Reverted Housing Loans (as defined herein)) with an LVR of 80% or below (or 60% or below in the case of a Low Doc (Stated Income) Home Loan) at the time of origination;
- (e) each Reverted Housing Loan (Pool) is the subject of a mortgage insurance policy issued by PMI Mortgage Insurance Ltd or Genworth Financial Mortgage Insurance Pty Limited and each Reverted Housing Loan (Specific) is the subject of a mortgage insurance policy issued by the Commonwealth of Australia, Genworth Financial Mortgage Insurance Pty Limited or St.George Insurance Australia Pty Limited;
- (f) each housing loan proposed for sale on the Closing Date was originated in the ordinary course of the Approved Seller's business and entered into in compliance in all material respects with the Approved Seller's underwriting and operations procedures, as agreed upon with the Manager;
- (g) that at the time each housing loan proposed for sale on the Closing Date was entered into up to and including the relevant Closing Date it complied in all material respects with applicable laws, including, without limitation, where the Consumer Credit Legislation applies, the Consumer Credit Legislation and the performance by the Approved Seller of its obligations in respect of each such

housing loan and related security (including, without limitation, its variation, discharge, release, administration, servicing and enforcement) up to and including the relevant Closing Date complied in all material respects with applicable laws including, without limitation, where the Consumer Credit Legislation applies, the Consumer Credit Legislation;

- (h) that each housing loan proposed for sale on the Closing Date is denominated and payable only in Australian dollars in Australia;
- (i) the Approved Seller's standard form of loan agreement or terms of the mortgage for each housing loan proposed for sale on the Closing Date includes a clause to the effect that the relevant Borrower waives all rights of set-off as between the Borrower and the Approved Seller; and
- (j) that as at the Cut-Off Date, each housing loan proposed for sale on the Closing Date satisfies the following criteria (the "**Eligibility Criteria**"):
 - (i) it is sourced from the Approved Seller's portfolio of residential mortgage loans;
 - (ii) it is secured by a Mortgage which constitutes a first ranking mortgage over residential (owner-occupied or investment) land situated in capital city metropolitan areas or regional centres in Australia which is or will be registered under the Real Property Legislation, or where a Purchased Loan is not, or will not be when registered, a first ranking mortgage, the relevant Sale Notice includes an offer in relation to all prior ranking registered mortgages;
 - (iii) it is secured by a Mortgage over a Mortgaged Property which has erected on it a residential dwelling and which is required under the terms of the Mortgage to be covered by general insurance by insurers approved in accordance with the Transaction Documents;
 - (iv) it has an LVR less than or equal to 95% (for housing loans other than Low Doc (Stated Income) Home Loans); or 80% for Low Doc (Stated Income) Home Loans;
 - (v) it was not purchased by the Approved Seller but was approved and originated by the Approved Seller in the ordinary course of its business;
 - (vi) the relevant Borrower does not owe more than A\$1,500,000 under it;
 - (vii) the relevant Borrower is required to repay such loan within 30 years of the Cut-Off Date;
 - (viii) no payment from the Borrower is in arrears for more than 31 consecutive days;
 - (ix) the sale of an equitable interest in it, or the sale of an equitable interest in any related Mortgage or guarantee, does not contravene or conflict with any law;
 - (x) together with the related Mortgage, it has been or will be stamped, or has been taken by the relevant stamp duties authority to be stamped, with all applicable duty;
 - (xi) amortises in full by the end of its term;
 - (xii) was fully drawn as of its origination;
 - (xiii) it is secured by a Mortgage that is covered by a Mortgage Insurance Policy for 100% of amounts outstanding under such loan (but not including timely payment cover);
 - (xiv) it complies in all material respects with applicable laws, including Consumer Credit Legislation;
 - (xv) it has a maturity date of at least one year before the final Maturity Date; and
 - (xvi) it is subject to the terms and conditions of St.George Bank's Fixed Rate Loans, which bear a fixed rate of interest for up to five years as of the Cut-Off Date; St.George Bank's Essential Home Loan product; St.George Bank's Standard Variable Rate Home Loan product, including sub products of Loyalty Loans, which are entitled to a "loyalty" rate due to a home loan relationship with St.George Bank for five years or more and Discount Variable Rate Home Loans and Introductory Fixed Rate Home Loans, which are available only for new Borrowers to St.George Bank or its Low Doc (Stated Income) Home Loans, where borrowers provide a signed affordability statement to St.George Bank.

No housing loan that does not fulfil the Eligibility Criteria may be proposed for sale at any time including, without limitation, on the Closing Date.

6.3 Buy Back Provisions and Other Remedies

If:

- (a) a representation and warranty given by the Approved Seller in relation to any Purchased Loan is incorrect;
- (b) the Approved Seller gives or receives a notice of that breach not later than 10 Business Days before 120 days after the Closing Date; and
- (c) the Manager does not direct the Issuer Trustee to waive the breach, or the Approved Seller does not remedy the breach (if capable of remedy to the satisfaction of the Issuer Trustee and the Manager) within the specified 10 Business Day period, or such longer time as the Manager and the Issuer Trustee in their absolute discretion permit,

then, without any actions being required by either party, the Approved Seller will be taken to have offered to repurchase the relevant Purchased Loan for an amount equal to its Unpaid Balance. The Approved Seller also indemnifies the Issuer Trustee in the above circumstances for any relevant break costs for which the Issuer Trustee is liable in relation to the prepayment of any Hedge Agreement for the Trust.

On payment of the Unpaid Balance, the Issuer Trustee will cease to have any interest in the relevant Purchased Loan and the Approved Seller will hold both legal and beneficial interest in such Purchased Loan.

Where the Approved Seller breaches a representation and warranty in respect of a Purchased Loan other than in the above circumstances, the Issuer Trustee's rights will be limited only to a claim for damages. The maximum amount payable by the Approved Seller for a breach of a representation and warranty in those circumstances is an amount equal to the Unpaid Balance of the relevant Purchased Loan at the time of payment of damages.

In addition to the above, the Approved Seller will be liable to the Issuer Trustee for all damages if the Approved Seller breaches the warranty described in Section 6.2(g) "Approved Seller Representations and Warranties" in relation to the Consumer Credit Legislation.

7. RISK FACTORS

This Section 7 outlines some potential issues which may impact upon the ability of the Issuer Trustee to make Interest Payments and Principal Payments when due in respect of Notes.

As an outline, this discussion is not intended to be an exhaustive analysis of Risk Factors. Prospective subscribers for Notes should make their own independent evaluations and obtain independent advice as to whether to subscribe for Notes.

7.1 Limited Liability under the Notes

The Notes are debt obligations of the Issuer Trustee in its capacity as trustee of the Trust. The Notes are issued with the benefit of, and subject to, the Master Trust Deed, the Supplementary Terms Notice, the Security Trust Deed, the Note Trust Deed and the relevant Conditions. The Issuer Trustee's liability in respect of the Notes is limited to the Assets of the Trust available in accordance with the terms of the Master Trust Deed, the Supplementary Terms Notice, the relevant Conditions and the Security Trust Deed to meet its obligations in relation to the Notes and, except in certain limited circumstances, the Issuer Trustee will not be personally liable in respect of the Notes. See further Section 10.2(b) "Limitation of Issuer's Liability" below and Condition 15 of the Class A-1 Notes.

7.2 Credit Quality of the Mortgage Pool

The Issuer Trustee's obligations to make Interest Payments and Principal Payments in respect of Notes after deduction of all fees and expenses and other amounts payable in accordance with the Transaction Documents is limited to amounts received by the Issuer Trustee from (among others):

- (a) the Purchased Loans (e.g. from regular payment instalments, from prepayments and from the enforcement of defaulted Purchased Loans);
- (b) the relevant Mortgage Insurance Policy;
- (c) any other Support Facilities; and
- (d) the payment of damages by the Approved Seller, the Manager, the Custodian or the Servicer for breaches of specified obligations in the Transaction Documents.

Accordingly, the performance of the Purchased Loans, and the performance by relevant counterparties under each Mortgage Insurance Policy and Support Facility, will have a key impact on such payments in terms of both the timeliness of payments to Noteholders and the amount of such payments.

There are numerous factors which could affect the performance of the Purchased Loans, including economic, social, legal and other matters. If Borrowers do not make regular payment instalments when due, there is a risk that the Issuer Trustee will not have sufficient funds available for it to make Interest Payments and Principal Payments when due to the Noteholders. Prospective subscribers should make their own assessment of the likely performance of the Purchased Loans having regard to the information in this Offering Circular. Refer in particular to Sections 5 "The Mortgage Pool" and 6 "Acquisition of the Mortgage Pool".

If the Servicer is required to take enforcement action consequent upon the default of any Purchased Loan, then many factors may affect the amount realised on the sale of the relevant Mortgaged Property and the time taken to complete such a sale. Any shortfall in amount or delay in timing may affect the ability of the Issuer Trustee to make payments in respect of the Notes or the timing of such payments. To mitigate this risk, each Purchased Loan will be insured by a Mortgage Insurance Policy. See Section 9.1 "Mortgage Insurance Policies".

7.3 Mortgage Insurance Risk

The liability of a Mortgage Insurer is governed by the terms of the relevant Mortgage Insurance Policy, which contains certain exclusions that may allow that Mortgage Insurer to reduce a claim or terminate Mortgage Insurance cover in respect of a Purchased Loan in certain circumstances. Any such reduction or termination may affect the ability of the Issuer Trustee to make Interest Payments and Principal Payments in respect of the Notes. The exclusions and conditions differ between the Mortgage Insurance Policies. See Section 9.1 "Mortgage Insurance Policies" for more details on the terms of the Mortgage Insurance Policies.

7.4 Consumer Credit Legislation

Most of the Purchased Loans are regulated by Consumer Credit Legislation. Under that legislation, a Borrower may have a right to apply to a court to:

- (a) vary the terms of their Purchased Loan on the grounds of hardship or that it is an unjust contract;
- (b) reduce or cancel any interest rate payable on the Purchased Loan which is unconscionable;
- (c) have certain provisions of the Purchased Loan or relevant Mortgage which are in breach of the legislation declared unenforceable;
- (d) obtain an order for a civil penalty; or
- (e) obtain restitution or compensation, in relation to any breaches of the Consumer Credit Legislation in relation to the Purchased Loan or relevant Mortgage.

Any such order may affect the timing or amount of interest or principal repayments under the relevant Purchased Loan (which might in turn affect the timing or amount of Interest Payments or Principal Payments under the Notes).

At the time the Issuer Trustee acquires the Purchased Loans, the Approved Seller represents and warrants that the Purchased Loans and related Mortgages complied in all material respects with the Consumer Credit Legislation at the Cut-Off Date. The Issuer Trustee makes no representation and warranty that the Loans comply with the Consumer Credit Legislation.

Further, the Servicer undertakes under the Servicing Agreement to comply with all laws, including the Consumer Credit Legislation, in connection with servicing the Purchased Loans so that the Issuer Trustee does not personally or in its capacity as trustee of the Trust become liable to pay any civil penalty payments. The Servicer agrees to fully indemnify the Issuer Trustee from and against any expense, loss, damage or liability which the Issuer Trustee may incur as a consequence of a breach of the Servicing Agreement by the Servicer.

The Approved Seller may also be liable to fines and penalties for breach of the Consumer Credit Legislation while it retains legal title to the Purchased Loans. The Issuer Trustee will become liable for compliance with the Consumer Credit Legislation if it acquires legal title and will take such title subject to any breaches of the Consumer Credit Legislation by the Approved Seller. The Issuer Trustee will be indemnified out of the Assets of the Trust for any liability under the Consumer Credit Legislation to the extent that it is unable to recover such liabilities from the Approved Seller or the Servicer.

7.5 Servicer Risk

The Servicer has been appointed as Servicer of the Purchased Loans under the Master Trust Deed and the Servicing Agreement. A failure by the Servicer properly to perform its servicing obligations may have an impact on the amount of funds collected in respect of the Purchased Loans.

In this regard, the Servicing Agreement defines certain Servicer Transfer Events (see Section 10.4(d) "Removal and Retirement of the Servicer"). The Servicing Agreement provides that following a Servicer Transfer Event:

- (a) the Issuer Trustee must immediately terminate the Servicing Agreement and either appoint a replacement eligible Servicer or, failing such appointment, itself act as Servicer; and
- (b) the Servicer will fully indemnify the Issuer Trustee against damage or liability which the Issuer Trustee may incur as a consequence of the Servicer Transfer Event, subject to the terms of the Servicing Agreement.

The Servicer may also retire on 120 days' notice.

There is no assurance that the Issuer Trustee will be practically able to appoint another suitably qualified person to act as Servicer under the terms of the Master Trust Deed and the Servicing Agreement, or that such person (whether the Issuer Trustee or a third party) will be provided with the information and records which are required for it adequately to service the Purchased Loans.

If, following removal or retirement of the Servicer, there ceases to be a Servicer approved by the Mortgage Insurer to service the Purchased Loans for the Issuer Trustee, the Mortgage Insurer may reduce or cancel the amount of any claim under the Mortgage Insurance Policy (see Section 9.1 "Mortgage Insurance Policies"). Under the Transaction Documents, the Issuer Trustee must itself act

as Servicer if no replacement Servicer can be appointed. If the Issuer Trustee so acts, the Mortgage Insurer is not required to approve the Issuer Trustee as Servicer and, as at the date hereof, has not approved the Issuer Trustee to so act.

7.6 Market Risks

There is no guarantee that a secondary market in any Notes will develop, or if it does develop, that it will provide liquidity of investment or will continue until the Final Maturity Date. No assurance can be given that a Note held by a Noteholder can be sold to another investor or, if it can be sold, that the sale price would not be at a discount to the price originally paid by that Noteholder or the Invested Amount of that Note (if different).

7.7 Term Risks

Whilst the Issuer Trustee is obliged to repay all Notes in full by the Final Maturity Date, repayments and prepayments of principal will be passed through to Noteholders on each Quarterly Payment Date from Principal Collections, as described in Section 8 "Cashflow Allocation Methodology".

There is no guarantee as to the rate at which principal will be passed through to Noteholders. Accordingly, the actual date by which Notes are fully repaid cannot be precisely determined.

The rate at which the Purchased Loans may repay or prepay principal is influenced by a range of factors including:

- (a) the level of interest rates applicable to the Purchased Loans relative to prevailing mortgage interest rates in the market;
- (b) the default rate of Borrowers under Purchased Loans;
- (c) demographic and social factors such as unemployment, death, divorce and changes in employment of Borrowers;
- (d) the level of a Borrower's net equity in the Mortgaged Property;
- (e) enforcement proceedings upon default by a Borrower on its payment obligations;
- (f) the receipt of insurance proceeds under the Mortgage Insurance Policy;
- (g) the rate at which Borrowers change their Mortgaged Properties;
- (h) the election of an interest based repayment option; and
- (i) the degree of seasoning of the Purchased Loans. See Seasoning Analysis Table in Section 5.3 "Details of the Mortgage Pool".

Other factors which could result in early repayment of principal to Noteholders include:

- (i) the termination of the Trust (see Section 10.6 "Termination of the Trust");
- (ii) repurchase of Purchased Loans by the Approved Seller due to a breach of a representation and warranty, as described in Section 6.3 "Buy Back Provisions and Other Remedies"; and
- (iii) the Issuer Trustee exercising the Call described in Section 2.5 "Call and Tax Redemption".

7.8 Interest Rate

As at the Cut-Off Date, some of the Purchased Loans were subject to a fixed rate of interest. The balance of the Purchased Loans are subject to a discretionary variable rate which may be adjusted by the Servicer from time to time. The Borrower under a Purchased Loan which bears a variable rate of interest may at any time switch to a fixed rate of interest. A Purchased Loan may not bear a fixed rate of interest for a period exceeding five years. At the end of that period, the Purchased Loan will bear a variable rate of interest unless St. George Bank offers a further fixed rate of interest in relation to the Purchased Loan and such rate is accepted by the relevant Borrower. See Section 5.2(c)(iv) "Fixed Loan Rate" and Section 5.2(d)(i) "Switching Interest Rates" for more details on switching of interest rates. To hedge the basis risk between the variable rate or fixed rate (as the case may be) received by the Issuer Trustee from Purchased Loans and the interest rate payable by the Issuer Trustee to Noteholders, the Issuer Trustee has entered into the Basis Swap with the Basis Swap Provider, and the Fixed-Floating Rate Swap with the Fixed-Floating Rate Swap Provider.

See Section 9.3 “Basis Swap and Fixed-Floating Rate Swap” for more information on the Basis Swap and the Fixed-Floating Rate Swap.

It should be noted that if, on any Monthly Payment Date there are insufficient Total Available Funds to cover any amount due by the Issuer Trustee to the Basis Swap Provider or the Fixed-Floating Rate Swap Provider, the amount due from the Basis Swap Provider or the Fixed-Floating Rate Swap Provider (as the case may be) to the Issuer Trustee will be proportionately decreased.

If the Basis Swap is terminated, the Servicer is required to ensure that the interest rate payable on each Purchased Loan which is subject to a variable rate is not less than the Threshold Rate and shall promptly notify the relevant Borrowers of the change in accordance with the loan agreements.

7.9 Currency Risk

The Purchased Loans, and payments under the Purchased Loans, are denominated in Australian dollars, while the Class A-1 Notes are denominated in Euros. To hedge this currency risk, the Issuer Trustee has entered into the Currency Swap with the Currency Swap Provider. On each Quarterly Payment Date, certain amounts allocated to principal are paid in accordance with the cash flow allocation methodology set out in Section 8 “Cashflow Allocation Methodology” by the Issuer Trustee to the Currency Swap Provider, and the Currency Swap Provider pays to the Issuer Trustee, against receipt of the A\$ denominated payment, an amount denominated in Euros which is equivalent to the A\$ payment from the Issuer Trustee calculated by reference to an exchange rate which is fixed on or around the Closing Date or otherwise in accordance with the Currency Swap.

On each Quarterly Payment Date, the Issuer Trustee also pays, in accordance with the cash flow allocation methodology set out in Section 8 “Cashflow Allocation Methodology”, the scheduled A\$ floating rate payments (i.e. the A\$ Class A-1 Interest Amount) to the Currency Swap Provider and the Currency Swap Provider pays to the Issuer Trustee, against receipt of those A\$ denominated payments, scheduled € floating rate payments equivalent to the Interest due to the Class A-1 Noteholders. If on any Quarterly Payment Date the Issuer Trustee does not make the full scheduled A\$ payment, the scheduled € payment from the Currency Swap Provider will be reduced in the same proportion as the reduction in the payment from the Issuer Trustee.

See Section 9.4 “The Currency Swap” for more information on the Currency Swap.

7.10 Equitable Assignment

As at the Closing Date, the Purchased Loans will be assigned by the Approved Seller to the Issuer Trustee in equity. If a Title Perfection Event occurs, the Issuer Trustee and the Manager with the assistance of the Servicer must take such steps as are necessary to perfect the Issuer Trustee's legal title in the Purchased Loans. Until then, the Issuer Trustee is not permitted to take any steps to perfect legal title. In particular, it will not notify the Borrowers of the equitable assignment of the Purchased Loans to the Issuer Trustee.

Until a Borrower has notice of the assignment, that Borrower is not bound to make payments to anyone other than the Approved Seller. However, the Servicer undertakes to deal with all moneys received from Borrowers in accordance with the Servicing Agreement.

Whilst the Issuer Trustee holds only an equitable interest in the Purchased Loans, it must (if the Issuer Trustee takes any legal action) join the Approved Seller as a party to any legal proceedings against any Borrower in relation to the enforcement of any Purchased Loans. The Servicer undertakes in the Servicing Agreement to take any action in accordance with its normal enforcement procedures to enforce a Purchased Loan where a material default has occurred.

Further, the Issuer Trustee's equitable interest in the Purchased Loans may become subject to the interests of third parties created after the creation of the Issuer Trustee's equitable interest but prior to it acquiring a legal interest. In this regard, the Servicer undertakes not to consent to the creation or existence of any security interest over the Mortgaged Property unless it ranks behind the Purchased Loan.

Also, with respect to any dispute, claim or defence of any Borrower to the payment of any Purchased Loan, Mortgage or other related rights, the Approved Seller will indemnify the Issuer Trustee only for any such dispute, claim or defence which results from a breach by the Approved Seller under any Transaction Document.

7.11 Enforcement of Security

If the Security Trust Deed becomes enforceable and some or all of the Purchased Loans are sold, there is no guarantee that the Security Trustee would be able to sell the Purchased Loans for their then Unpaid Balance. This may adversely impact the Issuer Trustee's ability to repay all amounts outstanding in relation to the Notes. See Section 11 "The Security Structure" for information on the role of the Note Trustee on the enforcement of the Security Trust Deed and the order of priority of payments under the Security Trust Deed. See also Section 10.6(b) "Approved Seller's Right of First Refusal" for the Approved Seller's right to repurchase the Purchased Loans if the Trust terminates.

7.12 Nature of Security

Under the Security Trust Deed the Issuer Trustee grants a first ranking floating charge over all the Assets of the Trust in favour of the Security Trustee to secure the payment of moneys owing to creditors of the Trust, including, among others, the Noteholders, the Note Trustee, the Basis Swap Provider and the Currency Swap Provider (see Section 11.1 "General").

If a company grants a fixed security over any of its assets, those assets may not be dealt with by the company without the consent of the relevant mortgagee. In this way, the security is said to "fix" over the specific assets. Fixed securities are usually given over real property, marketable securities and other assets which will not be dealt with by the company.

Unlike fixed securities, floating charges do not attach to specific assets but instead "float" over a class of assets which may change from time to time, allowing the chargor to deal with those assets and to give third parties title to those assets free from any encumbrance. The Security Trust Deed provides that the Issuer Trustee may not deal with the Assets of the Trust subject to the floating charge, except in the ordinary course of its ordinary business. It is common in Australia for residential mortgage backed securitisation vehicles, such as the Issuer Trustee, to give floating charges rather than fixed charges.

The floating charge created by the Security Trust Deed may "crystallise" and become a fixed charge over the relevant class of Assets of the Trust at the time of crystallisation. Crystallisation will occur automatically following the occurrence of specific events set out in the Security Trust Deed, including, among other events, following the occurrence of an Event of Default or by notice to the Issuer Trustee from the Security Trustee following an Event of Default.

7.13 Breach of Representation or Warranty

St.George Bank will make certain representations, warranties and undertakings to the Issuer Trustee in relation to the Purchased Loans to be assigned by it to the Issuer Trustee as Approved Seller (see Section 6.2 "Approved Seller Representations and Warranties") and as Servicer (see Section 10.4 "The Servicer"). The Custodian will also give certain undertakings in relation to the Title Documents (see Section 10.5 "The Custodian").

Where any representation or warranty in relation to a Purchased Loan is incorrect, the Approved Seller must repurchase that Purchased Loan at its Unpaid Balance if, amongst other things, notice of that breach is given by or received by the Approved Seller not later than 10 Business Days before 120 days after the Closing Date. However, after that time, the Issuer Trustee's only rights in relation to such a breach are limited to damages for a maximum amount equal to the Unpaid Balance of the relevant Purchased Loan at the time of payment of damages, unless the Approved Seller breaches the warranty described in Section 6.2(g) "Approved Seller Representations and Warranties" in relation to the Consumer Credit Legislation. See Section 6.3 "Buy Back Provisions and Other Remedies" for further details.

Accordingly, in each case if the Issuer Trustee incurs a loss greater than the relevant Unpaid Balance by reason of such a breach, the Issuer Trustee will not be able to claim the full amount of its loss. That unrecovered portion of the loss will be an expense of the Trust and will therefore be payable from collections of the Trust which might otherwise be available for distribution to Noteholders.

The Issuer Trustee has not investigated or made any enquiries regarding the accuracy of the representations, warranties or undertakings and under the Master Trust Deed is under no obligation to do so. The Issuer Trustee is entitled to rely entirely upon the representations and warranties being correct (unless it has actual notice of any event to the contrary).

No independent investigation of whether each and every housing loan offered for sale at the Closing Date complies with the eligibility requirements set forth in Section 6.2 "Approved Seller Representations and Warranties" has been conducted.

7.14 Reinvestment Risk

If a prepayment is received on a Purchased Loan during the period between one Monthly Payment Date and the next, interest at the then rate on the Purchased Loan will cease to accrue on that part of the Purchased Loan prepaid from the date of the prepayment. The amount prepaid will be invested in Authorised Investments for the balance of the relevant Monthly Collection Period at a rate that may be less than the then rate on the Purchased Loan. Interest will, however, continue to be payable in respect of a corresponding amount of principal on the Notes until the next Monthly Payment Date following the prepayment. Accordingly, this may affect the ability of the Issuer Trustee to pay interest in full on the Notes. The Issuer Trustee, however, has access to Principal Collections and the Liquidity Reserve to cover such shortfalls in whole or in part. For further details see Section 8.4 – "Available Income" and Section 8.5 – "Principal Draws" below.

7.15 Ability to Change Loan Features

St. George Bank may initiate certain changes to the Purchased Loans. Most frequently, St. George Bank will change the interest rate applying to a Purchased Loan. In addition, subject to certain conditions, St. George Bank may from time to time offer additional features and/or products with respect to the Loans. See Section 5.2 "St. George Bank's Residential Loan Programme".

As a result of such changes, the characteristics of the Loans as of the Cut-Off Date may differ from the characteristics of the Purchased Loans at any other time. If St. George Bank elects to change certain features of the Loans, this could result in different rates of principal repayment on the Notes than initially anticipated.

7.16 No Gross-up; Taxation Redemption

In the event that any withholding tax is imposed on payments of interest (see Section 12.1(a) "Payments of Principal, Premiums and Interest") on any of the Notes, the holders of the Notes will not be entitled to receive grossed-up amounts to compensate for such withholding tax. In addition, upon the occurrence of such an event, the Issuer Trustee must, when so directed by the Manager at the Manager's option, on the next Payment Date redeem in whole but not in part, their Invested Amount in accordance with Section 2.5(d) "Tax Event or other Reasons".

7.17 EU Savings Tax Directive

On 3 June 2003, the European Council of Economics and Finance Ministers ("**ECOFIN**") adopted a Directive (2003/48/EC) regarding the taxation of savings income, pursuant to which Member States since 1 July 2005 have been required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria instead operate a withholding tax system in relation to such payments (unless during such period such countries elect otherwise). A number of non-Member countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from 1 July 2005.

Payments of Interest on the Class A-1 Notes which are made or collected through Belgium, Luxembourg, Austria or any other relevant non-Member State may be subject to withholding tax which would prevent holders of the Class A-1 Notes from receiving interest on their Notes in full.

7.18 Proposed changes to the Basel Capital Accord ("Basel II**")**

In June 1999, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued proposals for reform of the 1988 Capital Accord and proposed a new capital adequacy framework which places enhanced emphasis on market discipline. Following an extensive consultation period on its proposals, the Basel Committee announced on 11 May 2004 that it had achieved consensus on the framework of the "**New Basel Capital Accord**". The text of the New Basel Capital Accord was published on 26 June 2004. This text will serve as the basis for national and supra-national rulemaking and approval processes to continue and for banking organisations to complete their

preparation for the implementation of the New Basel Capital Accord at 1 January 2008. Consequently, recipients of this offering circular should consult their own advisers as to the consequences to and effect on them of the potential application of the New Basel Capital Accord proposals.

7.19 Offering Circular Responsibility

The Manager and not the Issuer Trustee takes responsibility for this Offering Circular. As a result, in the event that a person suffers loss due to any information contained in this Offering Circular being inaccurate or misleading, or omitting a material matter or thing, that person will not have recourse to the Assets of the Trust (except where the person who suffers loss is a Noteholder, in which case any recourse they have against the Assets of the Trust will be in accordance with the relevant Conditions and the provisions of the Transaction Documents with respect to the Notes).

7.20 Risk of Losses and Delays from Enforcement of the Purchased Loans

Substantial delays could be encountered in connection with the enforcement of a Purchased Loan or Mortgage and result in shortfalls in payments to Noteholders to the extent not covered by a Mortgage Insurance Policy or if the relevant Mortgage Insurance Policy provider fails to perform its obligations. Further, enforcement expenses such as legal fees, real estate taxes and maintenance and preservation expenses (to the extent not covered by a Mortgage Insurance Policy) will reduce the net amounts recoverable by the Issuer Trustee from an enforced Purchased Loan or Mortgage. In the event that any of the properties fail to provide adequate security for the relevant Purchased Loan, Noteholders could experience a loss to the extent the loss was not covered by a Mortgage Insurance Policy or if the relevant Mortgage Insurance Policy provider failed to perform its obligations under the relevant Mortgage Insurance Policy.

7.21 Ratings

The ratings of the Notes should be evaluated independently from similar ratings on other types of securities. A security rating 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 assigning rating agency. A revision, suspension, qualification or withdrawal of the ratings of the Notes may adversely affect the market price of the Notes. In addition, the ratings of the Notes do not address the expected rate of principal repayments (including prepayments) under the Purchased Loans. None of the Rating Agencies has been involved in the preparation of this Offering Circular other than Section 2.12 "Expected Ratings".

7.22 Australian Economic Conditions

The Australian economy has been experiencing a prolonged period of expansion with relatively low and stable interest rates and steadily increasing property values, although there has been a number of recent interest rate rises. If the Australian economy were to experience a downturn, an increase in interest rates, a fall in property values or any combination of these factors, delinquencies or losses on the Purchased Loans might increase, which might cause losses on the Notes.

7.23 Purchased Loans – Geographic Areas

The Trust contains a high concentration of Purchased Loans secured by properties located within New South Wales. A deterioration in the real estate values or the economy of any of those states could result in higher rates of delinquencies, foreclosures and losses than expected on the Purchased Loans. In addition, those states may experience natural disasters, which may not be fully insured against and which may result in property damage and losses on the Purchased Loans. These events may in turn have a disproportionate impact on funds available to the Trust, which could cause losses on the Notes.

7.24 Australian Taxation

A summary of certain material Australian taxation issues is set out in Section 12 "Taxation". See Section 12 for further details.

7.25 Call Date

There is no assurance that the Assets will be sufficient to redeem the Notes on or after the Call Date or that the Manager will exercise its discretion and direct the Issuer Trustee to redeem any Notes on or after the Call Date.

7.26 Termination of Appointment of Manager or Servicer

The appointment of each of the Manager and the Servicer may be terminated in certain circumstances which are outlined in Section 10 "The Trust". If the appointment of either of them is terminated, a substitute will need to be found to perform the relevant role for the Issuer Trustee. The appointment of a substitute will not have effect until each Rating Agency has confirmed in writing that such appointment will not have an adverse effect on the rating of the Notes and the substitute has executed a deed under which it agrees to be bound by the Master Trust Deed and Supplementary Terms Notice (in the case of the substitute Manager) and the Master Trust Deed and Servicing Agreement (in the case of the substitute Servicer). There is no guarantee that such a substitute will be found or that, if found, the substitute will be able to perform its duties with the same level of skill and competence as any previous Manager or Servicer (as the case may be).

7.27 Low Doc (Stated Income) Home Loans

Housing loans made to Borrowers whose income is not required to be disclosed or verified, which constitute approximately 9.35% of the housing loan pool, may increase the risk that the relevant Borrower's income is less than that represented.

7.28 Uncertainty over GST

Since 1 July 2000, a goods and services tax is payable by all entities which make taxable supplies in Australia. Some service providers to the Issuer Trustee may be subject to goods and services tax ("**GST**") in respect of the services provided to the trust and may pass on that additional cost to the Issuer Trustee. The Australian Taxation Office ("**ATO**") has recently issued a public ruling to the effect that the Issuer Trustee would not be entitled to claim a reduced input tax credit for most of the GST borne by it in respect of services provided to it by the Servicer. However, the ATO is currently reviewing its position in this regard. The Issuer Trustee may also be subject to GST on services provided by it. To the extent that it has a net GST liability, the Issuer Trustee will have fewer trust funds available to meet its obligations, and Noteholders may suffer losses. See Section 12.1 - "Australian Taxation".

7.29 Recent regulatory changes

On 13 September 2005, the Australian Prudential Regulatory Authority ("**APRA**") introduced a revised capital and reporting framework for lenders mortgage insurers. The revised prudential standards and new reporting requirements involve a more risk sensitive regulatory capital model and a significant increase in minimum regulatory capital requirements. The reforms commenced on 1 January 2006 and apply to all lenders mortgage insurers. Although management of the respective lenders mortgage insurers do not believe that these regulatory changes will have a material adverse affect on operations, the potentially more stringent capital adequacy requirements, and in the case of St. George Insurance Australia Pty Limited, the implications, costs and expenses associated with re-domiciling in Australia, could affect the financial strength of these entities. If any of these entities encounter financial difficulties which impede or prohibit the performance of their obligations as provided herein, the Issuer Trustee may not have sufficient funds to timely pay principal and interest on the Notes.

7.30 Australian Anti-Money Laundering and Counter-Terrorism Financing Regime

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth), as amended (the "**AML Act**") was given Royal Assent on 12 December 2006 and will be implemented in 4 stages, the first of which commenced on 12 December 2006 and the final stage to commence 12 December 2008. The Act has been supplemented by a series of rules made by the Australian Transaction Reports and Analysis Centre ("**AUSTRAC**"), Australia's anti-money laundering regulator.

The AML Act imposes various anti-money laundering and counter-terrorism financing obligations on providers of finance, including requiring such providers to undertake customer identification

procedures before a "designated service" is provided and receiving information about international and domestic institutional transfer of funds. If an entity has not met its obligations under the AML Act, that entity will be prohibited from providing a "designated service".

"Designated service" includes:

- (a) opening or providing an account, allowing any transaction in relation to an account or receiving instructions to transfer money in and out of an account;
- (b) granting a loan to a borrower or allowing a transaction to occur in respect of that loan;
- (c) providing a custodial or depositary service;
- (d) issuing, dealing, acquiring, disposing of, cancelling or redeeming a security; and
- (e) exchanging one currency for another.

The obligations placed upon an entity with respect to the Trust could affect the services of that entity, or any funds it may provide, in respect of the Trust and ultimately may result in a delay or a decrease in the amounts a Noteholder receives.

8. CASHFLOW ALLOCATION METHODOLOGY

8.1 Introduction

This Section 8 describes the methodology for the calculation of the amounts to be paid by the Issuer Trustee on each Monthly Payment Date (including each Monthly Payment Date which is also a Quarterly Payment Date) to, among others, the Noteholders (the “**Cashflow Allocation Methodology**”). The Supplementary Terms Notice provides for Collections to be allocated and paid monthly and quarterly, in accordance with a set order of priorities, to satisfy the Issuer Trustee’s obligations in relation to the Trust. Those priorities are detailed in this Section 8.

The calculations outlined in this Section 8 will be made by the Manager and notified to the Issuer Trustee on each Monthly Determination Date (including each Monthly Determination Date which is also a Quarterly Determination Date). The Manager will also notify the Issuer Trustee and the Currency Swap Provider of details of payments which are to be made by or on behalf of the Issuer Trustee on each Monthly Payment Date (including each Monthly Payment Date which is also a Quarterly Payment Date). In the absence of manifest error, each of the Issuer Trustee and the Currency Swap Provider is entitled to rely conclusively on (and will rely on) the Manager’s calculations and notifications and is not required to (and it will not) investigate the accuracy of them.

Summary of Priorities

This Section 8.1 contains a summary of the effect of the main provisions of this Section 8 and should not be relied upon as a substitute for a detailed reading of this Section 8. In particular, any category of payment or payments listed below at a certain level of priority may also have an internal order of priorities.

Available Income is distributed on a monthly basis (if the relevant month is not a Quarterly Payment Date) as follows: first, to pay the Accrued Interest Adjustment; second, to make certain payments to the Fixed-Floating Rate Swap Provider; third, to cover certain fees and expenses of the Trust; fourth, to pay fees and expenses of the Trust, and certain other amounts, that are overdue; fifth, to (i) allocate to the Class A-1 Notes accrued current period interest in an amount equal to the A\$ Equivalent of the applicable portion of their quarterly interest, (ii) pay current period interest under the Class A-2 Notes and (iii) pay certain amounts due under the Basis Swap and the Fixed-Floating Rate Swap; sixth, to pay or allocate amounts in the preceding paragraph not paid on preceding Monthly Payment Dates; seventh, allocate to the Class B Notes accrued current period interest in an amount equal to the applicable portion of their quarterly interest; eighth, to allocate towards overdue interest under the Class B Notes; ninth, allocate to the Class C Notes accrued current period interest in an amount equal to the applicable portion of their quarterly interest; and tenth, to allocate towards overdue interest under the Class C Notes. After these monthly distributions, the remaining Available Income is allocated (but not paid) as follows: first, towards any current shortfalls on the Purchased Loans; second, towards outstanding Liquidity Draws; third, towards outstanding Principal Draws; fourth, towards any principal losses with respect to the Class A Notes; fifth, towards any principal losses on the Class B Notes; and sixth, towards any principal losses on the Class C Notes. No amounts of remaining Available Income are distributed on a Monthly Payment Date that is not also a Quarterly Payment Date.

Available Income is distributed on each Quarterly Payment Date as follows: first, to pay the Accrued Interest Adjustment; second, to make certain payments to the Fixed-Floating Rate Swap Provider; third, to cover certain fees and expenses of the Trust; fourth, to pay fees and expenses of the Trust, and certain other amounts, that are overdue; fifth, to pay current period interest under the Class A Notes and to pay certain amounts due under the Basis Swap and the Fixed-Floating Rate Swap; sixth, overdue items from the preceding paragraph; seventh to pay current period interest under the Class B Notes; eighth, to pay overdue interest under the Class B Notes; ninth, to pay current period interest under the Class C Notes; and tenth, to pay overdue interest under the Class C Notes. After these quarterly distributions, the remaining Available Income (including any excess Available Income allocated on previous monthly Payment Dates under the preceding paragraphs) is used: first, to pay any current shortfalls on the Purchased Loans; second, to pay outstanding Liquidity Draws; third, to pay outstanding Principal Draws; fourth, to pay any principal losses with respect to the Class A Notes; fifth, to pay any principal losses on the Class B Notes; and sixth, to pay any principal losses on the

Class C Notes. Finally, any income remaining after all prior distributions is distributed to the Residual Income Beneficiary.

Available principal is distributed on a monthly basis, first, to cover any shortfalls in Available Income (by means of a Principal Draw), second, to provide for any anticipated shortfalls in Available Income on the next Monthly Payment Date; third, to repay the Approved Seller for Redraws it has made; and fourth, to provision for further Redraws up to the Redraw Retention Amount. The balance of available principal on a Monthly Payment Date will be made, first, to re-establish the Liquidity Reserve up to the applicable Liquidity Limit, then to Class A, Class B and Class C Notes either serially or sequentially, depending on whether the Quarterly Payment Date is before or after the Stepdown Date and whether a Trigger Event is subsisting – see Sections 8.11 “Principal Distributions Prior to Stepdown Date” and 8.12 “Principal Distributions on or after Stepdown Date”.

In all circumstances, the Noteholders take priority to the Residual Income Beneficiary.

8.2 Trust Collections and Payments

Collections in respect of interest and principal will be received during each Monthly Collection Period. Collections are mainly derived from interest and principal receipts from the Purchased Loans. Other sources of Collections are proceeds of enforcement of Purchased Loans, proceeds of claims under the Mortgage Insurance Policies and payments by the Approved Seller, Servicer or Custodian in respect of breaches of representations or undertakings.

The Manager will determine the Collections received and reconcile the receipts against expenses of the Trust that have accrued for each Monthly Collection Period. To the extent necessary, the Manager must direct the Issuer Trustee to draw on or claim against Support Facilities to make up shortfalls in Collections due but not received. The Manager will make these calculations in the time period between (and including) the last day of the Monthly Collection Period and the relevant Monthly Determination Date.

The Manager will advise the Issuer Trustee on each Monthly Determination Date of the amounts to be paid on the relevant Monthly Payment Date. The Issuer Trustee will make the Trust payments on each Monthly Payment Date on the basis of those instructions.

Payments of interest, fees and amounts otherwise of an income nature are made from Total Available Funds and are described in Section 8.7 “Distribution of Total Available Funds”. Payments of principal are made from Principal Collections and are described in Section 8.10 “Initial Principal Distribution”.

Collections

The Servicer will receive the Collections in respect of Purchased Loans and the other sources mentioned previously. Payments from Borrowers are received by the Servicer in a general collection account.

While the Servicer does not have a short term rating of at least A-1+ from S&P, at least P-1 from Moody's and at least F1 from Fitch Ratings, or otherwise does not satisfy the requirements of each Rating Agency so that the ratings in respect of the Notes will be adversely affected, then it must pay all Collections in its possession or control into the Collection Account no later than two Business Days following receipt.

If the Servicer has a short term rating of A-1+ from S&P, P-1 from Moody's and F1 from Fitch Ratings, and the Servicer otherwise satisfies each Rating Agency that any rating will not be adversely affected it must pay an amount equal to the Collections it receives during a Monthly Collection Period into the relevant Collection Account two Business Days prior to the relevant Monthly Payment Date for that Monthly Collection Period together with an amount equivalent to the interest that would have been earned on such amounts if they had been deposited into the Collection Account five Business Days following receipt by the Servicer.

The Issuer Trustee will establish and maintain the Collection Account with an Approved Bank. The Collection Account will initially be established with St. George Bank at Level 12, 55 Market Street, Sydney, New South Wales, Australia, which has a short term rating of P-1 from Moody's, A-1 from Standard & Poor's and F1 from Fitch Ratings. The Collection Account shall be opened by the Issuer Trustee in its name and in its capacity as trustee of the Trust. This account will not be used for any purpose other than for the Trust. This account will be an interest bearing account.

The Manager shall have the discretion and duty to recommend to the Issuer Trustee, in writing, the manner in which any moneys forming part of the Trust shall be invested in Authorised Investments and what purchases, sales, transfers, exchanges, collections, realisations or alterations of Assets of the Trust shall be effected and when and how the same should be effected. Each investment of moneys on deposit in the Trust's account shall be in Authorised Investments that will mature not later than the Business Day preceding the applicable Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date), and otherwise in accordance with the Master Trust Deed and the Supplementary Terms Notice.

8.3 Determining Total Available Funds

On each Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date) the Manager will, for the immediately preceding Monthly Collection Period, calculate the aggregate of the following:

- (a) Available Income for that Monthly Collection Period (see Section 8.4 "Available Income"); plus
- (b) any Principal Draws for that Monthly Collection Period (see Section 8.5 "Principal Draws"); plus
- (c) any Liquidity Draws (see Section 8.6 "Liquidity Draws").

The sum of those amounts and, with respect to any Quarterly Payment Date, any amounts retained in the Collection Account or invested in Authorised Investments on the two immediately preceding Monthly Payment Dates for application on such Quarterly Payment Date on account of the accrued interest entitlement of the Class A-1 Notes, the Class B Notes and the Class C Notes, is the "**Total Available Funds**".

8.4 Available Income

"**Available Income**" means, for a Monthly Collection Period, the aggregate of:

- (a) the "**Finance Charge Collections**" for that Monthly Collection Period, being the sum of:
 - (i) the aggregate of all amounts received by or on behalf of the Issuer Trustee during that Monthly Collection Period in respect of interest, fees and other amounts in the nature of income payable under or in respect of the Purchased Loans and related security and other rights with respect thereto including:
 - (A) amounts on account of interest recovered from the enforcement of a Purchased Loan;
 - (B) any payments by the Approved Seller to the Issuer Trustee on the repurchase of a Purchased Loan during that Monthly Collection Period which are attributable to interest;
 - (C) any Break Payments received during that Monthly Collection Period; and
 - (D) any amount received by the Approved Seller as interest on a Loan Offset Account with respect to a Purchased Loan and which is attributable to interest under that Purchased Loan under the relevant Receivable Contract;
 - (ii) all amounts in respect of interest, fees and other amounts in the nature of income, received by or on behalf of the Issuer Trustee during that Monthly Collection Period including:
 - (A) from the Approved Seller, the Servicer, the Manager, the Issuer Trustee in its personal capacity (in respect of a breach of which it is not entitled to be indemnified out of the Assets of the Trust) or the Custodian, in respect of any breach of a representation, warranty or undertaking contained in the Transaction Documents; and
 - (B) from the Approved Seller, the Servicer, the Indemnifier, the Manager or the Custodian, under any obligation under the Transaction Documents, to indemnify or reimburse the Issuer Trustee for any amount or from the Issuer Trustee in its personal capacity under any obligation under the Transaction Documents to indemnify the Trust,
- in each case which are determined by the Manager to be in respect of interest, fees and other amounts in the nature of income payable under the Purchased Loans and related security and other rights with respect thereto; and

(iii) recoveries in the nature of income received by or on behalf of the Issuer Trustee during that Monthly Collection Period;

less:

(iv) governmental charges collected by or on behalf of the Issuer Trustee for that Monthly Collection Period; and

(v) the aggregate of all bank fees and charges due to the Servicer or the Approved Seller as agreed by them and consented to by the Issuer Trustee (that consent not to be unreasonably withheld) from time to time and collected by the Approved Seller or the Servicer during that Monthly Collection Period; and

(b) to the extent not included in paragraph (a):

(i) any amount received by or on behalf of the Issuer Trustee in relation to that Monthly Collection Period on or by the Monthly Payment Date immediately following the end of that Monthly Collection Period with respect to net receipts under any Hedge Agreement (and for this purpose net receipts under the Basis Swap will be determined before any payment in Condition 4);

(ii) any interest income received by or on behalf of the Issuer Trustee during that Monthly Collection Period in respect of moneys credited to the Collection Account in relation to the Trust;

(iii) amounts in the nature of interest otherwise paid by the Approved Seller, the Servicer or the Manager to the Issuer Trustee in respect of Collections held by it;

(iv) all other amounts received by or on behalf of the Issuer Trustee in respect of the Assets in the nature of income;

(v) all amounts received by or on behalf of the Issuer Trustee in the nature of income during that Monthly Collection Period from any provider of a Support Facility under that Support Facility and which the Manager determines should be accounted for in respect of a Finance Charge Loss; and

(vi) where the Monthly Payment Date following that Monthly Collection Period is a Quarterly Payment Date, all amounts allocated on the two preceding Monthly Payment Dates to Available Income for that Quarterly Payment Date,

but excluding interest credited to a Support Facility Collateral Account and any eligible credit support transferred to the Issuer Trustee under the Currency Swap.

8.5 Principal Draws

If the Manager determines on any Monthly Determination Date that there is a Payment Shortfall for the Monthly Collection Period ending immediately prior to that Monthly Determinate Date, the Manager must direct the Issuer Trustee to pay out of Principal Collections collected during that Monthly Collection Period the Principal Draw equal to the lesser of:

(a) the Payment Shortfall; and

(b) the amount of Principal Collections available for distribution on the Monthly Payment Date following that Monthly Determination Date.

These Principal Draws will be reimbursed out of any Excess Available Income available for this purpose on subsequent Quarterly Payment Dates.

8.6 Liquidity Draws

If the Manager determines on any Monthly Determination Date that, after having made a Principal Draw, the relevant Payment Shortfall will not be fully met (the remaining shortfall being a “**Liquidity Shortfall**”), the Manager must direct the Issuer Trustee to make a Liquidity Draw on or before the Monthly Payment Date following that Monthly Determination Date equal to the lesser of:

(a) the Liquidity Shortfall; and

(b) the balance of the Liquidity Account.

The Issuer Trustee must, if so directed by the Manager, make that Liquidity Draw and have the proceeds of the Liquidity Draw deposited or transferred into the Collection Account on or before the relevant Monthly Payment Date. The Manager must deal with the amount so deposited in accordance with the Cashflow Allocation Methodology.

8.7 Distribution of Total Available Funds

(a) Monthly

Subject to paragraph (c), on each Monthly Payment Date (other than a Quarterly Payment Date) and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or allocate or cause to be paid or allocated out of Total Available Funds, in relation to the Monthly Collection Period ending immediately before that Monthly Payment Date, the following amounts in the following order of priority:

- (i) first, an amount up to any Accrued Interest Adjustment required to be paid to the Approved Seller (and each of the Issuer Trustee, the Noteholders and the other creditors that have the benefit of the Security Trust Deed acknowledges and agrees that it has no entitlement to the moneys comprising the Accrued Interest Adjustment); and
- (ii) second, payment to the Fixed-Floating Rate Swap Provider under the Fixed-Floating Rate Swap of any Break Payments received by or on behalf of the Issuer Trustee from a Borrower or the Mortgage Insurer during the Monthly Collection Period, to be allocated as follows:
 - (1) if there are no additional fixed-floating rate swap providers, the amount available for payment under sub-paragraph (ii) will be paid to the Fixed-Floating Rate Swap Provider;
 - (2) if there are multiple fixed-floating rate swap providers, the amount available for payment under sub-paragraph (ii) will be allocated among all of the fixed-floating rate swap providers pursuant to the Fixed-Floating Rate Swap and any additional fixed-floating rate swaps, as applicable;
- (iii) third, (unless specified later in paragraph (a)), Trust Expenses which have been incurred prior to that Monthly Payment Date and which have not previously been paid or reimbursed under an application of this paragraph (a) on a prior Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date), in the order set out in the definition of "**Trust Expenses**" summarised in paragraph (e);
- (iv) fourth, without duplication, any amounts that would have been payable under this paragraph (a) (other than amounts which would have been payable or allocable under sub-paragraph (v) to (x) (inclusive)), on any previous Monthly Payment Date, if there had been sufficient Total Available Funds, which have not been paid by the Issuer Trustee, in the order they would have been paid under that prior application of funds as described in this paragraph (a);
- (v) fifth, *pari passu* and rateably as between themselves:
 - (A) allocation of the Class A-1 Notes accrued Interest in an amount equal to that portion of the Class A\$ A-1 Interest Amount for that portion of the applicable Quarterly Interest Period which fell during the applicable Monthly Interest Period, to be retained in the Collection Account or invested in Authorised Investments until applied to payments of Interest to the Class A-1 Noteholders on the following Quarterly Payment Date;
 - (B) payment to the Class A-2 Noteholders of Interest accrued on the Class A-2 Notes for the applicable Monthly Interest Period;
 - (C) payment to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, of the net amount (if any) due to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, under the Fixed-Floating Rate Swap and any additional fixed-floating rate swap, as applicable (other than any break costs with respect to the termination of the Fixed-Floating Rate Swap or any additional fixed-floating rate swap, as applicable, where the Fixed-Floating Rate Swap Provider or any additional fixed-floating rate swap provider, as applicable, is the Defaulting Party or the sole Affected Party); and

- (D) payment to the Basis Swap Provider of the net amount (if any) due to it under the Basis Swap;
- (vi) sixth, any amounts that would have been paid or allocated under sub-paragraph (v), on any previous Monthly Payment Date, if there had been sufficient Total Available Funds, which have not been paid or allocated by the Issuer Trustee;
- (vii) seventh, as an allocation to Available Income to be applied on the next Quarterly Payment Date, an amount equal to the Interest accrued on the Class B Notes for that portion of the applicable Quarterly Interest Period which fell during the applicable Monthly Interest Period, to be retained in the Collection Account or invested in Authorised Investments until applied as Available Income on the following Quarterly Payment Date;
- (viii) eighth, as an allocation to Available Income to be applied on the next Quarterly Payment Date, an amount equal to any amounts that would have been allocated under sub-paragraph (vii), on any previous Monthly Payment Date, if there had been sufficient Total Available Funds, which have not been paid or allocated by the Issuer Trustee to be retained in the Collection Account or invested in Authorised Investments until applied as Available Income on the following Quarterly Payment Date;
- (ix) ninth, as an allocation to Available Income to be applied on the next Quarterly Payment Date, an amount equal to Interest accrued on the Class C Notes for that portion of the applicable Quarterly Interest Period which fell during the applicable Monthly Interest Period, to be retained in the Collection Account or invested in Authorised Investments until applied as Available Income on the following Quarterly Payment Date; and
- (x) tenth, as an allocation to Available Income to be applied on the next Quarterly Payment Date, an amount equal to any amounts that would have been allocated under sub-paragraph (ix), on any previous Monthly Payment Date, if there had been sufficient Total Available Funds, which have not been paid or allocated by the Issuer Trustee to be retained in the Collection Account or invested in Authorised Investments until applied as Available Income on the following Quarterly Payment Date.

(b) Quarterly

Subject to paragraph (c), on each Quarterly Payment Date, and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or cause to be paid out of Total Available Funds on that Quarterly Payment Date, in relation to the Monthly Collection Period ending immediately before that Quarterly Payment Date, the following amounts in the following order of priority:

- (i) first, an amount up to any Accrued Interest Adjustment required to be paid to the Approved Seller (and each of the Issuer Trustee, the Noteholders and the other creditors that have the benefit of the Security Trust Deed acknowledges and agrees that it has no entitlement to the moneys comprising the Accrued Interest Adjustment);
- (ii) second, payment to the Fixed-Floating Rate Swap Provider under the Fixed- Floating Rate Swap of any Break Payments received by or on behalf of the Issuer Trustee from a Borrower or a Mortgage Insurer during the Monthly Collection Period immediately preceding such Quarterly Payment Date, to be allocated as follows:
 - (1) if there are no additional fixed-floating rate swap providers, the amount available for payment under sub-paragraph (ii) will be paid to the Fixed-Floating Rate Swap Provider;
 - (2) if there are multiple fixed-floating rate swap providers, the amount available for payment under sub-paragraph (ii) will be allocated among all of the fixed-floating rate swap providers pursuant to the Fixed-Floating Rate Swap and any additional fixed-floating rate swaps, as applicable;
- (iii) third (unless specified later in this paragraph (b)), Trust Expenses which have been incurred prior to that Quarterly Payment Date and which have not previously been paid or reimbursed under an application of this paragraph (b) on a prior Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date), in the order of priority set out in the definition of “**Trust Expenses**” summarised in paragraph (e);

- (iv) fourth, without duplication, any amounts that would have been payable under this paragraph (b) (other than under sub-paragraphs (vi) to (x) (inclusive)) on any previous Quarterly Payment Date, if there had been sufficient Total Available Funds, which have not been paid by the Issuer Trustee and in the order they would have been paid under that prior application of funds as described in this paragraph (b);
- (v) fifth, *pari passu* and rateably as between themselves:
 - (A) the payment to the Currency Swap Provider under the Currency Swap of the A\$ Class A-1 Interest Amount payable under the Currency Swap for the applicable Quarterly Interest Period (including all amounts allocated under paragraph (a)(v)(A) for the two preceding Monthly Payment Dates);
 - (B) payment to the Class A-2 Noteholders of the Class A-2 Interest amount for the relevant Monthly Interest Period;
 - (C) payment to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, of the net amount (if any) due to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, under the Fixed-Floating Rate Swap and any additional fixed-floating rate swap, as applicable (other than any break costs with respect to the termination of the Fixed-Floating Rate Swap or any additional fixed-floating rate swap, as applicable, where the Fixed-Floating Rate Swap Provider or any additional fixed-floating rate swap provider, as applicable, is the Defaulting Party or the sole Affected Party); and
 - (D) payment to the Basis Swap Provider of the net amount (if any) due to it under the Basis Swap;
- (vi) sixth, any amounts that would have been payable under sub-paragraph (v) on any previous Quarterly Payment Date, if there had been sufficient Total Available Funds, which have not been paid by the Issuer Trustee;
- (vii) seventh, the payment to the Class B Noteholders of the Class B Interest amount for the relevant Quarterly Interest Period (including all amounts allocated under paragraph (a)(vii) for the two preceding Monthly Payment Dates);
- (viii) eighth, any amounts that would have been payable under sub-paragraph (vii) on any previous Quarterly Payment Date, if there had been sufficient Total Available Funds, which have not been paid by the Issuer Trustee;
- (ix) ninth, the payment to the Class C Noteholders of the Class C Interest amount for the relevant Quarterly Interest Period (including all amounts allocated under paragraph (a)(ix) for the two preceding Monthly Payment Dates); and
- (x) tenth, any amounts that would have been payable under sub-paragraph (ix) on any previous Quarterly Payment Date, if there had been sufficient Total Available Funds, which have not been paid by the Issuer Trustee.

(c) Monthly and Quarterly Limit

The Issuer Trustee shall only make a payment or allocation described in paragraph (a) or (b) to the extent that any Total Available Funds remain from which to make the payment after amounts with priority to that payment have been paid or allocated (as the case may be).

(d) Total Payments

In relation to a Monthly Collection Period, all amounts payable by the Issuer Trustee in the above paragraph (a) or (b) on the Monthly Payment Date in relation to that Monthly Collection Period, constitute "**Total Payments**".

(e) Trust Expenses

"**Trust Expenses**" means, in relation to a Monthly Collection Period (and in the following order of priority):

- (i) first, taxes payable in relation to the Trust for that Monthly Collection Period;

- (ii) second, any Expenses (as defined in the Master Trust Deed) relating to the Trust for that Monthly Collection Period which are not covered under (iii) to (xi) (inclusive) below;
- (iii) third, *pari passu*, the Issuer Trustee's fee for that Monthly Collection Period, the Security Trustee's fee for that Monthly Collection Period and any fee payable to the Note Trustee under or in connection with the Note Trust Deed for that Monthly Collection Period;
- (iv) fourth, the Servicer's fee for that Monthly Collection Period (see Section 10.4(c) "Servicing Fee");
- (v) fifth, the Manager's fee for that Monthly Collection Period (see Section 10.3(c) "Fees");
- (vi) sixth, the Custodian's fee for that Monthly Collection Period (see Section 10.5(c) "Custodian Fee");
- (vii) seventh, *pari passu* any fee or expenses payable to the Principal Paying Agent, any other Paying Agent, the Note Registrar or the Calculation Agent under or in connection with the Agency Agreement;
- (viii) eighth, any costs, charges or expenses (other than fees) incurred by, and any liabilities owing under any indemnity granted to, the Manager, the Security Trustee, the Servicer, the Note Trustee, a Paying Agent, the Note Registrar or the Calculation Agent in relation to the Trust under or in connection with the Transaction Documents, for that Monthly Collection Period;
- (ix) ninth, any amounts payable to the Currency Swap Provider as described in Section 8.19(b) "Replacement of Currency Swap";
- (x) tenth, the Standby Basis Swap Provider's fee for that Monthly Collection Period;
- (xi) eleventh, the Standby Fixed-Floating Rate Swap Provider's fee for that Monthly Collection Period; and
- (xii) twelfth, any amount payable to the Currency Swap Provider under a Currency Swap and not otherwise specified in 5.1 or 5.2 of the Supplementary Terms Notice.

The Manager must notify each Designated Rating Agency of any change to the Custodian Fee, Security Trustee's fee, Servicing Fee, Issuer Trustee's fee, Manager's fee, Note Trustee's fee or any other fee payable by the Issuer Trustee to any person.

8.8 Excess Available Income – Reimbursement of Charge Offs and Principal Draws

(a) General

On each Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date), the Manager will calculate the amount, if any, by which the Total Available Funds for the Monthly Collection Period ending immediately prior to that Monthly Determination Date exceeds the Total Payments for that same Monthly Collection Period. This amount, and with respect to any Quarterly Payment Date, any amounts retained in the Collection Account (or the Liquidity Account, in the case of amounts allocated pursuant to Section 8.8(b)(ii) or 8.8(c)(ii)) or invested in Authorised Investments on the two immediately preceding Monthly Payment Dates for application on such Quarterly Payment Date as set forth below, is the "**Excess Available Income**" for the related Monthly Collection Period.

(b) Monthly Allocation of Excess Available Income

Subject to paragraph (d), on each Monthly Determination Date (which is not also a Quarterly Determination Date), the Manager must allocate any Excess Available Income for the related Monthly Collection Period in the following order of priority:

- (i) first, an amount equal to all Principal Charge Offs for that Monthly Collection Period;
- (ii) second, an amount equal to all Liquidity Draws which have not been repaid as of that Monthly Payment Date;
- (iii) third, an amount equal to all Principal Draws which have not been repaid as of that Monthly Payment Date;
- (iv) fourth, *pari passu* and rateably between themselves, based on, in the case of the Class A-1 Notes, the A\$ Equivalent of the Notional Stated Amount of the Class A-1 Notes and in the case of the Class A-2 Notes, the Notional Stated Amount of the Class A-2 Notes:

- (A) an amount equal to the A\$ Equivalent of any Carryover Class A Charge Offs in respect of the Class A-1 Notes; and
- (B) an amount equal to any Carryover Class A Charge Offs in respect of the Class A-2 Notes;
- (v) fifth, an amount equal to the Carryover Class B Charge Offs relating to the Class B Notes;
- (vi) sixth, an amount equal to the Carryover Class C Charge Offs relating to the Class C Notes; and
- (vii) seventh, an amount equal to the sum of the following:
 - (A) any break costs payable to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, with respect to the termination of the Fixed-Floating Rate Swap or any additional fixed-floating rate swap, as applicable, where the Fixed-Floating Rate Swap Provider or any additional fixed-floating rate swap provider, as applicable, is the Defaulting Party or the sole Affected Party); and
 - (B) of any settlement amounts payable to the Currency Swap Provider in respect of the termination of a Currency Swap to the extent that the Currency Swap Provider is the Defaulting Party or the sole Affected Party,

in each case to be retained in the Collection Account (or, in the case of sub-paragraph (ii) in the Liquidity Account) or invested in Authorised Investments until the next Quarterly Payment Date. No Excess Available Income will be applied on any Monthly Payment Date which is not also a Quarterly Payment Date.

(c) Quarterly Distribution of Excess Available Income

Subject to paragraph (d), on each Quarterly Determination Date, the Manager must apply any Excess Available Income for the Monthly Collection Period ending immediately before that Quarterly Determination Date in the following order of priority:

- (i) first, towards reimbursement of all Principal Charge Offs for that Quarterly Collection Period;
- (ii) second, towards all Liquidity Draws which have not been repaid as at that Quarterly Payment Date;
- (iii) third, towards all Principal Draws which have not been repaid as at that Quarterly Payment Date;
- (iv) fourth, to be applied *pari passu* and rateably between themselves:
 - (A) as a payment, to the Currency Swap Provider under the Currency Swap, of the A\$ Equivalent of any Carryover Class A Charge Offs relating to the Class A-1 Notes; and
 - (B) as a payment to the Class A-2 Noteholders of an amount equal to the Carryover Class A Charge Offs relating to the Class A-2 Notes
- (v) fifth, to be applied as a payment, to the Class B Noteholders of an amount equal to the Carryover Class B Charge Offs;
- (vi) sixth, to be applied as a payment to the Class C Noteholders of an amount equal to the Carryover Class C Charge Offs; and
- (vii) seventh, to be applied *pari passu* and rateably, in payment:
 - (A) any break costs payable to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, with respect to the termination of the Fixed-Floating Rate Swap or any additional fixed-floating rate swap, as applicable, where the Fixed-Floating Rate Swap Provider or any additional fixed-floating rate swap provider, as applicable, is the Defaulting Party or the sole Affected Party); and
 - (B) of any settlement amounts payable to the Currency Swap Provider in respect of the termination of a Currency Swap to the extent that the Currency Swap Provider is the Defaulting Party or the sole Affected Party.

Any amount applied pursuant to sub-paragraphs (i) to (vi) (inclusive) above will be treated as Principal Collections on that Quarterly Payment Date, except that amounts applied towards Liquidity Draws will be paid to the Liquidity Account.

(d) Monthly and Quarterly Limit

The Issuer Trustee shall only make a payment or allocation under paragraph (b) or (c) above if it is directed in writing to do so by the Manager and only to the extent that any Excess Available Income remains from which to make the payment or allocation after amounts with priority to that payment or allocation have been paid or allocated (as the case may be).

(e) Excess Distribution

The Issuer Trustee must at the written direction of the Manager pay any Excess Distribution for a Quarterly Collection Period to the Residual Income Beneficiary on the relevant Quarterly Payment Date. The Issuer Trustee may not recover any Excess Distributions from the Residual Income Beneficiary once they are paid to the Residual Income Beneficiary except where there has been a manifest error in the relevant calculation of the Excess Distributions. For the avoidance of doubt, any accumulation of surpluses (Excess Distribution) for a Quarterly Collection Period is payable to the Residual Income Beneficiary.

8.9 Principal Collections

On each Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date), the Manager must determine “**Principal Collections**” for the Monthly Collection Period ending immediately prior to that Monthly Determination Date, being the aggregate of:

- (a) all amounts received by or on behalf of the Issuer Trustee from or on behalf of Borrowers under the Purchased Loans in accordance with the terms of the Purchased Loans during that Monthly Collection Period in respect of principal, including principal prepayments;
- (b) all other amounts received by or on behalf of the Issuer Trustee under or in respect of principal under the Purchased Loans and related security and other rights with respect thereto during that Monthly Collection Period including:
 - (i) amounts on account of principal recovered from the enforcement of a Purchased Loan (other than under a Mortgage Insurance Policy);
 - (ii) any payments by the Approved Seller to the Issuer Trustee on the repurchase of a Purchased Loan under the Master Trust Deed during that Monthly Collection Period which are attributable to principal; and
 - (iii) any amount received by the Issuer Trustee from the Approved Seller referred to in Section 8.23 “Loan Offset Interest” with respect to that Monthly Collection Period attributable to principal;
- (c) all amounts received by or on behalf of the Issuer Trustee during that Monthly Collection Period from any provider of a Support Facility (other than the Currency Swap but including a Mortgage Insurance Policy) under that Support Facility and which the Manager determines should be accounted for in respect of a Principal Loss;
- (d) all amounts received by or on behalf of the Issuer Trustee during that Monthly Collection Period:
 - (i) from the Approved Seller, the Servicer, the Manager, the Issuer Trustee in its personal capacity (in the case of the Issuer Trustee and the Manager, in respect of a breach of which it is not entitled to be indemnified out of the Assets of the Trust) or the Custodian in respect of any breach of a representation, warranty or undertaking contained in the Transaction Documents; and
 - (ii) from the Approved Seller, the Servicer, the Indemnifier, the Manager or the Custodian under any obligation under the Transaction Documents to indemnify or reimburse the Issuer Trustee for any amount or from the Issuer Trustee in its personal capacity under any obligation under the Transaction Documents to indemnify the Trust,in each case, which are determined by the Manager to be in respect of principal payable under the Purchased Loans and the related Mortgages;
- (e) any amounts in the nature of principal received by or on behalf of the Issuer Trustee during that Monthly Collection Period pursuant to the sale of any Asset (including the A\$ Equivalent of any amount received by the Issuer Trustee on the issue of the Notes which was not used to purchase

a Purchased Loan or applied to the Liquidity Reserve, and which the Manager determines is surplus to the requirements of the Trust);

- (f) if that Monthly Payment Date is also a Quarterly Payment Date, any amount of Excess Available Income (including amounts allocated on the three Monthly Determination Dates preceding that Quarterly Payment Date) to be applied to pay or reinstate a Principal Charge Off or a Carryover Charge Off, as applicable, on a Note;
- (g) if that Monthly Payment Date is also a Quarterly Payment Date, any amount of Excess Available Income (including amounts allocated on the three Monthly Determination Dates preceding that Quarterly Payment Date) to be applied to repay Principal Draws made on a previous Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date);
- (h) if the Monthly Payment Date immediately following that Monthly Collection Period is also a Quarterly Payment Date, any amount of Excess Available Income (including amounts allocated on the three Monthly Determination Dates preceding that Quarterly Payment Date) to be applied (as more fully described in Condition 5(g) "Excess Available Income – Reimbursement of Charge Offs, Principal Draws and Liquidity Draws") to Liquidity Draws made on a previous Quarterly Payment Date or Monthly Payment Date;
- (i) if the Monthly Payment Date immediately following that Monthly Collection Period is also a Quarterly Payment Date, any Surplus Amount for that Monthly Payment Date);
- (j) any amounts retained from the immediately preceding Monthly Collection Period for anticipated shortfalls in payments or to reimburse further Redraws which have not been applied for those purposes on a Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date); and
- (k) if the Monthly Payment Date immediately following that Monthly Collection Period is also a Quarterly Payment Date, an amount equal to any Principal Collections for the two Monthly Collection Periods preceding that Monthly Collection Period which were not paid or allocated as described in section 8.11 on a previous Monthly Payment Date,

less any amounts paid by the Issuer Trustee to replace a Purchased Loan as described in Section 8.24 "Substitution and Removal of Purchased Loans".

8.10 Initial Principal Distributions

(a) Distributions

Subject to paragraph (b), on each Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date), and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or cause to be paid out of Principal Collections, in relation to the Monthly Collection Period ending immediately before that Monthly Payment Date, the following amounts (the "Initial Principal Distributions") in the following order of priority:

- (i) first, to allocate to Total Available Funds any Principal Draws;
- (ii) second, to retain in the Collection Account as a provision such amount as the Manager determines is appropriate to make for any anticipated shortfalls in payments as described in Section 8.7 "Distribution of Total Available Funds" on the following Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date);
- (iii) third, other than as described in Section 8.13(c) "Redraws and Further Advances", to repay any Redraws provided by the Approved Seller in relation to Purchased Loans as described in Section 8.13 "Redraws and Further Advances" to the extent that it has not previously been reimbursed in relation to those Redraws; and
- (v) fourth, to retain in the Collection Account as a provision to reimburse further Redraws an amount up to the Redraw Retention Amount for the next Monthly Collection Period.

(b) Monthly and Quarterly Limit

The Issuer Trustee shall only make a payment under paragraph (a) if it is directed in writing to do so by the Manager and only to the extent that any Principal Collections remain from which to make the payment after amounts with priority to that payment or allocation have been paid or allocated (as the case may be).

8.11 Principal Distributions prior to Stepdown Date or after a Trigger Event

- (a) Subject to paragraph (b), on each Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) prior to the Stepdown Date, or at any time if a Trigger Event is subsisting, and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or apply or cause to be paid or applied out of Principal Collections, in relation to the Monthly Collection Period ending immediately before that Monthly Payment Date, the following amounts in the following order of priority:
- (i) first, all the Initial Principal Distributions for that Monthly Collection Period;
 - (ii) second, as a deposit to the Liquidity Reserve until amounts standing to the credit of the Liquidity Reserve equal the then current Liquidity Limit;
 - (iii) third, *pari passu* and rateably between the Class A-1 Notes and Class A-2 Notes:
 - (A) if that Monthly Payment Date is also a Quarterly Payment Date, *pari passu* and rateably between the Class A-1 Notes and the Class A-2 Notes:
 - (1) as a payment to the Currency Swap Provider under the terms of the Currency Swap, of an amount equal to the lesser of:
 - (a) the sum of:
 - (i) the Class A-1 Proportion of the amount available for distribution; and
 - (ii) the Class A-1 Principal Carryover Amount for the two immediately preceding Monthly Payment Dates; and
 - (b) the A\$ Equivalent of the aggregate Invested Amounts of all Class A-1 Notes on that Monthly Payment Date,
which is thereafter to be applied as payments of principal on the Class A-1 Notes;
 - (2) as a payment to the Class A-2 Noteholders of principal on the Class A-2 Notes, an amount equal to the lesser of:
 - (a) the Class A-2 Proportion of the amount available for distribution; and
 - (b) the aggregate Invested Amounts of all Class A-2 Notes on that Monthly Payment Date; or
 - (B) if that Monthly Payment Date is not also a Quarterly Payment Date, *pari passu* and rateably among the Class A-1 Notes and the Class A-2 Notes:
 - (1) an amount equal to the lesser of:
 - (a) the Class A-1 Proportion of the amount available for distribution; and
 - (b) the Class A-1 A\$ Equivalent of the aggregate Invested Amounts of all Class A-1 Notes on that Monthly Payment Date,
to be retained in the Collection Account or invested in Authorised Investments as part of the Class A-1 Principal Carryover Amount; and
 - (2) as a payment to the Class A-2 Noteholders of principal on the Class A-2 Notes, an amount equal to the lesser of:
 - (a) the Class A-2 Proportion of the amount available for distribution; and
 - (b) the aggregate Invested Amounts of all Class A-2 Notes on that Monthly Payment Date;
 - (iv) fourth, on each Quarterly Payment Date, as a payment to the Class B Noteholders of principal on the Class B Notes, of an amount up to the lesser of:
 - (A) the amount available for distribution under this paragraph (iv) after all payments which have priority as described in this Section 8.11; and
 - (B) the aggregate Invested Amounts of all Class B Notes on that Monthly Payment Date;

- (v) fifth, on each Quarterly Payment Date, as a payment to the Class C Noteholders of principal on the Class C Notes, of an amount up to the lesser of:
 - (A) the amount available for distribution under this paragraph (v) after all payments which have priority as described in this Section 8.11; and
 - (B) the aggregate Invested Amounts of all Class C Notes on that Monthly Payment Date; and
 - (vi) sixth, on each Quarterly Payment Date, on the Business Day immediately following the date on which all Secured Moneys are fully and finally repaid, and only after payment of all amounts referred to in the preceding clauses, the Issuer Trustee first must pay remaining Principal Collections to the Approved Seller in reduction of the principal outstanding under the loan (if any) which the Approved Seller may have made to the Issuer Trustee on the Closing Date to cover the difference (if any) where the net proceeds received by the Issuer Trustee from the issuance of the Notes is less than the purchase price for the Purchased Loans (which loan will not bear interest), as a full and final settlement of the obligations of the issuer trustee under the loan, and then any remaining amounts to the Residual Income Beneficiary as a distribution of capital of the Trust.
- (b) The Issuer Trustee shall only make a payment under any of sub-paragraphs (i) to (vi) inclusive if it is directed in writing to do so by the Manager and only to the extent that any Principal Collections remain from which to make the payment after amounts with priority to that payment have been distributed.

8.12 Principal Distributions on and after Stepdown Date if no Trigger Event is subsisting

- (a) Subject to paragraph (b) below, on the Stepdown Date and on each Monthly Payment Date after the Stepdown Date, provided that no Trigger Event is subsisting, and based on the calculations, instructions and directions provided to it by the Manager, the Issuer Trustee must pay or cause to be paid out of Principal Collections, in relation to the Monthly Collection Period ending immediately before that Monthly Payment Date, the following amounts in the following order of priority:
- (i) first, all the Initial Principal Distributions for that Monthly Collection Period;
 - (ii) second, as a deposit to the Liquidity Reserve until amounts standing to the credit of the Liquidity Reserve equal the then current Liquidity Limit;
 - (iii) third, as a payment out of the Class A Principal Payment Amount *pari passu* and rateably between the Class A-1 Notes and the Class A-2 Notes:
 - (A) if that Monthly Payment Date is also a Quarterly Payment Date, *pari passu* and rateably between the Class A-1 Notes and the Class A-2 Notes:
 - (1) as a payment to the Currency Swap Provider under the terms of the Currency Swap, of an amount equal to the lesser of:
 - (a) the sum of:
 - (i) the Class A-1 Proportion of the Class A Principal Payment Amount; and
 - (ii) the Class A-1 Principal Carryover Amount for the two immediately preceding Monthly Payment Dates; and
 - (b) the A\$ Equivalent of the aggregate Invested Amounts of all Class A-1 Notes on that Monthly Payment Date,
 which is thereafter to be applied as payments of principal on the Class A-1 Notes;
 - (2) as a payment to the Class A-2 Noteholders of principal on the Class A-2 Notes, an amount equal to the lesser of:
 - (a) the Class A-2 Proportion of the Class A Principal Payment Amount; and
 - (b) the aggregate Invested Amounts of all Class A-2 Notes on that Monthly Payment Date; or

- (B) if that Monthly Payment Date is not also a Quarterly Payment Date, *pari passu* and rateably among the Class A-1 Notes and the Class A-2 Notes:
- (1) an amount equal to the lesser of:
 - (a) the Class A-1 Proportion of the Class A Principal Payment Amount; and
 - (b) the A\$ Equivalent of the aggregate Invested Amounts of all Class A-1 Notes on that Monthly Payment Date,
 to be retained in the collection account or invested in Authorised Investments as part of the Class A-1 Principal Carryover Amount; and
 - (2) as a payment to the Class A-2 Noteholders of principal on the Class A-2 Notes, an amount equal to the lesser of:
 - (a) the Class A-2 Proportion of the Class A Principal Payment Amount; and
 - (b) the aggregate Invested Amounts of all Class A-2 Notes on that Monthly Payment Date;
- (iv) fourth:
- (A) if that Monthly Payment Date is also a Quarterly Payment Date, as a payment to the Class B Noteholders of principal on the Class B Notes of an amount equal to the lesser of:
 - (1) the aggregate of:
 - (a) the Class B Principal Payment Amount; and
 - (b) the Class B Principal Carryover Amount for the two immediately preceding Monthly Payment Dates; and
 - (2) the aggregate Invested Amounts of all Class B Notes on that Monthly Payment Date; or
 - (B) if that Monthly Payment Date is not also a Quarterly Payment Date, an amount equal to the lesser of:
 - (1) the Class B Principal Payment Amount; and
 - (2) the aggregate Invested Amounts of all Class B Notes on that Monthly Payment Date,
 to be retained in the Collection Account or invested in Authorised Investments as part of the Class B Principal Carryover Amount; and
- (v) fifth:
- (A) if that Monthly Payment Date is also a Quarterly Payment Date, as a payment to the Class C Noteholders of principal on the Class C Notes of an amount equal to the lesser of:
 - (1) the aggregate of:
 - (a) the Class C Principal Payment Amount; and
 - (b) the Class C Principal Carryover Amount for the two immediately preceding Monthly Payment Dates; and
 - (2) the aggregate Invested Amounts of all Class C Notes on that Monthly Payment Date; or
 - (B) if that Monthly Payment Date is not also a Quarterly Payment Date, an amount equal to the lesser of:
 - (1) the Class C Principal Payment Amount; and
 - (2) the aggregate Invested Amounts of all Class C Notes on that Monthly Payment Date,

to be retained in the Collection Account or invested in Authorised Investments as part of the Class C Principal Carryover Amount; and

- (vi) sixth, on each Quarterly Payment Date, on the Business Day immediately following the date on which all Secured Moneys are fully and finally repaid, and only after payment of all amounts referred to in the preceding clauses, the Issuer Trustee first must pay remaining Principal Collections to the Approved Seller in reduction of the principal outstanding under the loan from the Approved Seller to the Issuer Trustee, if any, for the purchase of the housing loans, as a full and final settlement of the obligations of the Issuer Trustee under that loan and then any remaining amounts to the Residual Income Beneficiary as a distribution of capital of the Trust.
- (b) The Issuer Trustee shall only make a payment under any of sub-paragraphs (i) to (vi) inclusive if it is directed in writing to do so by the Manager and only to the extent that any Principal Collections remain from which to make the payment after amounts with priority to that payment have been distributed.

8.13 Redraws and Further Advances

- (a) The Approved Seller, after receiving confirmation that it may do so from the Manager, may make:
 - (i) Redraws to Borrowers under Purchased Loans such that the then scheduled principal balance of those Purchased Loans is not exceeded; and
 - (ii) Further Advances such that the then scheduled principal balance of those Purchased Loans is exceeded, provided that the Approved Seller repurchases the relevant Purchased Loan from the Issuer Trustee.

The Approved Seller will be reimbursed for any Redraw for which it has not previously been reimbursed.

- (b) On each Monthly Determination Date the Manager shall determine an amount, not exceeding 2% of the Invested Amount of the Notes, which it reasonably anticipates will be required in the Monthly Collection Period following that in which that Monthly Determination Date occurs to fund further Redraws under Purchased Loans in addition to any prepayments of principal that it anticipates will be received from Borrowers during that Monthly Collection Period. That amount, from time to time, less amounts withdrawn or deposited as described in this Section 8.13, is called the "**Redraw Retention Amount**". The Manager shall on the day of such determination advise the Issuer Trustee of the amount so determined.
- (c) In addition to the Approved Seller's right of reimbursement under paragraph (a), the Issuer Trustee shall on each Business Day it receives a direction from the Manager to do so, reimburse the Approved Seller for Redraws made on or before that Business Day for which the Approved Seller has not received reimbursement but only to the extent of the Redraw Retention Amount for that Monthly Collection Period to the extent it has been funded as described in Section 8.10(a)(iv).

8.14 Allocating Liquidation Loss

On each Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date), the Manager must determine, in relation to the aggregate of all Liquidation Losses arising during the related Monthly Collection Period:

- (a) the amount of those Liquidation Losses which is attributable to interest, fees and expenses in relation to the relevant Purchased Loans ("**Finance Charge Loss**"); and
- (b) the amount of those Liquidation Losses which is attributable to principal in relation to the relevant Purchased Loans ("**Principal Loss**"),

on the basis that all amounts recovered from the enforcement of Purchased Loans actually received by or on behalf of the Issuer Trustee are applied first against interest, fees and other enforcement expenses (other than expenses related to property restoration) relating to that Purchased Loan, and then against the principal outstanding on the Purchased Loan and expenses related to property restoration relating to that Purchased Loan.

8.15 Insurance Claims

If, on any Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date), the Manager determines that there has been a Liquidation Loss in relation to a Purchased Loan during the immediately preceding Monthly Collection Period, the Manager shall direct the Servicer, promptly, and in any event so that the claim is made within the time limit specified in the relevant Mortgage Insurance Policy without the amount of the claim becoming liable to be reduced by reason of delay, to make a claim under that Mortgage Insurance Policy if it has not already done so.

Upon receipt of any amount under this claim, the Manager must determine which part of the amount is attributable to interest, fees and other amounts in the nature of income, and which part of that amount is attributable to principal.

If a claim on account of a Principal Loss in relation to a Purchased Loan may not be made, or is reduced, under a Mortgage Insurance Policy for any reason, including the following:

- (a) the maximum amount available under the Mortgage Insurance Policy has been exhausted;
- (b) the Mortgage Insurance Policy has been terminated in respect of that Purchased Loan;
- (c) the Mortgage Insurer is entitled to reduce the amount of the claim; or
- (d) the Mortgage Insurer defaults in payment of a claim,

then a Mortgage Shortfall will arise if:

- (i) the total amount recovered and recoverable under the Mortgage Insurance Policy attributable to principal; plus
- (ii) any damages or other amounts payable by the Approved Seller or the Servicer under or in respect of the Master Trust Deed, the Supplementary Terms Notice or the Servicing Agreement relating to the Purchased Loan which the Manager determines to be on account of principal,

is insufficient to meet the full amount of the Principal Loss.

8.16 Charge Offs

If the Principal Charge Offs for any Monthly Collection Period exceed the Excess Available Income calculated on the Monthly Determination Date for that Monthly Collection Period, the Manager must, on and with effect from the Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) immediately following the end of the Monthly Collection Period:

- (a) reduce *pari passu* and rateably as between themselves the Notional Stated Amount of each of the Class C Notes by the amount of that excess which is attributable to each Class C Note until the Notional Stated Amount of that Class C Note is zero ("**Class C Charge Offs**"); and
- (b) if the Notional Stated Amount of the Class C Notes is zero and any amount of that excess has not been applied under paragraph (a), reduce *pari passu* and rateably as between themselves the Notional Stated Amount of each of the Class B Notes by the amount of that excess which is attributable to each Class B Note until the Notional Stated Amount of that Class B Note is zero ("**Class B Charge Offs**"); and
- (c) if both the Notional Stated Amount of the Class C Notes and the Notional Stated Amount of the Class B Notes are zero and any amount of that excess has not been applied under paragraph (b), reduce *pari passu* and rateably as between the Class A Notes with respect to the balance of that excess rateably as between the Class A Notes, the Notional Stated Amount of each of the Class A Notes (or, where applicable, the Euro Equivalent of the amount of that excess which is so attributable) until the Notional Stated Amount of that Class A Note is zero ("**Class A Charge Offs**"),

provided, however, that with respect to each of the sub-paragraphs above, amounts by which the Class A-1 Notes, the Class B Notes and the Class C Notes are to be reduced, will be aggregated on each such Monthly Payment Date (which is not also a Quarterly Payment Date) until the next Quarterly Payment Date and such aggregate amount for such Class of Notes, together with any excess amount to be reduced from the Stated Amount of such Class of Notes with respect to the Monthly Collection Period immediately preceding the Quarterly Payment Date, will be applied to reduce the Stated Amount of such Class of Notes pursuant to the paragraphs above. With respect to

the Class A-2 Notes, any reduction in the Notional Stated Amount of each Class A-2 Note as set out above will be applied to reduce the Stated Amount of the Class A-2 Notes pursuant to paragraph (c) above.

8.17 Payments into Euro Account

- (a) The Issuer Trustee shall direct the Currency Swap Provider to pay all amounts denominated in Euros payable to the Issuer Trustee by the Currency Swap Provider under the Currency Swap into the Euro Account or to the Principal Paying Agent under the Agency Agreement on behalf of the Issuer Trustee.
- (b) If any of the Issuer Trustee, the Manager or the Servicer receives any amount denominated in Euros from the Currency Swap Provider under the Currency Swap they will promptly pay that amount to the credit of the Euro Account.

8.18 Payment out of Euro Account

- (a) The Issuer Trustee shall at the direction of the Manager, or shall require that the Principal Paying Agent on its behalf, pay all amounts credited to the Euro Account as follows and in accordance with the Note Trust Deed and the Agency Agreement.
- (b) All amounts credited to the Euro Account shall be paid (in no order of priority):
 - (i) as described in Section 8.7(a)(v)(A) and Section 8.7(b)(v)(A), *pari passu* in relation to Class A-1 Notes as payments of Interest on those Class A-1 Notes;
 - (ii) as described in Section 8.8(b)(iv)(A) or Section 8.8(c)(iv)(A), *pari passu* in relation to Class A-1 Notes in or towards reinstating the Stated Amount of those Class A-1 Notes, to the extent of the Carryover Class A-1 Charge Offs; and
 - (iii) as described in Section 8.11(a)(iii)(A)(1), Section 8.11(a)(iii)(B)(i), Section 8.12(a)(iii)(A)(i) or Section 8.12(b)(iii)(A)(i), *pari passu* in relation to Class A-1 Noteholders as Class A-1 Principal Payments until the Class A-1 Invested Amounts have been reduced to zero.

8.19 Replacement of Currency Swap

- (a) If the Currency Swap is terminated, the Issuer Trustee must at the direction of the Manager enter into one or more currency swaps which replace the Currency Swap (other than by way of transfer under section 6(b) of the Currency Swap) (collectively a “**Replacement Currency Swap**”) but only on the condition that:
 - (i) the Settlement Amount (as defined in the Currency Swap), if any, which is payable by the Issuer Trustee to the Currency Swap Provider on termination of the Currency Swap will be paid in full when due in accordance with this Section 8 and the Currency Swap;
 - (ii) the ratings assigned to the Notes are not adversely affected; and
 - (iii) the liability of the Issuer Trustee under that Replacement Currency Swap is limited to at least the same extent that its liability is limited under the Currency Swap.
- (b) If the condition in paragraph (a) above is satisfied, the Issuer Trustee must at the direction of the Manager enter into the Replacement Currency Swap and if it does so it must direct the provider of the Replacement Currency Swap to pay any up-front premium to enter into the Replacement Currency Swap due to the Issuer Trustee directly to the Currency Swap Provider in satisfaction of and to the extent of the Issuer Trustee's obligation to pay the Settlement Amount to the Currency Swap Provider as referred to in paragraph (a). To the extent that such premium is not greater than or equal to the Settlement Amount the balance shall be satisfied by the Issuer Trustee as a Trust Expense.

8.20 Rounding of Amounts

In making the calculations required or contemplated by the Cashflow Allocation Methodology, the Manager shall round calculations to four decimal places, except that all monetary amounts shall be rounded down to the nearest cent.

8.21 Payment Priorities following an event of Default: Security Trust Deed

Following an Event of Default, the priority of payments with respect to the Trust will be governed by the Security Trust Deed (see Section 11.3 "Priorities under the Security Trust Deed").

8.22 Bond Factor

- (a) On each Quarterly Determination Date, the Manager will, in respect of the Quarterly Collection Period ending before that Quarterly Determination Date, calculate or otherwise ascertain the Class A-1 Bond Factor.
- (b) The Manager shall notify the Principal Paying Agent, the Note Trustee and the Calculation Agent by not later than the Quarterly Payment Date immediately succeeding the relevant Quarterly Determination Date of the determination of the Class A-1 Bond Factor.

8.23 Loan Offset Interest

On each Monthly Determination Date, the Approved Seller shall pay to the Issuer Trustee an amount equal to all Loan Offset Interest Amounts for the Monthly Collection Period immediately preceding that Monthly Determination Date.

8.24 Substitution and Removal of Purchased Loans

(a) *Approved Seller substitution*

- (i) The Issuer Trustee must, at the direction of the Manager (at the Manager's option), at any time replace a Receivable of the Trust which has been repurchased by the Approved Seller following a breach of representation by the Approved Seller using the funds received from the repurchase to purchase a substitute eligible housing loan from the Approved Seller, if available.
- (ii) The Approved Seller may elect to sell a substitute housing loan to the Issuer Trustee (which the Issuer Trustee shall acquire if it is directed by the Manager to do so), provided the substitute housing loan satisfies the following requirements:
 - (A) it complies with the Eligibility Criteria;
 - (B) at the time of substitution, the substitute housing loan has a maturity date no later than the date being two years prior to the Final Maturity Date;
 - (C) the substitution will not adversely affect the rating of any Notes; and
 - (D) the relevant Mortgage Insurer has confirmed that the substitute housing loan is covered by the relevant Mortgage Insurance Policy.

(b) *Other substitutions*

The Issuer Trustee must, at the direction of the Manager (at the Manager's option), at any time:

- (i) replace a Mortgage relating to a Purchased Loan;
- (ii) allow a Borrower to replace the Mortgaged Property secured by such a Mortgage; or
- (iii) allow a Borrower to refinance a Purchased Loan to purchase a new Mortgaged Property, provided that all of the following conditions are met:
 - (iv) the same Borrower or Borrowers continue to be the Borrowers or Borrowers under the replacement Mortgage and that Purchased Loan or refinanced housing loan (as the case may be);
 - (v) either the replacement Mortgage, or the replacement Mortgaged Property, do not result in the relevant Purchased Loan failing to comply with the Eligibility Criteria or the refinanced housing loan satisfies the Eligibility Criteria (as the case may be);
 - (vi) any such replacement or refinancing occurs simultaneously with the release of the previous Mortgage, Mortgaged Property or housing loan (as the case may be); and
 - (vii) the principal outstanding under the relevant housing loan is, after the replacement or refinancing, the same as before that replacement or refinancing.

(c) Selection criteria

The Manager is required to apply the following criteria (in descending order of importance) when selecting a substitute housing loan under paragraph (a) or approving a substitution under paragraph (b):

- (i) an outgoing housing loan originated under “full documentation” features will be replaced by another housing loan originated under “full documentation” features;
- (ii) the substitute Eligible Receivable will have an Unpaid Balance within A\$30,000 of the outgoing housing loan's Unpaid Balance, as determined at the time of substitution;
- (iii) an outgoing owner-occupied or investment Mortgage will be replaced by another owner-occupied or investment Mortgage (as the case may be);
- (iv) the substitute housing loan will have a then current LVR no more than 5% greater than the outgoing housing loan's then current LVR, as determined at the time of substitution;
- (v) an outgoing housing loan will be substituted by another housing loan with a security property located in the same State or Territory;
- (vi) an outgoing housing loan will be substituted by another housing loan with a security property with the same or similar postcode; and
- (vii) in the case of substitution under paragraph (a), the substitute housing loan will have the closest original loan amount to that of the outgoing housing loan.

The Issuer Trustee is entitled to rely on the information provided by the Manager in this regard.

9. SUPPORT FACILITIES

9.1 Mortgage Insurance Policies

(a) General

Those housing loans (other than the Reverted Housing Loans (as defined herein)) with an LVR in excess of 80% (or 60% in the case of a Low Doc (Stated Income) Home Loan) at the time of origination are insured under mortgage insurance policies by St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited or the Commonwealth of Australia. The Approved Seller and the Issuer Trustee have entered into a lenders' mortgage insurance policy for those housing loans (other than the Reverted Housing Loans (as defined herein)) with an LVR of 80% or below (or 60% or below in the case of a Low Doc (Stated income) Home Loan) at the time of origination with each of PMI Mortgage Insurance Ltd and St.George Insurance Australia Pty Limited.

Approximately 16.68% of the housing loans to be offered to the Issuer Trustee by the Approved Seller have previously been securitised but have reverted to the Approved Seller (the "**Reverted Housing Loans**"). Approximately 9.50% of the housing loans to be offered to the Issuer Trustee by the Approved Seller are Reverted Housing Loans which had an LVR less than 80% (or 60% in the case of a Low Doc (Stated Income) Home Loan) at the time of origination and which have the benefit of the pool policies which applied to the securitisations in which those Reverted Housing Loans were previously held (the "**Reverted Housing Loans (Pool)**"). Each Reverted Housing Loan (Pool) is the subject of a mortgage insurance policy issued by PMI Mortgage Insurance Ltd or Genworth Financial Mortgage Insurance Pty Limited. Approximately 7.17% of the housing loans to be offered to the Issuer Trustee by the Approved Seller are Reverted Housing Loans which had an LVR in excess of 80% (or 60% in the case of a Low Doc (Stated Income) Home Loan) at the time of origination and which have the benefit of an LVR Specific Insurance Policy, as defined below (the "**Reverted Housing Loans (Specific)**"). Each Reverted Housing Loan (Specific) is the subject of a mortgage insurance policy issued by the Commonwealth of Australia, Genworth Financial Mortgage Insurance Pty Limited or St.George Insurance Australia Pty Limited;

The benefit of each of the relevant mortgage insurance policies will pass to the Issuer Trustee with any housing loan. This section is a summary of the general provisions of the mortgage insurance policies.

(b) Specific Insurance Policies

The Approved Seller has entered into a number of mortgage insurance policies in relation to the housing loans (other than the Reverted Housing Loans) which had an LVR of over 80% (or 60% in the case of a Low Doc (Stated Income) Home Loan) on the date they were originated, each an "**LVR Specific Insurance Policy**". In addition, the Approved Seller has the benefit of mortgage insurance policies in relation to the Reverted Housing Loans (Specific), each a "**Reverted Housing Loan Specific Insurance Policy**", and together with the LVR Specific Insurance Policies, each a "**Specific Insurance Policy**". Each LVR Specific Insurance Policy was provided by any one of St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited or the Commonwealth of Australia, each an "**LVR Specific Insurer**". Each Reverted Housing Loan Specific Insurance Policy was provided by St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited or the Commonwealth of Australia, each a "**Reverted Housing Loan Specific Insurer**", and together with an LVR Specific Insurer, each a "**Specific Insurer**".

If the Issuer Trustee (at the direction of the Manager) accepts the Approved Seller's offer, it will have a right to claim under each Specific Insurance Policy from the date it is assigned the relevant housing loan and mortgage. The consent of the relevant insurer is required for the Issuer Trustee to obtain that right and also for the Servicer to service the insured housing loans. The Approved Seller is required to ensure that these consents are obtained on or before the closing date.

(c) LVR Specific Insurance Policies

(i) Amounts Recoverable

The amount recoverable under each LVR Specific Insurance Policy will generally be the amount owing in relation to the relevant housing loan (including unpaid principal, accrued

interest at any non-default rate, proper tax, amounts paid by the Approved Seller in respect of maintenance and preservation of the property, reasonable enforcement costs, certain limitations and reasonable sale costs (subject in certain instances to the LVR Specific Insurer's consent or to maximum claim thresholds)), less all amounts recovered from enforcement of the mortgage and housing loan and any amounts previously received from the LVR Specific Insurer.

Generally, a further advance under a housing loan will only be covered by an LVR Specific Insurance Policy if it is a redraw, complies with the restrictions set out above under "St. George Residential Loan Program—Special Features of the Purchased Loans—Further Advances" or if the relevant insurer has previously consented to that advance. The actual amounts recoverable, and the amounts to be deducted, vary between the policies. For example, rent on the mortgaged property and insurance proceeds not spent on restoration or repair which are received by the Issuer Trustee may reduce amounts payable by the insurer under an LVR Specific Insurance Policy.

There are a number of requirements and restrictions imposed on the insured under each LVR Specific Insurance Policy which may entitle the relevant insurer to cancel the policy or reduce the amount of a claim. Depending on the LVR Specific Insurance Policy, these may include:

- (A) the existence of an encumbrance or other interest which affects or has priority over the relevant mortgage;
- (B) the relevant mortgage, the relevant housing loan or a guarantee or indemnity relating to the housing loan ceasing to be effective;
- (C) if there is a material omission or misstatement by the insured in relation to the policy;
- (D) that any premium is not paid when due or within the relevant grace period (if any);
- (E) if there is physical damage to the relevant mortgaged property;
- (F) a breach by the insured of the policy; and
- (G) certain circumstances which affect the insured's rights or recoveries under the relevant housing loan or mortgage.

(ii) Exclusions

An LVR Specific Insurance Policy may not, depending on its terms, cover any loss arising from specified events, such as war, nuclear occurrence, contamination and requisition by or under the order of any Government authority.

(iii) Undertaking

Under an LVR Insurance Policy, the insured may have an obligation to, among other things:

- (A) report arrears or other defaults on the relevant housing loan;
- (B) report amounts outstanding under that relevant housing loan;
- (C) report the insolvency or bankruptcy of any borrower or guarantor of a housing loan;
- (D) report any material physical damage to the property which could result in a claim;
- (E) report procedures being taken in respect of a defaulted housing loan (including enforcement of the relevant mortgage or the taking of possession of any relevant mortgaged property);
- (F) make all claims within a particular period and in a particular form; and
- (G) ensure that the terms of the relevant housing loan require that a general insurance policy is in place in respect of the relevant mortgaged property.

(iv) Variance between Policies

Each LVR Specific Insurance Policy has different provisions. The above is a summary of certain provisions – some may not relate to, or may differ from, a particular LVR Specific Insurance Policy. For example, some LVR Specific Insurance Policies have an aggregate

limit on the total amount which may be claimed by the insured under all LVR Specific Insurance Policies with the relevant LVR Specific Insurer.

(v) Limit of Liability

Each LVR Specific Insurance Policy is subject to a limit of liability. St.George Insurance Australia Pty Limited has agreed that the limit of liability for each LVR Insurance Policy issued by it shall be 5% of the sum of the original principal balances of all loans insured under that policy year. This limit shall apply:

- (A) notwithstanding any lower limit of liability stated in the LVR Insurance Policy;
- (B) as an aggregate limit in respect of all loans insured under the LVR Insurance Policy (including loans being sold to the Issuer Trustee, loans that may previously have been sold to a trustee and loans retained by the Approved Seller); and
- (C) only for the purpose of determining the liability of St.George Insurance Australia Pty Limited under an LVR Specific Insurance Policy in respect of a housing loan sold to the Issuer Trustee.

The policy limit also does not reduce upon prepayment.

St.George Insurance Australia Pty Limited issues LVR Specific Insurance Policies covering all loans issued by the Approved Seller during the relevant policy period with an LVR greater than 80% (or 60% in the case of Low Doc (Stated Income) Loans). It does not issue a separate LVR Specific Insurance Policy for each loan. If the period of a policy issued by St.George Insurance Australia Pty Limited exceeds one year then, for the purpose of determining the 5% aggregate limit, each year within that policy period will be treated separately. A cap of 2% of the sum of the original principal balances of all loans insured under the relevant policy year applied for all claims on loans up to 30 September 2003 and from that date onwards, the 2% cap continues to apply for all loans retained by the Approved Seller and a new cap of 5% applies for all loans sold by the Approved Seller to a Crusade Trust.

(vi) Servicer Undertakings with respect to Insurance Policies

Under the Servicing Agreement, the Servicer undertakes:

- (A) to act in accordance with the terms of any Mortgage Insurance Policy;
- (B) not to do or omit to do anything that would prejudicially affect the rights of the Issuer Trustee under a Mortgage Insurance Policy; and
- (C) promptly to make claims and notify the Manager when claims are made.

Under the various Insurance Policies, the Servicer also has certain obligations to report to the insurers in respect of the Purchased Loans (including outstanding principal balance and scheduled principal balance), defaults and proceedings under the Consumer Credit Legislation.

(vii) Reverted Housing Loan Specific Insurance Policies

There are 27 Reverted Housing Loan Specific Insurance Policies with respect to the Reverted Housing Loans (Specific). Each Reverted Housing Loan Specific Insurance Policy was provided by St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited or the Commonwealth of Australia.

(viii) Period of Cover

The Issuer Trustee has the benefit of the relevant Reverted Housing Loan Specific Insurance Policy in respect of each relevant Purchased Loan from the date the relevant Reverted Housing Loan Specific Insurance Policy was entered into by it in respect of the Purchased Loan until the earliest of:

- (A) the date the Purchased Loan is repaid in full; and
- (B) in the case of the Reverted Housing Loan Specific Insurance Policies from St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited

and the Commonwealth of Australia the Issuer Trustee has the benefit of the policy in respect of each relevant Purchased Loan from the date the policy is assigned to it in respect of the Purchased Loan until the earliest of:

- (1) the date the Purchased Loan or Mortgage securing the Purchased Loan is assigned, transferred or mortgaged (other than under the Security Trust Deed) to a person other than to a person who is or becomes an insured;
- (2) the date the Purchased Loan ceases to be secured by the Mortgage (other than in the case where the Mortgage is discharged by the operation of a compulsory acquisition or sale by a government for public purposes);
- (3) the original expiry date of the Purchased Loan or as extended with the consent of the relevant Reverted Housing Loan Specific Insurer or as varied by a court under the Consumer Credit Legislation; and
- (4) the date the policy is cancelled in respect of the relevant Purchased Loan in accordance with the policy.

(ix) Cover for Losses

In the case of the Reverted Housing Loan Specific Insurance Policies from St. George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited and the Commonwealth of Australia, each Reverted Housing Loan Specific Insurer is obliged to pay to the Issuer Trustee the loss in respect of a Purchased Loan, equal to the aggregate of:

- (A) the balance of the Purchased Loan at the loss date together with any interest and certain fees or charges outstanding at the loss date (as described below);
- (B) fees and charges paid or incurred by the insured on or before the loss date; and
- (C) such other amounts which the relevant Reverted Housing Loan Specific Insurer, in its absolute discretion, approves,

which the Issuer Trustee is entitled to recover under the Purchased Loan contract or any Mortgage, less deductions including:

- (D) the sale price of, or compensation for (in the case of compulsory acquisition) the relevant Mortgaged Property;
- (E) any amount received by the Issuer Trustee under any collateral security;
- (F) rents and other profits or proceeds in relation to the relevant Mortgaged Property;
- (G) sums received under any policy of insurance relating to the relevant Mortgaged Property not applied in restoration or repair;
- (H) the value of the Issuer Trustee's interest in the relevant Mortgaged Property in the case of foreclosure;
- (I) any interest whether capitalised or not that exceeds interest at the lesser of the rate on other amounts (including fines or penalties) and the rate, if any, prescribed by Consumer Credit Legislation;
- (J) any fees or charges whether capitalised or not, that are not of the type or which exceed the maximum amounts specified below:
 - (1) premiums for general insurance policies levies and other charges payable to a body corporate under a strata title system, rates, taxes and other statutory charges;
 - (2) reasonable and necessary legal and other fees and disbursements of enforcing or protecting the Issuer Trustee's rights under the Purchased Loan contract, up to the maximum amount stated in the schedule to the Reverted Housing Loan Specific Insurance Policy;
 - (3) repair, maintenance and protection of the Mortgaged Property, up to the maximum amount or proportion of the value of the property stated in the schedule to the Reverted Housing Loan Specific Insurance Policy;

- (4) reasonable costs of the sale of the Mortgaged Property by the Issuer Trustee, up to the maximum amount stated in the schedule to the Reverted Housing Loan Specific Insurance Policy,

provided that if the Consumer Credit Legislation applies to the purchased loan then fees and charges that exceed the fees and charges recoverable under the Consumer Credit Legislation (less any amount that must be accounted for to the Borrower and the Mortgagor) shall be excluded;

- (K) losses directly arising out of the physical damage to the Mortgaged Property other than:
- (1) losses arising from fair, wear and tear; or
 - (2) losses which were recovered and applied in the restoration or repair of the Mortgaged Property prior to the loss date or which were recovered under a policy of insurance and were applied to reduce the amount outstanding under the Purchased Loan;
- (L) any amounts by which a claim may be reduced under that Reverted Housing Loan Specific Insurance Policy; and
- (M) any deductible or other amount specified in the schedule in respect of the Purchased Loan.

The loss date for a Purchased Loan includes the date on which the relevant Mortgaged Property is sold, or such date as the relevant insurer otherwise agrees, or the date on which the relevant Mortgaged Property is foreclosed on, or such date as the relevant Reverted Housing Loan Specific Insurer otherwise agrees. Under the Reverted Housing Loan Specific Insurance Policies from St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited and the Commonwealth of Australia, the loss date also includes where the relevant Mortgaged Property is compulsorily acquired or sold by a government for public purposes.

In addition, under the Reverted Housing Loan Specific Insurance Policies from St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited and the Commonwealth of Australia, the amount payable by the insured in respect of a Purchased Loan will not exceed the amount required to pay out that Purchased Loan in accordance with the Consumer Credit Legislation on the last day prior to the relevant loss date on which such payment could be made.

(x) Refusal or Reduction in Claim

Under the Reverted Housing Loan Insurance Specific Policies from St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited and the Commonwealth of Australia, the amount of a claim may be refused or reduced by the relevant Reverted Housing Loan Specific Insurer for any loss in respect of a Purchased Loan by the amount that fairly represents the extent to which the interest of the relevant Reverted Housing Loan Specific Insurer has been prejudiced by St.George Bank's or the Issuer Trustee's (or the Manager on its behalf) failure to comply with any condition, provision or requirement of the policy.

(xi) Undertakings

Under the Reverted Housing Loan Specific Insurance Policies from St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited and the Commonwealth of Australia, the Issuer Trustee, or the Manager on its behalf, is required, among other things, to:

- (A) pay any premium within 28 days of the date of that Reverted Housing Loan Specific Insurance Policy;
- (B) not make any misrepresentation or breach the duty of disclosure;
- (C) ensure there is a mortgage manager in respect of the Purchased Loan at all times and, in certain circumstances, replace that mortgage manager;

- (D) ensure there is a condition in the loan contract for a Purchased Loan that the Mortgaged Property is kept insured under an approved general insurance policy;
- (E) where a Mortgage is not a first mortgage, take such action as the relevant Reverted Housing Loan Specific Insurer may require with respect to that prior mortgage;
- (F) if a Purchased Loan is for the purpose of (either solely or partly) or in connection with, the construction, refurbishment or renovation of any building the Issuer Trustee must not, other than in accordance with the lending guidelines, make any advance:
 - (i) before the Borrower (and the mortgagor if not the Borrower) and the builder have entered into a contract which precludes the Borrower (and the mortgagor if not the Borrower) from being charged more than a specified price inclusive of all expenses;
 - (ii) intended to be paid to the builder before the building has been inspected in accordance with the relevant Reverted Housing Loan Specific Insurance Policy to ensure that construction is sound and substantially in accordance with plans and specifications;
 - (iii) after a default without the approval of the relevant Reverted Housing Loan Specific Insurer;
- (G) notify the relevant Reverted Housing Loan Specific Insurer of any additional advance made on the security of the Mortgaged Property, and where the additional advance is approved under the relevant Reverted Housing Loan Specific Insurance Policy, pay any additional premium required by the relevant Reverted Housing Loan Specific Insurer;
- (G) ensure the Mortgage has been duly registered with the land titles office in the State or Territory in which the property is situated (or the Mortgage has been lodged for registration in accordance with the normal practice of the jurisdiction and it has not been rejected); and
- (H) ensure the loan contract for the Purchased Loan, any Mortgage or any collateral security is duly stamped in each relevant State or Territory (or all steps required by the relevant State or Territory stamp office have been taken and the Issuer Trustee pays stamp duty when it falls due).

(xii) Actions requiring consent

Under the Reverted Housing Loan Specific Insurance Policies from St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited and the Commonwealth of Australia, neither the Issuer Trustee nor the Manager on its behalf, shall, without the prior approval of the Reverted Housing Loan Specific Insurer, among other things:

- (A) make any additional advance (in certain circumstances) upon the security of the Mortgaged Property that ranks for payment ahead of the Purchased Loan;
- (B) materially alter the terms of the Purchased Loan contract, any Mortgage, guarantee or any collateral security; or
- (C) allow its rights to be reduced against the Borrower, the mortgagor, any guarantor, any provider of any collateral security or the Mortgaged Property;
- (D) approve any transfer or assignment of the Mortgaged Property without full discharge of the Purchased Loan;
- (E) contravene any provision of the relevant Reverted Housing Loan Specific Insurance Policy; or
- (F) consent to a further advance by an approved prior mortgagee upon the security of the approved prior mortgage.

(xiii) Exclusions

The Reverted Housing Loan Specific Insurance Policies from St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited and the Commonwealth of Australia do not cover any loss arising from:

- (A) any war or warlike activities;
- (B) the use, existence or escape of nuclear weapons material or ionising radiation from or contamination by radioactivity from any nuclear fuel or nuclear waste from the nuclear fuel;
- (C) the existence or escape of any pollution or environmentally hazardous material;
- (D) the fact that the Purchased Loan, any Mortgage or guarantee or any collateral security, is void or unenforceable; or
- (E) where Consumer Credit Legislation applies, any failure of the Purchased Loan contract, any Mortgage or guarantee or Collateral Security to comply with the requirements of the Consumer Credit Legislation.

(xiv) Claims

Under the Reverted Housing Loan Specific Insurance Policies from St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited and the Commonwealth of Australia, a claim for a loss in respect of an insured loan must be lodged within 28 days after the loss date unless in its absolute discretion the relevant Reverted Housing Loan Specific Insurer otherwise agrees. Where a claim is not lodged within 28 days after the loss date the claim shall be reduced for any loss and damage the relevant Reverted Housing Loan Specific Insurer suffers by reason of the delay in lodgment of the claim.

After making a claim, St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited or the Commonwealth of Australia, as applicable, may require an assignment to it by the Issuer Trustee of the relevant insured Mortgage, mortgage guarantee and any collateral security, require the Issuer Trustee to appoint St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited or the Commonwealth of Australia, as applicable, as its attorney to exercise the rights of the Issuer Trustee in relation to the insured Mortgage, mortgage guarantee and any collateral security, require the Issuer Trustee to take such action (including legal proceedings) in relation to the relevant insured Mortgage, mortgage guarantee or collateral security as the relevant insurer requests, or require the Issuer Trustee to undertake and certify that the relevant insured Mortgage, mortgage guarantee or collateral security is valid.

(xv) After a Claim

In the case of the Reverted Housing Loan Specific Insurance Policies from St.George Insurance Australia Pty Limited, Genworth Financial Mortgage Insurance Pty Limited and the Commonwealth of Australia, any amount received by the Issuer Trustee in relation to a Purchased Loan which is subject to a claim under a Reverted Housing Loan Specific Insurance Policy must be notified to the relevant Reverted Housing Loan Specific Insurer immediately and will be:

- (1) immediately paid to the relevant Reverted Housing Loan Specific Insurer, to the extent that the relevant Reverted Housing Loan Specific Insurer has wholly or partly paid a claim; or
- (2) applied to reduce the balance of the amount payable by the insurer, to the extent that the claim has not been paid.

Any such amount received will be held on trust for the relevant Reverted Housing Loan Specific Insurer pending such payment.

(d) Lenders Mortgage Insurance Policies

(i) General

The Approved Seller has entered into a lender's mortgage insurance policy with each of St.George Insurance Australia Pty Limited and PMI Mortgage Insurance Ltd, (each a "**Trust LMI Policy**"), to cover housing loans that had an LVR of 80% or below (or 60% or below in the case of a Low Doc (Stated Income) Home Loan) as of the date on which they were originated. In addition, the Approved Seller has the benefit of pool mortgage insurance policies in relation to the Reverted Housing Loans (Pool), each a "**Reverted Housing Loan LMI Policy**", and together with the Trust LMI Policies, each an "**LMI Policy**". Under the Trust LMI Policies, St.George Insurance Australia Pty Limited and PMI Mortgage Insurance Ltd (each a "**Trust LMI Insurer**"), will insure the Issuer Trustee with effect from the Closing Date for losses and in respect of the housing loans which are covered by the Trust LMI Policies. Each Reverted Housing Loan LMI Policy was provided by Genworth Financial Mortgage Insurance Pty Limited or PMI Mortgage Insurance Ltd, each a "**Reverted Housing Loan LMI Insurer**", and together with an LVR Specific Insurer, each an "**LMI Insurer**".

Each Trust LMI Policy attaches a list of the insured housing loans.

(ii) Period of Cover

The Issuer Trustee has the benefit of the relevant LMI Policy in respect of each relevant housing loan from the date the relevant LMI Policy is assigned to it in respect of the housing loan until the earliest of:

(A) the date the housing loan is repaid in full; or

in the case of the LMI Policy from St.George Insurance Australia Pty Limited, the Issuer Trustee has the benefit of the policy in respect of each relevant housing loan from the date the policy is assigned to it in respect of the housing loan until the earliest of:

- (1) the date the housing loan or Mortgage securing the housing loan is assigned, transferred or mortgaged (other than under the Security Trust Deed) to a person other than to a person who is or becomes an insured;
- (2) the date the housing loan ceases to be secured by the Mortgage (other than in the case where the Mortgage is discharged by the operation of a compulsory acquisition or sale by a government for public purposes);
- (3) the original expiry date of the housing loan or as extended with the consent of the LMI Insurer or as varied by a court under the Consumer Credit Legislation; or
- (4) the date the policy is cancelled in respect of the relevant housing loan in accordance with the policy;
- (5) in the case of the LMI Policy from PMI Mortgage Insurance Ltd, the Issuer Trustee has the benefit of the policy in respect of each relevant housing loan from the date the policy is assigned to it in respect of the housing loan until the earliest of:
 - (i) the date (if any) specified as the date on which the insurance expires in relation to the housing loan (unless a claim is notified to the insurer within 14 days after that expiry date, in which case the LMI Policy continues in relation to that claim). No such date has been specified in relation to any housing loan;
 - (ii) the date on which a claim is paid by the insurer in relation to that housing loan;
 - (iii) the date on which the insurance is cancelled in accordance with the Insurance Contracts Act 1984; or
 - (iv) immediately and automatically if at any time a Redraw or a Further Advance is allowed in respect of the housing loan which does not comply

with the terms set forth in the LMI Policy from PMI Mortgage Insurance Ltd.

(iii) Cover for Losses

In the case of the LMI Policy from St.George Insurance Australia Pty Limited, the insurer is obliged to pay to the Issuer Trustee the loss in respect of a housing loan, equal to the aggregate of:

- (A) the balance of the housing loan at the loss date together with any interest and certain fees or charges outstanding at the loss date (as described below);
- (B) fees and charges paid or incurred by the insured on or before the loss date; and
- (C) such other amounts which the insurer, in its absolute discretion, approves,

which the Issuer Trustee is entitled to recover under the housing loan contract or any mortgage guarantee, less deductions including:

- (1) the sale price of, or compensation for (in the case of compulsory acquisition), the relevant Mortgaged Property;
- (2) any amount received by the Issuer Trustee under any collateral security;
- (3) rents and other profits or proceeds in relation to the relevant Mortgaged Property;
- (4) sums received under any policy of insurance relating to the relevant Mortgaged Property not applied in restoration or repair;
- (5) the value of the Issuer Trustee's interest in the relevant Mortgaged Property in the case of foreclosure;
- (6) any interest whether capitalised or not that exceeds interest at the lesser of the rate on the such other amounts (including fines or penalties) and the rate, if any, prescribed by Consumer Credit Legislation;
- (7) any fees or charges whether capitalised or not, that are not of the type or which exceed the maximum amounts specified below:
 - (i) premiums for general insurance policies, levies and other charges payable to a body corporate under a strata title system, rates, taxes and other statutory charges;
 - (ii) reasonable and necessary legal and other fees and disbursements of enforcing or protecting the Issuer Trustee's rights under the housing loan contract, up to the maximum amount stated in the schedule to the LMI Policy;
 - (iii) repair, maintenance and protection of the Mortgaged Property, up to the maximum amount or proportion of the value of the Mortgaged Property stated in the schedule to the LMI Policy;
 - (iv) reasonable costs of the sale of the Mortgaged Property by the Issuer Trustee, up to the maximum amount stated in the schedule to the LMI Policy,

provided that if the Consumer Credit Legislation applies to the Purchased Loan then fees and charges that exceed the fees and charges recoverable under the Consumer Credit Code (less any amount that must be accounted for to the Borrower and the mortgagor) shall be excluded;

- (8) losses directly arising out of the physical damage to the property other than:
 - (i) losses arising from fair, wear and tear; or
 - (ii) losses which were recovered and applied in the restoration or repair of the Mortgaged Property prior to the loss date or which were recovered under a policy of insurance and were applied to reduce the amount outstanding under the Purchased Loan;
 - (iii) any amounts by which a claim may be reduced under that LMI Policy; and

- (iv) any deductible or other amount specified in the schedule in respect of the Purchased Loan.

In the case of the LMI Policy from PMI Mortgage Insurance Ltd, the insurer is obliged to pay to the Issuer Trustee the loss in respect of a Purchased Loan, equal to the aggregate of:

- (a) the balance of the Purchased Loan on the day the relevant Mortgaged Property is sold;
- (b) interest on the balance of the Purchased Loan on the date the relevant Mortgaged Property is sold, for a maximum of 30 days; and
- (c) certain costs on sale of the relevant Mortgaged Property, including insurance premiums, rates, land tax, reasonable and necessary legal fees and disbursements, reasonable commissions and advertising and valuation costs, reasonable and necessary costs of maintenance (but not restoration) up to A\$1,500 (or greater with the insurer's consent), certain amounts for goods and services tax,

less deductions including:

- (A) any gross proceeds of sale of the relevant Mortgaged Property or compensation for resumption or compulsory acquisition of the relevant Mortgaged Property or any collateral security;
- (B) any amount received by the Issuer Trustee under any collateral security;
- (C) rents and other profits in relation to the relevant Mortgaged Property or collateral security;
- (D) sums received under any policy of insurance relating to the relevant Mortgaged Property not applied in restoration;
- (E) all amounts recovered from the exercise of the insured's rights relating to any collateral security;
- (F) any other amounts received in relation to the relevant Mortgage or collateral security, including any amounts received from the relevant Borrower or guarantor; and
- (G) any amount incurred by the Issuer Trustee in respect of any goods and services tax to the extent a credit is available to the Issuer Trustee for that tax.

The loss date for a Purchased Loan includes the date on which the relevant Mortgaged Property is sold or such date as the relevant insurer otherwise agrees. Under the LMI Policy from St.George Insurance Australia Pty Limited, the loss date also includes the date on which the relevant Mortgaged Property is foreclosed on.

In addition, under the LMI Policy from St.George Insurance Australia Pty Limited, the amount payable by the insured in respect of a Purchased Loan will not exceed the amount required to pay out that Purchased Loan in accordance with the Consumer Credit Legislation on the last date prior to the relevant loss date on which such payment could be made.

Issuer Trustee's Interest Extinguished

Under the LMI Policy from St.George Insurance Australia Pty Limited, if the Issuer Trustee assigns its equitable interest in a Purchased Loan to the Approved Seller then the Approved Seller will be entitled to the benefit of the LMI Policy in so far as it applies to the relevant Purchased Loan.

(iv) Refusal or Reduction in Claim

Under the LMI Policies, the amount of a claim may be refused or reduced by the relevant LMI Insurer for any loss in respect of a Purchased Loan by the amount that fairly represents the extent to which the interest of the relevant LMI Insurer has been prejudiced by St.George Bank's or the Issuer Trustee's (or the Manager on its behalf) failure to comply with any condition, provision or requirement of the policy.

Under the LMI Policy from PMI Mortgage Insurance Ltd, the amount of a claim may be reduced or cancelled by PMI Mortgage Insurance Ltd in the following circumstances:

- (1) the once-only fee is not paid by the Approved Seller;
- (2) the relevant Mortgage or Purchased Loan is not enforceable;
- (3) there ceases to be a servicer approved by PMI Mortgage Insurance Ltd to service the Purchased Loans for the Issuer Trustee;
- (4) the loss arises because the Issuer Trustee has consented to:
 - (A) the creation of any lease, license, easement, restriction or other notification affecting Mortgaged Property; or
 - (B) an increase in or acceleration of the payment obligation of the relevant Borrower under any security interest which has priority over the insured Mortgage;
- (5) the loss arises because of any false or misleading statement, assurance or representation to the relevant Borrower or any relevant guarantor; or
- (6) there is any non-disclosure or misrepresentation arising from information in relation to the LMI Policy or the duty of disclosure under the LMI Policy is breached.

(v) Undertakings

Under the LMI Policy from St.George Insurance Australia Pty Limited, the Issuer Trustee, or the Manager on its behalf, is required, among other things, to:

- (1) pay any premium within 28 days of the date of the LMI Policy;
- (2) not make any misrepresentation or breach the duty of disclosure;
- (3) ensure there is a mortgage manager in respect of the Purchased Loan at all times and, in certain circumstances, replace that mortgage manager;
- (4) ensure there is a condition in the loan contract for a Purchased Loan that the Mortgaged Property is kept insured under an approved general insurance policy;
- (5) where a Mortgage is not a first mortgage, take such action as St.George Insurance Australia Pty Limited may require with respect to that prior Mortgage;
- (6) if a Purchased Loan is for the purpose of (either solely or partly) or in connection with, the construction, refurbishment or renovation of any building, the Issuer Trustee must not, other than in accordance with the lending guidelines, make any advance:
 - (A) before the Borrower (and the Mortgagor if not the Borrower) and the builder have entered into a contract which precludes the Borrower (and the Mortgagor if not the Borrower) from being charged more than a specified price inclusive of all expenses;
 - (B) intended to be paid to the builder before the building has been inspected in accordance with the LMI Policy to ensure that construction is sound and substantially in accordance with plans and specifications;
 - (C) after a default without the approval of St.George Insurance Australia Pty Limited;
- (7) notify the insurer of any additional advance made on the security of the Mortgaged Property, and where the additional advance is approved under the LMI Policy pay any additional premium required by the insurer;
- (8) ensure the Mortgage has been duly registered with the land titles office in the State or Territory in which the property is situated (or the Mortgage has been lodged for registration in accordance with the normal practice of the jurisdiction and it has not been rejected); and
- (9) ensure the loan contract for the Purchased Loan, any mortgage guarantee or any collateral security is duly stamped in each relevant State or Territory (or all steps required by the relevant State or Territory stamp office have been taken and the Issuer Trustee pays stamp duty when it falls due).

Under the LMI Policy from PMI Mortgage Insurance Ltd, the Issuer Trustee, or the Manager on its behalf, is required, among other things:

- (a) to administer and manage each Purchased Loan, or appoint the Servicer to do so on its behalf;
- (b) to seek the insurer's consent to advance additional amounts under a Purchased Loan (except as otherwise provided with respect to certain Redraws and Further Advances);
- (c) to follow the procedures of a prudent lender in preparing, administering and managing any insured Mortgage, collateral security and Purchased Loan;
- (d) not to vary an insured Mortgage or Purchased Loan only with the insurer's consent (including any variation involving capitalisation or deferment of instalments; partial discharge, release or substitution of security and change of Borrower or guarantor);
- (e) to protect its rights under each insured Mortgage, including maintaining and not deferring its right to take action to recover loan amounts, maintain enforceability of the insured Mortgage and not discharge an insured Mortgage;
- (f) to do everything reasonable to protect its interest in the relevant Mortgaged Property;
- (g) to notify the insurer immediately on becoming aware that the relevant Mortgaged Property is defective, damaged, has been vacated or is contaminated;
- (h) to ensure that the relevant terms of a Purchased Loan require the Borrower to take out and maintain a general insurance policy in relation to the relevant mortgaged policy; and
- (i) if an event occurs in relation to a Purchased Loan, the Issuer Trustee must follow the procedures of a prudent lender in administering and managing that Purchased Loan and the relevant insured Mortgage and any collateral security. The Issuer Trustee must report certain events of default to the insurer within 14 days of their occurrence, and must consult with the insurer following any default. The insurer must also be informed of information relating to enforcement of insured Mortgages.

(vi) Actions Requiring Consent

Under the LMI Policy from St.George Insurance Australia Pty Limited, neither the Issuer Trustee nor the Manager on its behalf, shall, without the prior approval of the insurer, among other things:

- (1) make any additional advance (in certain circumstances) upon the security of the property that ranks for payment ahead of the Purchased Loan;
- (2) materially alter the terms of the Purchased Loan contract, any mortgage guarantee or any collateral security; or
- (3) allow its rights to be reduced against the Borrower, the mortgagor, any mortgage guarantor, any provider of any collateral security or the Mortgaged Property.
- (4) approve any transfer or assignment of the Mortgaged Property without full discharge of the Purchased Loan;
- (5) contravene any provision of the LMI Policy; or
- (6) consent to a further advance by an approved prior mortgagee upon the security of the approved prior Mortgage.

Under the LMI Policy from PMI Mortgage Insurance Ltd, neither the Issuer Trustee nor the Manager on its behalf shall, without the prior approval of the insurer, among other things:

- (A) discharge the insured Mortgage of any collateral security, either in whole or in part; or
- (B) accept a sale price for the insured property that will result in a claim.

(vii) Exclusions

The LMI Policy from St.George Insurance Australia Pty Limited does not cover any loss arising from:

- (1) any war or warlike activities;
- (2) the use, existence or escape of nuclear weapons material or ionising radiation from or contamination by radioactivity from any nuclear fuel or nuclear waste from the nuclear fuel;
- (3) the existence or escape of any pollution or environmentally hazardous material;
- (4) the fact that the Purchased Loan, any Mortgage or guarantee or any collateral security is void or unenforceable; or
- (5) where Consumer Credit Legislation applies, any failure of the Purchased Loan contract, any mortgage or guarantee or Collateral Security to comply with the requirements of the Consumer Credit Legislation.

The LMI Policy from PMI Mortgage Insurance Ltd does not cover certain amounts in relation to a Purchased Loan, including:

- (A) interest charged in advance;
- (B) default interest;
- (C) early repayment fees;
- (D) higher rate interest payable because of failure to make prompt payment;
- (E) break costs;
- (F) fines, fees or charges debited to the Purchased Loan;
- (G) costs of restoration following damage to or destruction of the relevant Mortgaged Property;
- (H) costs of removal, clean up and restoration arising from contamination of the relevant Mortgaged Property;
- (I) additional funds advanced to the relevant Borrower without the insurer's consent (other than Redraws and Further Advances made in accordance with the terms of the LMI Policy);
- (J) amounts paid to complete improvements;
- (K) cost overruns;
- (L) any civil and criminal penalties imposed under legislation, including the Consumer Credit Code; and
- (M) amounts attributable to any breach or noncompliance of the Managed Investments Act 1998 of Australia and/or a managed investments scheme as defined in that Act.

(viii) Claims

Under the LMI Policy from St.George Insurance Australia Pty Limited, a claim for a loss in respect of an insured loan must be lodged within 28 days after the loss date unless in its absolute discretion the insurer otherwise agrees. Where a claim is not lodged within 28 days after the loss date the claim shall be reduced for any loss and damage the insurer suffers by reason of the delay in lodgment of the claim.

Under the LMI Policy from PMI Mortgage Insurance Ltd, a claim may be made under the LMI Policy:

- (1) when the relevant Mortgaged Property has been sold;
- (2) when the insurer so requests, prior to the sale; or
- (3) where a prior ranking Mortgagee has sold the relevant Mortgaged Property.

A claim should be lodged within 30 days of sale of the relevant Mortgaged Property, or on request by the insurer together with supporting documents and information.

Claims are payable within 14 days of receipt by PMI Mortgage Insurance Ltd of the completed claim form.

After making a claim, PMI Mortgage Insurance Ltd may require an assignment to it by the Issuer Trustee of the relevant insured Mortgage and any collateral security or require the Issuer Trustee to appoint PMI Mortgage Insurance Ltd as its attorney to take action in relation to the insured Mortgage and any collateral security.

After a Claim

In the case of the LMI Policy from St.George Insurance Australia Pty Limited, any amount received by the Issuer Trustee in relation to a Purchased Loan which is subject to a claim under the LMI Policy must be notified to St.George Insurance Australia Pty Limited immediately and will be:

- (1) immediately paid to St.George Insurance Australia Pty Limited, to the extent that St.George Insurance Australia Pty Limited has wholly or partly paid a claim; or
- (2) applied to reduce the balance of the amount payable by St.George Insurance Australia Pty Limited to the extent that the claim has not been paid.

Any such amount received will be held on trust for St.George Insurance Australia Pty Limited pending such payment.

In the case of the LMI Policy from PMI Mortgage Insurance Ltd, any amount received by the Issuer Trustee in relation to a Purchased Loan after a claim has been paid under the LMI Policy is payable to the insurer, except if a loss remains after that claim in which case amounts recovered are to be shared pro rata between the insurer and the Issuer Trustee.

(vii) Reverted Housing Loan Insurance Policies

There are 16 Reverted Housing Loan Insurance Policies with respect to the Reverted Housing Loans (Pool). Each Reverted Housing Loan LMI Insurance Policy was provided by PMI Mortgage Insurance Ltd or Genworth Financial Mortgage Insurance Pty Limited.

Description of the Mortgage Insurers

St.George Insurance Australia Pty Limited

Following the Australian Prudential Regulatory Authority's ("**APRA**") amendments to the General Insurance Standards, transitional arrangements, of two years from January 1, 2006 were granted to St.George Bank to enable the establishment of a new general insurance entity. The new successor entity to St.George Insurance Pte Ltd, St.George Insurance Australia Pty Limited (ABN 91 119 727 516), a wholly owned subsidiary of St.George Bank, obtained a general insurance licence from APRA in September 2006 and commenced providing St.George Bank's mortgage insurance requirements effective from the 1st October 2006.

A transaction occurred on the 30th September 2006 whereby all assets, liabilities, obligations and business operations of St.George Insurance Pte Ltd were transferred to St.George Insurance Australia, this included all existing contracts held by St.George Insurance Pte Ltd being novated to St.George Insurance Australia Pty Limited. There has been no change to the underlying business and operations as a result of this transfer.

St.George Insurance Australia Pty Limited has an independent board of directors. There are three independent directors on the board and two from the St.George Executive. It operates independently from St.George Bank and is responsible for its own profitability and returns upon equity. St.George Insurance Australia Pty Limited currently mortgage insures in excess of A\$20 billion of the St.George Bank residential lending portfolio.

As of January 31, 2007 St.George Insurance Australia Pty Limited has shareholders equity of A\$233.962 million, and current assets in excess of A\$360 million. The St.George Insurance Pte Ltd profit after tax for the full year ended September 2006 was A\$61.419 million which represented a return on equity of 30.57%

It was a condition that prior to or upon the completion of this transaction, St.George Insurance Australia Pty Limited would be independently rated no less than St.George Insurance Pte Ltd. St.George Insurance Australia Pty Limited is independently rated A+ by S&P, Aa3 by Moody's and AA- by Fitch Ratings.

The business address of St.George Insurance Australia Pty Limited is Level 9, 182 George Street, Sydney 2000, Australia and the registered address is Level 4, 4-16 Montgomery Street, Kogarah, NSW, 2217, Australia.

The depositor has determined that St.George Insurance Australia Pty Limited is contingently liable to provide payments representing less than 10% of the cash flow supporting the US\$ notes.

PMI Mortgage Insurance Ltd

PMI Mortgage Insurance Ltd (ABN 70 000 511 071) is an Australian public company registered in New South Wales and limited by shares. PMI Mortgage Insurance Ltd's principal activity is lenders' mortgage insurance which it has done in Australia since 1965 and in New Zealand since 1988.

PMI Mortgage Insurance Ltd's parent is PMI Mortgage Insurance Australia (Holdings) Pty Ltd, a subsidiary of PMI Mortgage Insurance Co., which is a subsidiary of The PMI Group, Inc. PMI Mortgage Insurance Co. is a leading monoline mortgage insurer in the United States.

As of December 31, 2006, the audited financial statements of PMI Mortgage Insurance Ltd had total assets of A\$1,464 million and shareholder's equity of A\$885 million. PMI Mortgage Insurance Ltd currently has an insurer financial strength rating by Standard & Poors' and Fitch Ratings of AA and by Moody's of Aa2. 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 PMI Mortgage Insurance Ltd and its ability to pay claims on its policies of insurance. Each insurer financial strength rating of PMI Mortgage Insurance Ltd should be evaluated independently. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any class of offered notes, and such ratings are subject to revision, qualification or withdrawal at any time by the applicable rating agency. Any downward revision, qualification or withdrawal of any of the above ratings may have a material adverse effect on the market prices of the offered notes. PMI Mortgage Insurance Ltd does not guarantee the market prices of the offered notes nor does it guarantee that its insurer financial strength ratings will not be revised, qualified or withdrawn.

The business address of PMI Mortgage Insurance Ltd is Level 21, 50 Bridge Street, Sydney, New South Wales, Australia, 2000.

Loans insured by the Genworth Financial Group

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 is also a wholly owned subsidiary of GE Capital Australia.

Together GEMI and GEMICO insured all loans between December 15, 1997 and March 31, 2004.

On March 31, 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 (Cth) ("**Insurance Act**") approved by both the Australian Prudential Regulation Authority 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.

Upon the completion of the transfer, the then current claims paying ratings for both GEMI and GEMICO ("AA" by S&P and Fitch and "Aa2" by Moody's) were withdrawn and identical ratings were issued by all three local ratings agencies in respect of Genworth GEMICO.

On or about May 24, 2004, Genworth GEMICO became a wholly owned subsidiary of a newly incorporated and U.S. domiciled entity, Genworth Financial, Inc. (NYSE: GNW). Genworth Financial, Inc. is a leading insurance holding company, serving the lifestyle protection, retirement income, investment and mortgage insurance needs of more than 15 million customers, and has operations in 25 countries, including the U.S., Canada, Australia, the U.K. and more than a dozen other European countries. Genworth Financial has its principal lenders mortgage insurance operations in the United States, United Kingdom, Canada, New Zealand and Australia. Genworth Financial, Inc.'s rated mortgage insurance companies have financial strength ratings of "AA" (Very Strong) from Standard & Poor's, "Aa2" (Excellent) from Moody's and "AA" (Very Strong) from Fitch.

On November 25, 2005 Genworth GEMICO changed its name to Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305).

The principal place of business of Genworth Financial Mortgage Insurance Pty Limited is Level 23, 259 George Street, Sydney, New South Wales, Australia.

9.2 Liquidity Reserve

(a) Liquidity Reserve

On the Closing Date, the Liquidity Reserve will be established by the Issuer Trustee depositing A\$20,173,330.58 from the proceeds of issuing the Notes into the Liquidity Account.

The Liquidity Reserve amount is required to equal 0.9% of the aggregate principal amount outstanding of the Purchased Loans from time to time. To the extent that the Liquidity Reserve on a Quarterly Determination Date exceeds the then current Liquidity Limit, the Liquidity Reserve will be reduced in accordance with the cashflow allocation methodology set out in Section 8 "Cashflow Allocation Methodology" by an amount such that after such reduction the Liquidity Reserve equals the Liquidity Limit as determined by the Manager from time to time.

(b) Liquidity Account

The Issuer Trustee shall maintain the Liquidity Account as an interest bearing account in accordance with the Transaction Documents with St. George Bank. The Manager shall not direct the Issuer Trustee to, and the Issuer Trustee shall not make, any withdrawal from the Liquidity Account except for the following purposes:

- (i) to make or fund a Liquidity Draw in accordance with the Cashflow Allocation Methodology;
- (ii) to transfer the credit balance of the Liquidity Account in accordance with the Master Trust Deed where the account is held by a bank which ceases to be an Approved Bank;
- (iii) to pay financial institutions duty, bank accounts debit tax or equivalent taxes payable in respect of the Liquidity Account;
- (iv) to the extent that the credit balance of the Liquidity Account exceeds the Liquidity Reserve, to distribute that excess as a Principal Collection in accordance with the Cashflow Allocation Methodology; and
- (v) to distribute on the Final Maturity Date or on the date on which the Notes are fully and finally redeemed or repurchased the credit balance of the Liquidity Account as a Principal Collection in accordance with the Cashflow Allocation Methodology.

(c) Liquidity Draw

If on any Monthly Determination Date the Manager determines that there is a Liquidity Shortfall, the Manager must direct the Issuer Trustee to make a draw ("**Liquidity Draw**") on the Liquidity Reserve on or before the relevant Monthly Payment Date equal to the lesser of:

- (i) the Liquidity Shortfall; and
- (ii) the balance of the Liquidity Account.

The Issuer Trustee must, if so directed by the Manager, make that Liquidity Draw and cause the proceeds of such Liquidity Draw to be deposited or transferred into the Collection Account on or

before the relevant Monthly Payment Date. This amount will be distributed in the manner described in Section 8 – “Cashflow Allocation Methodology”.

(d) Repayment of Liquidity Draws

The Issuer Trustee must repay outstanding Liquidity Draws on each Monthly Payment Date and Quarterly Payment Date out of Total Available Funds, to the extent they are available, in accordance with Section 8 “Cashflow Allocation Methodology”.

9.3 Basis Swap and Fixed-Floating Rate Swap

(a) Fixed-Floating Rate Swap

The Issuer Trustee will enter into a swap governed by an ISDA Master Agreement, as amended by a supplementary schedule and confirmed by a written confirmation, with the Fixed-Floating Rate Swap Provider and the Standby Fixed-Floating Rate Swap Provider to hedge the basis risk between the interest rate on the fixed rate Purchased Loans and the floating rate obligations of the Trust, including the interest due on the Notes. The Fixed-Floating Rate Swap will cover the Purchased Loans which bear a fixed rate of interest as of the Cut-Off Date and those variable rate Purchased Loans which at a later date convert to a fixed rate of interest. The obligations of the Fixed-Floating Rate Swap Provider are supported by the Standby Fixed-Floating Rate Swap Provider. The Issuer Trustee will pay a fee that accrues from day to day and which is calculated at the rate of 0.030% per annum of the outstanding principal balance of all fixed rate housing loans on the first day of each Monthly Interest Period on each Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) to the Standby Fixed-Floating Rate Swap Provider, in consideration for it agreeing to act as Standby Fixed-Floating Rate Swap Provider.

The Issuer Trustee will pay the Fixed-Floating Rate Swap Provider on each Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) an amount equal to the sum of the principal balance of each of the Purchased Loans, including Purchased Loans that are delinquent, which is subject to a fixed rate of interest at the beginning of the Monthly Collection Period immediately preceding that Monthly Payment Date, multiplied by the weighted average of those fixed rates of interest at the beginning of that Monthly Collection Period times the actual number of days in the Monthly Collection Period divided by 365. The Issuer Trustee will also pay the Fixed-Floating Rate Swap Provider all break fees from Borrowers with fixed rate loans received during the related Quarterly Collection Period.

The Issuer Trustee will receive from the Fixed-Floating Rate Swap Provider an amount equal to the principal balance of each of the Purchased Loans which is subject to a fixed rate of interest at the beginning of the Monthly Collection Period immediately preceding that Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) multiplied by the Weighted Average Australian Bank Bill Rate plus an agreed margin. The terms of the Fixed-Floating Rate Swap allow for netting of swap payments for transactions under the one confirmation.

The Fixed-Floating Rate Swap, including the obligations of the Standby Fixed-Floating Rate Swap Provider, commences on the date specified in the relevant confirmation and terminates on the Final Maturity Date, unless terminated earlier in accordance with the Fixed-Floating Rate Swap.

(b) Basis Swap

The Issuer Trustee will enter into a swap governed by an ISDA Master Agreement, as amended by a supplementary schedule and confirmed by a written confirmation, with the Basis Swap Provider and the Standby Basis Swap Provider to hedge the basis risk between the discretionary interest rate applicable on the variable rate Purchased Loans and the floating rate obligations of the Trust to the Currency Swap Provider. The Basis Swap will cover the Purchased Loans which bear a variable rate of interest as of the Cut-Off Date and those fixed rate Purchased Loans which at a later date convert to a variable rate of interest. The Issuer Trustee will pay a monthly fee of A\$2,000, payable on each Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date), to the Standby Basis Swap Provider in consideration for it agreeing to act as Basis Swap Provider.

The Issuer Trustee will pay the Basis Swap Provider on each Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) an amount based on the applicable daily weighted average of the variable rate on those Purchased Loans which are subject to a variable rate of interest and receive from the Basis Swap Provider the applicable Weighted Average Australian

Bank Bill Rate plus an agreed margin. The terms of the Basis Swap allow for netting of swap payments for transactions under the one confirmation.

The Basis Swap commences on the date specified in the relevant confirmation and terminates on the date 364 days later unless the Basis Swap Provider extends the Basis Swap in accordance with the terms of the Basis Swap. The obligations of the Standby Basis Swap Provider commence on the same day as the Basis Swap and terminate 364 days later unless the Standby Basis Swap Provider extends its obligations in accordance with the Basis Swap.

(c) Application of Increased Interest

After the margins on the Notes increase after the Call Date, the Manager must not direct the Issuer Trustee to enter into or extend a swap confirmation under the Fixed-Floating Rate Swap or the Basis Swap unless the Manager is of the opinion that the amounts payable by the relevant Swap Provider to the Issuer Trustee in relation to that confirmation are calculated with reference to the relevant increased margins.

(d) Standby Arrangement

If the Basis Swap Provider or the Fixed-Floating Rate Swap Provider is obligated to make a payment under the applicable Swap and fails to make the required payment, the Standby Swap Provider will make the applicable payment.

The Standby Basis Swap Provider is only obligated to make one payment relating to the Basis Swap. The Standby Fixed-Floating Rate Swap Provider is obligated to make all the payments under the Fixed-Floating Rate Swap that the Fixed-Floating Rate Swap Provider fails to make.

(e) Threshold Rate

If at any time the Basis Swap is terminated, the Manager must, on the earlier of three Business Days after the termination and the Monthly Determination Date immediately following the termination, calculate the Threshold Rate as of that date and notify the Issuer Trustee, the Servicer and the Approved Seller of the Threshold Rate on the relevant Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date). The “**Threshold Rate**” means, at any time, 0.25% per annum plus the minimum rate of interest that must be set on all of the Purchased Loans, where permitted under the related loan agreements, which will be sufficient, assuming that all of the parties to the Transaction Documents and the Purchased Loans comply with their obligations under the Transaction Documents and the Purchased Loans, when aggregated with the income produced by the rate of interest on all other Purchased Loans, to ensure that the Issuer Trustee will have sufficient collections to enable it to meet all of the obligations of the Trust, including the repayment of any Principal Draws. The Manager must also set the rate on the Purchased Loans, where permitted under the related loan agreement, at the Threshold Rate for each successive Monthly Determination Date for so long as the Basis Swap has not been replaced by a similar interest hedge, or until the Issuer Trustee and Manager agree that the interest rate on the variable rate Purchased Loans no longer needs to be set at the Threshold Rate, and that does not result in a downgrading of the Notes.

If the Servicer is notified by the Manager of the Threshold Rate, it will, not more than seven Business Days after termination of the Basis Swap, ensure that the interest rate payable on each variable rate Purchased Loan is set at a rate not less than the Threshold Rate, and will promptly notify the relevant Borrowers of the change in accordance with the Purchased Loans.

(f) Fixed-Floating Rate Swap Downgrade

If the Standby Fixed-Floating Rate Swap Provider’s rating falls below:

- (i) a short term rating of F1 or long term rating of A by Fitch Ratings;
- (ii) a short term rating of A-1 by S&P; or
- (iii) a short term rating of P-1 or long term rating of A2 by Moody’s,

the Standby Fixed-Floating Rate Swap Provider is required, at its cost, to do one of the following:

- (A) deposit a cash collateral amount into a Swap Collateral Account;
- (B) replace itself as the Standby Fixed-Floating Rate Swap Provider with a party that has a rating greater than or equal to A-1 by S&P, F1 (short term) and A (long term) by Fitch Ratings and who

is suitably rated so that its appointment as Standby Fixed-Floating Rate Swap Provider does not result in a downgrade of the Notes by Moody's ; or

- (C) enter into an arrangement which each relevant Rating Agency confirms in writing will reverse or avoid any Note downgrade.

Where the Standby Fixed-Floating Rate Swap Provider is downgraded to a rating of less than short term A-1 by S&P, less than F2 (short term) or BBB+ (long term) by Fitch Ratings or less than P-1 (short term) or A3 (long term) by Moody's, the relevant time limit is five Business Days. Otherwise, the relevant time limit is 30 days. However, if the Standby Fixed-Floating Rate Swap Provider is downgraded below F2 (short term) or BBB+ (long term) by Fitch Ratings, it must either be replaced or enter into an arrangement acceptable to each Rating Agency that will reverse or avoid any Note downgrade.

If, in the case of the Fixed-Floating Rate Swap, there is a downgrade of the Standby Fixed-Floating Rate Swap Provider's long term debt rating below BBB- by S&P, the Standby Fixed-Floating Rate Swap Provider must immediately provide cash collateral sufficient to enable the Rating Agencies to confirm that the downgrade will not cause a reduction in, or withdrawal of, the rating of the Notes and must be immediately replaced by a suitably rated swap provider.

(g) Basis Swap Downgrade

If the Standby Basis Swap Provider's rating falls below:

- (i) a short term rating of F1 or long term rating of A by Fitch Ratings;
- (ii) a short term rating of A-1 by S&P; or
- (ii) a short term rating of P-1 or long term rating of A2 by Moody's,

and the Threshold Rate is greater than the mortgage rate (as specified in the Basis Swap confirmation), the Basis Swap Provider shall pay immediately (and in any event no later than three Business Days) an amount equal to the next payment due by it into a Swap Collateral Account established in accordance with the Basis Swap.

If the Standby Basis Swap Provider does not extend the term of its obligations and the Basis Swap Provider receives notice from the Manager of any actual or proposed withdrawal or downgrade of the ratings assigned to any Class of Notes that results or would result in:

- (A) the Class A Notes being rated less than AAA by S&P, Aaa by Moody's and AAA by Fitch Ratings;
- (B) the Class B Notes being rated less than AA by S&P, Aa2 by Moody's and AA by Fitch Ratings; or
- (C) the Class C Notes being rated less than A+ by S&P, Aa3 by Moody's and AA- by Fitch Rating,

the Basis Swap Provider shall pay immediately (and in any event no later than three Business Days) an amount equal to the next payment due by it into the Swap Collateral Account established in accordance with the Basis Swap for so long as the downgrade of the Notes subsists and the Threshold Rate is greater than the mortgage rate (as specified in the Basis Swap confirmation).

(h) Swap Collateral Account

If a Swap Provider (other than the Currency Swap Provider) or Standby Swap Provider provides cash collateral to the Issuer Trustee, the Manager must direct the Issuer Trustee, and the Issuer Trustee must as soon as is practicable:

- (A) establish and maintain in the name of the Issuer Trustee a swap collateral account (the "**Swap Collateral Account**") with an Approved Bank; and
- (B) must deposit the cash collateral into a Swap Collateral Account.

The Issuer Trustee may only make withdrawals from a Swap Collateral Account upon the direction of the Manager and only for the purpose of:

- (i) entering into a substitute swap;
- (ii) refunding to that Standby Swap Provider the amount of any reduction in the Swap Collateral Amount, but only if the ratings of the Notes are not thereby withdrawn or reduced;
- (iii) withdrawing any amount which has been incorrectly deposited into the Swap Collateral Account;

- (iv) paying any applicable bank account taxes or equivalent taxes payable in respect of the Swap Collateral Account; or
- (v) funding the amount of any payment due to be made by that Swap Provider or Standby Swap Provider under the relevant swap following the failure by that Swap Provider or Standby Swap Provider to make that payment.

In this Section 9.3(h), “**Approved Bank**” means a bank which has a short term rating of at least A-1+ from Standard & Poor's, F1 (short term) from Fitch Ratings and P-1 (short term) and A2 (long term) from Moody's.

(i) Indemnity

Each Swap Provider agrees to indemnify the relevant Standby Swap Provider against any loss, charge, liability or expense that the Standby Swap Providers may sustain or incur as a direct or indirect consequence of the relevant Swap Provider's failure to comply with its obligations under a Swap, or the Manager requiring that Standby Swap Provider to make a payment under the Swap.

(j) Standby Swap Provider

The Standby Fixed-Floating Rate Swap Provider and the Standby Basis Swap Provider will be St. George Bank Limited. St. George Bank Limited is described under Section 4.2 “St. George Bank” above.

9.4 The Currency Swap

(a) General

Collections on the Purchased Loans and under the Basis Swap and the Fixed- Floating Rate Swap will be denominated in Australian dollars. However, the payment obligations of the Issuer Trustee under the Class A-1 Notes are denominated in Euros. To hedge its currency exposure, the Issuer Trustee will enter into a swap agreement with the Currency Swap Provider in relation to the Class A-1 Notes.

The Currency Swap will be governed by a standard form ISDA Master Agreement, as amended by a supplementary schedule and credit support annex and confirmed by a written confirmation relating to the Class A-1 Notes.

Under the Currency Swap, the Issuer Trustee will pay to the Currency Swap Provider on each Quarterly Payment Date an amount in Australian dollars equal to that portion of Principal Collections and Excess Available Income, if any, to be paid to the Class A-1 Noteholders as a payment of principal on the Class A-1 Notes, and the Currency Swap Provider is required to pay to, or at the direction of, the Issuer Trustee an amount denominated in Euros which is equivalent to such Australian dollar payment. The equivalent Euro payment will be calculated using an exchange rate of €0.6295=A\$1.00, which are fixed for the term of the Currency Swap.

In addition, under the Currency Swap on each Quarterly Payment Date the Issuer Trustee will pay to the Currency Swap Provider the A\$ Class A-1 Interest Amount in respect of the Class A-1 Notes and the Currency Swap Provider will pay to the Principal Paying Agent an amount equal to the Interest payable in Euros to the Class A-1 Noteholders.

If on any Quarterly Payment Date, the Issuer Trustee does not or is unable to make the full floating rate payment under the Currency Swap, the Euro floating rate payment to be made by the Currency Swap Provider on such Quarterly Payment Date under the Currency Swap will be reduced by the same proportion as the reduction in the payment from the Issuer Trustee.

The subscription price for the Class A-1 Notes will be paid by investors in Euros, but the consideration for the purchase by the Issuer Trustee of equitable title to the Purchased Loans will be in Australian dollars. On the Closing Date, the Issuer Trustee will pay to the Currency Swap Provider the net proceeds of the issue of the Class A-1 Notes in Euros. In return the Issuer Trustee will be paid by the Currency Swap Provider the A\$ Equivalent of that Euro amount.

(b) Termination by the Currency Swap Provider

The Currency Swap Provider shall have the right to terminate the Currency Swap in the following circumstances:

- (i) if the Issuer Trustee fails to make a payment under the Currency Swap within 10 Business Days of its due date;
- (ii) an Insolvency Event with respect to the Issuer Trustee occurs and the Currency Swap is not novated to a third party within 30 days or the Issuer Trustee merges into another entity without that entity properly assuming responsibility for the obligations of the Issuer Trustee under the Currency Swap;
- (iii) if due to a change in law it becomes illegal for the Currency Swap Provider to make or receive payments or comply with any other material provision of the Currency Swap, the Currency Swap requires such party to make efforts to transfer its rights and obligations to another office or another affiliate to avoid this illegality, so long as the transfer would not result in a downgrade or withdrawal of the rating of the Class A-1 Notes. If those efforts are not successful, then the Currency Swap Provider will have the right to terminate the Currency Swap;
- (iv) due to a change in tax law, it receives payments from which the amounts have been withheld, or is required to pay an additional amount as a result of such change in tax law; or
- (v) if the Issuer Trustee becomes obligated to make a withholding or deduction in respect of the Class A-1 Notes and the Class A-1 Notes are redeemed as a result.

(c) Termination by the Issuer Trustee

There are a number of circumstances in which the Issuer Trustee has the right to terminate the Currency Swap. In each of these cases it is only permitted to exercise that right with the prior written consent of the Note Trustee:

- (i) where the Currency Swap Provider fails to make a payment under the Currency Swap within 10 Business Days of its due date or the Currency Swap Provider becomes insolvent or merges into another entity without that entity properly assuming responsibility for the obligations of the Currency Swap Provider under the Currency Swap;
- (ii) if due to a change in law it becomes illegal for the Issuer Trustee to make or receive payments or comply with any other material provision of the Currency Swap, the Currency Swap requires such party to make efforts to transfer its rights and obligations to another office or another affiliate to avoid this illegality, so long as the transfer would not result in a downgrade or withdrawal of the rating of the Class A-1 Notes. If those efforts are not successful, then the Issuer Trustee will have the right to terminate; or
- (iii) if the Currency Swap Provider breaches any obligation to deposit cash collateral with the Issuer Trustee or transfer or enter into another arrangement required by the Rating Agencies in accordance with the Currency Swap in the event it is downgraded.

Each party may terminate the Currency Swap only after consulting with the other party as to the timing of the termination. The Issuer Trustee will exercise such right to terminate at the direction of the Manager. The Issuer Trustee may only terminate the Currency Swap with the prior written consent of the Note Trustee. The Currency Swap Provider acknowledges that the Issuer Trustee has appointed the Manager as manager of the Trust and may exercise or satisfy any of the Issuer Trustee's rights or obligations under the Currency Swap including entering into and monitoring transactions and executing confirmations.

(d) Currency Swap Downgrade

If at any time the Currency Swap Provider no longer has the Required Ratings, the Currency Swap Provider must, subject to the terms and conditions of the Currency Swap, take one of the following courses of action:

- (i) transfer eligible credit support;
- (ii) procure a novation of the rights and obligations of the Currency Swap Provider under the Currency Swap;

- (iii) procure another person to become co-obligor in respect of the obligations of the Currency Swap Provider under the Currency Swap; or
- (iv) enter into such other arrangements as are specified in the Currency Swap.

If at any time the Currency Swap Provider is subject to a Major Downgrade, the Currency Swap Provider must, subject to the terms and conditions of the Currency Swap, perform one of the actions specified in sub-paragraph (ii), (iii) or (iv) above within the time period specified in the Currency Swap, in addition to continuing to perform any actions required in respect of sub-paragraph (i) above.

“Major Downgrade” means a ratings downgrade resulting in the Currency Swap Provider having in relation to the Currency Swap:

- (A) a short term credit rating of less than A-1 by S&P;
- (b) a short term credit rating of less than P-2 by Moody's or a long term credit rating of less than A-3 by Moody's; or
- (B) a short term credit rating of less than F2 or a long term credit rating of less than BBB+ by Fitch Ratings.

“Required Rating” means a credit rating of not less than:

- (A) A-1+ (short term) by S&P;
- (B) P-1 (short term) and A2 (long term) by Moody's; and
- (C) F1 (short term) and A+ (long term) by Fitch Ratings.

(e) Termination Payments

On the date of termination of the Currency Swap, a termination payment will be due from the Issuer Trustee to the Currency Swap Provider or from the Currency Swap Provider to the Issuer Trustee. The termination of the Currency Swap is an Event of Default under the Security Trust Deed unless the Currency Swap is terminated by the Currency Swap Provider as a result of a Call exercised by the Issuer Trustee in respect of the Class A-1 Notes.

The termination payment in respect of the Currency Swap will be determined on the basis of quotations from four leading dealers in the relevant market selected by the determining party to enter into a replacement transaction that would have the effect of preserving the economic equivalent of any payment that would, but for the early termination, have been required under the terms of the Currency Swap.

(f) Replacement of Currency Swap

If the Currency Swap is terminated prior to the day upon which the Class A-1 Notes are repaid in full, the Issuer Trustee must, at the direction of the Manager, enter into one or more replacement Currency Swap which replace the Currency Swap, but only on the condition that:

- (i) the termination payment, if any, which is payable by the Issuer Trustee to the Currency Swap Provider on termination of the Currency Swap will be paid in full when due in accordance with Section 8 “Cashflow Allocation Methodology” and the Currency Swap;
- (ii) the ratings assigned to those Class A-1 Notes are not adversely affected; and
- (iii) the liability of the Issuer Trustee under that replacement currency swap is limited to at least the same extent that its liability is limited under the Currency Swap or the relevant transaction under the Currency Swap.

If the preceding conditions are satisfied, the Issuer Trustee must, at the direction of the Manager, enter into the replacement currency swap, and if it does so it must direct the provider of the replacement currency swap to pay any up-front premium to enter into the replacement currency swap due to the Issuer Trustee directly to the Currency Swap Provider in satisfaction of and to the extent of the Issuer Trustee's obligation to pay the termination payment to the Currency Swap Provider. To the extent that such premium is not greater than or equal to the termination payment, the balance must be paid by the Issuer Trustee as a Trust Expense.

(g) Currency Swap Provider

The Currency Swap Provider will be Barclays Bank PLC.

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London E14 5HP. Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank PLC was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

Barclays Bank PLC and its subsidiary undertakings (taken together, the "Barclays Group" { XE "Barclays Group" }) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Barclays Group and one of the largest financial services companies in the world by market capitalisation.

The short-term unsecured obligations of Barclays Bank PLC are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated AA by Standard & Poor's, Aa1 by Moody's and AA+ by Fitch Ratings Limited.

Based on the Barclays Group audited financial information for the year ended 31 December 2006, the Barclays Group had total assets of £996,503 million (2005: £924,170 million), total net loans and advances¹ of £313,226 million (2005: £300,001 million), total deposits² of £336,316 million (2005: £313,811 million) and shareholders' equity of £27,106 million (2005: £24,243 million) (including minority interests of £1,685 million (2005: £1,578 million)). The profit before tax of the Barclays Group for the period ended 31 December 2006 was £7,197 million (2005: £5,311 million) after impairment charges on loans and advances, other credit provisions and available for sale assets of £2,154 million (2005: £1,571 million). The financial information in this paragraph is extracted from the audited consolidated accounts of the Barclays Group for the year ended 31 December 2006.

¹ Total net loans and advances include balances relating to both bank and customer accounts.

² Total deposits include deposits from bank and customer accounts.

10. THE TRUST

10.1 General

The Trust was established pursuant to the Notice. Its terms are set out in the Master Trust Deed and the Supplementary Terms Notice. The Trust is separate and distinct from any other trust established under the Master Trust Deed, and accordingly, the Assets of the 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 Trust.

The Manager is the Residual Income Beneficiary of the Trust and is therefore entitled to the payment of Excess Distributions under the Trust. The Residual Income Beneficiary is entitled to the surplus income of the Trust for any Quarterly Collection Period after distribution of all income for that Quarterly Collection Period to creditors expressed in the Supplementary Terms Notice to have priority to the Residual Income Beneficiary, including, among others, the Noteholders – see Section 8.8(e) “Excess Distribution”.

10.2 The Issuer Trustee

(a) General

The Issuer Trustee is appointed as trustee of the Trust on the terms set out in the Master Trust Deed and the Supplementary Terms Notice.

The Issuer Trustee has all the rights, powers and discretions over and in respect of the Assets in accordance with the Transaction Documents provided that it will take no action or omit to take an action without the direction of the Manager, that could reasonably be expected to adversely affect the ratings of the Notes. The Manager is required to give to the Issuer Trustee all directions necessary to give effect to its recommendations and proposals (see Section 10.3 “The Manager”). Except where the Transaction Documents provide otherwise, the Issuer Trustee is not required to take any action unless it has been directed to do so by the Manager.

The Issuer Trustee must act honestly and in good faith and comply with all relevant material laws 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 in a proper and efficient manner and to 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.

The general powers and obligations of the Issuer Trustee are set out in clauses 17 and 18 of the Master Trust Deed, as amended by the other Transaction Documents.

Under the Master Trust Deed, each Noteholder and the Residual Income Beneficiary acknowledges that:

- (i) the Noteholder cannot require the Issuer Trustee to owe to the Noteholder, or to act in a manner consistent with, any fiduciary obligation in any capacity;
- (ii) the Issuer Trustee has no duty, and is under no obligation, to investigate whether an event described in Section 10.3(d) “Removal and Retirement of the Manager” in relation to the Manager, a Servicer Transfer Event or a Title Perfection Event has occurred in relation to the Trust other than where it has actual notice;
- (iii) the Issuer Trustee is required to provide the notices referred to in the Master Trust Deed in respect of a determination of a Material Adverse Effect only if it is actually aware of the facts giving rise to the Material Adverse Effect; and
- (iv) in making any such determination, the Issuer Trustee will seek and rely on advice given to it by its advisers in a manner contemplated by the Master Trust Deed.

In the absence of actual knowledge to the contrary, the Issuer Trustee is entitled to rely conclusively on, and is not required to investigate the accuracy of:

- (A) the contents of a Sale Notice given to it by the Approved Seller;

- (B) the contents of the reports given to it by the Manager in accordance with the Master Trust Deed;
- (C) any calculations made by the Approved Seller, the Servicer, the Manager or the Calculation Agent including the calculation of payments due to, or to be charged against, the Noteholder; or
- (D) the amount of, or allocation of, Collections.

In relation to the Trust, the Issuer Trustee will be considered to have knowledge or notice of or be aware of any matter or thing if the Issuer Trustee has knowledge, notice or awareness of that matter or thing by virtue of the actual notice or awareness of the officers, employees, agents or delegates of the Issuer Trustee who have day to day responsibility for the administration of the Trust.

The specific powers, rights, discretions, duties and obligations of the Issuer Trustee are set out in the Master Trust Deed and other Transaction Documents.

(b) Limitation of Issuer's Liability

The Issuer Trustee will not be liable personally for any losses, costs, liabilities or claims arising from the failure to pay moneys on the due date for payment to any Noteholder, any Residual Income Beneficiary, the Manager or any other person or for any loss howsoever caused in respect of the Trust or to any Noteholder, any Residual Income Beneficiary, the Manager or any other person, except to the extent of any reduction in the Issuer Trustee's indemnification or exoneration from the Assets as a result of any fraud, negligence or Default on the Issuer Trustee's part, or on the part of the officers and employees of the Issuer Trustee or any of its agents or delegates in respect of whom the Issuer Trustee is liable.

The Issuer Trustee acts as trustee only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with the Transaction Documents, the Trust or the Notes is limited to and can be enforced against the Issuer Trustee only to the extent to which it can be satisfied out of the Assets which are available to satisfy the right of the Issuer Trustee to be indemnified for the liability. Subject to the following sentence, this limitation of the Issuer Trustee's liability applies despite any other provision of the Transaction Documents and extends to all liabilities and obligations of the Issuer Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Master Trust Deed, the Notes, the Conditions or the Trust. The limitation will not apply to any obligation or liability of the Issuer 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 Issuer Trustee's indemnification out of the Assets as a result of the Issuer Trustee's fraud, negligence or Default.

The Master Trust Deed also contains other provisions which regulate the Issuer Trustee's liability to Noteholders, other creditors and the Residual Income Beneficiary. These include (but are not limited to) the following:

- (i) Subject to the Master Trust Deed, the Issuer Trustee is not liable to any person for any losses, costs, liabilities or expenses arising out of the exercise or non-exercise of its discretion (or by the Manager of its discretions) or for acting on any instructions or directions given to it by any Relevant Party;
- (ii) The Issuer Trustee is not liable for any event associated with the retirement of the Manager, a Servicer Transfer Event or a Title Perfection Event;
- (iii) The Issuer Trustee is not liable for any act, omission or default of the Manager, the Servicer, the Currency Swap Provider, the Custodian, the Note Trustee, the Principal Paying Agent, each Paying Agent, the Basis Swap Provider or the Calculation Agent in relation to their respective duties or obligations under the relevant Transaction Documents; and
- (iv) The Issuer Trustee is entitled to assume the authenticity and validity of any communication (written or otherwise) and the accuracy of the information contained in any communication, unless the officers of the Issuer Trustee responsible for the administration of the Trust are actually aware to the contrary, and is not liable for doing so.

The foregoing provisions do not apply to the extent that the relevant act is caused by the Issuer Trustee's fraud, negligence or Default.

(c) Indemnity

The Issuer Trustee will be indemnified out of the Assets of the Trust against all losses and liabilities properly incurred by the Issuer Trustee in performing any of its duties or exercising any of its powers under the Transaction Documents in relation to the Trust except to the extent that the Issuer Trustee's indemnification or exoneration from the Assets is reduced as a result of any fraud, negligence or Default.

The Issuer Trustee is indemnified out of the Assets against certain payments it may be liable to make under the Consumer Credit Legislation. The Servicer also indemnifies the Issuer Trustee in relation to such payments and the Issuer Trustee is required to first call on the indemnity from the Servicer before calling on the Trust indemnity.

(d) Fees and Expenses

The Issuer Trustee will receive a monthly fee based on the aggregate outstanding principal of the Purchased Loans on the first day of each Monthly Collection Period (but in the case of the first Monthly Collection Period, calculated from the Closing Date rather than the Cut Off Date), payable in arrears on the relevant Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date).

If the Issuer Trustee is required at any time to undertake duties which relate to the enforcement of the terms of any Transaction Document by the Issuer Trustee upon a default by any other party under the terms of that Transaction Document, the Issuer Trustee is entitled to such additional remuneration as may be agreed between the Issuer Trustee and the Manager or, failing agreement, such amount as is determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Issuer Trustee. The determination of such merchant bank shall be conclusive and binding on the Manager and the Issuer Trustee so far as the law allows.

The Issuer Trustee will be reimbursed out of the Assets of the Trust for all expenses incurred in connection with the performance of its obligations in respect of the Trust (but not general overhead costs and expenses).

(e) Removal and Retirement of the Issuer Trustee

The Issuer Trustee must retire as trustee of the Trust if directed by the Manager following certain events including:

- (i) an Insolvency Event has occurred and is continuing in relation to the Issuer Trustee in its personal capacity;
- (ii) any action is taken in relation to the Issuer Trustee in its personal capacity which causes the rating of any Notes to be downgraded or withdrawn;
- (iii) the Issuer Trustee, or any employee or officer of the Issuer Trustee, breaches any obligation or duty imposed on the Issuer Trustee under the Master Trust Deed or any other Transaction Document in relation to the Trust where the Manager reasonably believes it may have a Material Adverse Effect and, if capable of remedy, the Issuer Trustee fails or neglects after 30 days' notice from the Manager to remedy that breach;
- (iv) the Issuer Trustee merges or consolidates with another entity without ensuring that the resulting merged or consolidated entity assumes the Issuer Trustee's obligations under the Transaction Documents; or
- (v) there is a change in effective control of the Issuer Trustee from that subsisting at the date of the Master Trust Deed to a competitor unless approved by the Manager. A competitor is a bank or financial institution that carries on certain businesses that are the same as, or substantially similar to or in competition with, a business conducted by the Approved Seller.

A direction given under paragraph (v) above must specify a date for the retirement of the Issuer Trustee which is no less than six months from the date of the direction. Alternatively, the Manager may pay to the Issuer Trustee an amount equal to the fees that the Issuer Trustee would earn for that six month period in lieu of that notice.

The Issuer Trustee will bear the reasonable costs of its removal following an event under (i), (ii), (iii) and (iv) above and indemnifies the Manager and the Trust for those costs. Such costs are not payable out of the Assets of the Trust.

The Manager (subject to giving prior notice to the Rating Agencies) is entitled to appoint a replacement statutory trustee on removal or retirement of the Issuer Trustee if that appointment will not in the reasonable opinion of the Manager materially prejudice the interests of Noteholders. Until the appointment is completed the Manager must act as Issuer and will be entitled to the Issuer Trustee's fee for the period it so acts as Issuer.

The Issuer Trustee may voluntarily resign on giving to the Manager (with a copy to the Rating Agencies) not less than three months' notice in writing (or such other period as the Manager and the Issuer Trustee may agree) of its intention to do so, provided a successor trustee who is approved by the Manager, or who may be the Manager, is appointed and whose appointment will not materially prejudice the interests of Noteholders. If a successor trustee has not been appointed by the end of the three months' notice period the Manager will act as trustee until a successor trustee is appointed and will be entitled to the Issuer Trustee's fee for the period it so acts as trustee.

10.3 The Manager

(a) General

The Manager is a wholly owned subsidiary of St.George Bank. Its principal business activity is the management of securitisation trusts established under St.George Bank's Crusade Trust and Crusade Euro Trust Programmes.

The Manager is appointed, and agrees to act, as manager of the Master Trust on the terms set out in the Master Trust Deed and the Supplementary Terms Notice.

The Manager will have full and complete powers of management of the Trust, including the administration and servicing of the Assets (which are not serviced by the Servicer), borrowings and other liabilities of the Trust and the operation of the Trust.

The Issuer Trustee has no duty to supervise the Manager in the performance of its functions and duties, or the exercise of its discretions.

The Manager is also the Residual Income Beneficiary of the Trust and is therefore entitled to the payment of Excess Distributions under the Trust. The Residual Income Beneficiary is entitled to the surplus income of the Trust for any Quarterly Collection Period after distribution of all income for that Quarterly Collection Period to creditors who have priority to the Residual Income Beneficiary including, *inter alios*, the Noteholders. See Section 8.8(e) "Excess Distribution".

The Manager also has the following additional express powers which may only be exercised in accordance with the relevant Transaction Document:

- (i) to negotiate with any lead manager and any other note manager in relation to the issue of relevant Notes;
- (ii) to invite bids from any lead manager or any other note manager for relevant Notes on behalf of the Issuer Trustee; and
- (iii) to accept any such bid on behalf of the Issuer Trustee.

The Manager has the absolute discretion to recommend investments to the Issuer Trustee and direct the Issuer Trustee in relation to those investments and has the power to delegate the performance of its duties and obligations under the Master Trust Deed in accordance with the Transaction Documents. The Issuer Trustee's role is to give effect to such recommendations or directions.

(b) Indemnification

The Manager will be indemnified out of the Trust for any liability, cost or expense properly incurred by it in its capacity as Manager of the Trust.

(c) Fees

The Manager will receive a monthly fee equal to 0.09% per annum of the aggregate outstanding principal of the Purchased Loans on the first day of each Monthly Collection Period (but in the case of the first Monthly Collection Period, calculated from the Closing Date rather than the Cut Off Date), payable in arrear on the relevant Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date).

(d) Removal and Retirement of the Manager

The Manager must retire as manager if directed by the Issuer Trustee following certain events including:

- (i) failure by it to make any payment required within the time period specified in a Transaction Document, and failure to remedy the breach within 10 Business Days of receipt from the Issuer Trustee of notice of that failure;
- (ii) an Insolvency Event has occurred and is continuing in relation to the Manager;
- (iii) the Manager breaches any obligation or duty under the Master Trust Deed, any other Transaction Document or any other deed, agreement or arrangement entered into by the Manager under the Master Trust Deed in relation to the Trust, the Issuer Trustee reasonably believes (acting on appropriate expert advice) that breach has a Material Adverse Effect and, if capable of remedy, the breach is not remedied after 30 days notice from the Issuer Trustee except where the Manager has relied on information provided, or other action taken, by the Servicer which the Manager requires to comply with that obligation or duty except if caused by the Manager's breach of contract; or
- (iv) a representation, warranty or statement made by or on behalf of the Manager in a Transaction Document or a document provided under or in connection with a Transaction Document, is not true in a material respect or is misleading when repeated and, if capable of remedy, is not remedied to the Issuer Trustee's reasonable satisfaction within 90 days after notice from the Issuer Trustee (acting on appropriate expert advice) where it has a Material Adverse Effect.

The Manager will bear the costs of its removal if it defaults and indemnifies the Issuer Trustee and the Trust for those costs.

If the Manager is removed, the Issuer Trustee may appoint another manager provided that the appointment will not have an adverse effect on the ratings of the Notes. Until a replacement manager is appointed, the Issuer Trustee must act as manager and will be entitled to a manager's fee for the period it acts as manager.

The Manager may resign voluntarily on giving to the Issuer Trustee (with a copy to the Rating Agencies) and the Note Trustee not less than 120 days notice in writing (or such other period as the Manager and the Issuer Trustee may agree) of its intention to do so. If the Manager elects to retire, the Issuer Trustee is entitled to appoint another corporation to be the Manager on any terms the Issuer Trustee sees fit (including the amount of the fee payable to the replacement at market rates) provided that the terms of the appointment will not have an adverse effect on the rating of the Notes. If a successor Manager has not been appointed by the end of the 120 day notice period the Issuer Trustee will act as manager until a successor manager is appointed and will be entitled to the Manager's fee for the period it so acts as manager.

10.4 The Servicer

(a) General

St.George Bank has been appointed as the initial Servicer of the Purchased Loans under the Servicing Agreement.

The Servicer will service the Purchased Loans in accordance with the applicable procedures manual in the ordinary course of its business, by exercising the degree of diligence and care expected of an appropriately qualified servicer of the relevant financial products and otherwise in accordance with the Servicing Agreement. The Servicer is not engaged in any way to manage the Trust or the Assets of the Trust, this being the task of the Manager under the Master Trust Deed.

The Servicer may delegate its duties under the Servicing Agreement but will still remain liable for the acts or omissions of its delegate.

Provided it does not cause a Material Adverse Effect, the Servicer has powers to waive any fees and break costs which may be collected in the ordinary course of servicing the Purchased Loans, arrange the rescheduling of interest due and unpaid following a default under any Purchased Loan and waive any right in respect of any Purchased Loan in the ordinary course of servicing the Purchased Loan. The Servicer also has the power to grant an extension of maturity beyond 30 years from the date any

Purchased Loan was entered, when required to do so by law or a government agency. This power of extension is permitted notwithstanding a Material Adverse Effect.

The Servicer fully indemnifies the Issuer Trustee against all loss, liabilities, costs and expenses incurred as a result of the failure by the Servicer to perform its duties under the Servicing Agreement or the occurrence of a Servicer Transfer Event. This indemnity is limited to the extent further described in the Servicing Agreement.

(b) Undertakings

The Servicer gives various undertakings in the Servicing Agreement, including that it will comply with applicable laws (including Consumer Credit Legislation) where failure to do so would have a Material Adverse Effect, collect and pay moneys in relation to Purchased Loans in accordance with specified standards, set the interest rate on the Purchased Loans in accordance with the Supplementary Terms Notice, and comply with the Mortgage Insurance Policies. In particular, the Servicer undertakes to perform, and indemnify the Issuer Trustee against, certain obligations under the Mortgage Insurance Policies which are imposed on both the Servicer and the Issuer Trustee but which are more commercially practical for the Servicer to perform. These obligations include the Issuer Trustee's duties of disclosure and its reporting obligations. Other undertakings given by the Servicer include taking enforcement action if a material default occurs in relation to a Purchased Loan, not releasing a Borrower from any amount owing in respect of a Purchased Loan and not to vary or discharge any Purchased Loan except as required by law. The Servicer also gives various other undertakings in its capacity as the Approved Seller.

In performing its services, the Servicer must consider if its acts or omissions will have any Material Adverse Effect.

(c) Servicing Fee

The Servicer will receive a fee for servicing the Purchased Loans, equal to the product of 0.30% per annum and the aggregate outstanding principal of the Purchased Loans on the first day of each Monthly Collection Period (but in the case of the first Monthly Collection Period, calculated from the Closing Date rather than the Cut Off Date), payable in arrears on the relevant Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date).

The Servicer must pay all costs and expenses of servicing the Purchased Loans except for legal and selling expenses in relation to enforcement and recovery of the Purchased Loans or any amount repaid to a liquidator or trustee in bankruptcy pursuant to any applicable law, binding code, order or decision of a court, tribunal or the like or based on the advice of the Servicer's legal advisers.

(d) Removal and Retirement of the Servicer

The Issuer Trustee must terminate the Servicer's appointment (and the Servicer indemnifies the Issuer Trustee against all expenses resulting from the termination) if any of the following events has occurred ("**Servicer Transfer Events**"):

- (i) an Insolvency Event occurs with respect to the Servicer;
- (ii) the Servicer fails to pay any amount in accordance with any Transaction Document within 10 Business Days of receipt of a notice to do so from the Manager or the Issuer Trustee;
- (iii) the Servicer fails to comply with any of its other obligations under any Transaction Document and such action has had, or, if continued will have, a Material Adverse Effect (as determined by the Issuer Trustee), and, if capable of remedy, that failure is not remedied within the earlier of 30 days after (i) the Servicer becoming aware of that failure and (ii) receipt of a notice from the Issuer Trustee or Manager;
- (iv) any representation, warranty or certification made by the Servicer is incorrect when made and is not waived by the Issuer Trustee or, if capable of remedy, is not remedied to the Issuer Trustee's reasonable satisfaction within 45 days after notice, and the Issuer Trustee determines that breach will or may have a Material Adverse Effect; or
- (v) it is unlawful for the Servicer to perform the services under the Servicing Agreement.

The Servicer may voluntarily resign if it gives 120 days notice to the Rating Agencies, the Manager and the Issuer Trustee. The Manager and the Issuer Trustee will use reasonable endeavours to procure the appointment of a replacement eligible servicer and the Servicer shall assist the Manager

and the Issuer Trustee in procuring this appointment if requested. If an eligible servicer has not agreed to act as Servicer by the expiration of that 120 day notice period the Issuer Trustee and the Manager can appoint another corporation to be the Servicer on such terms as the Issuer Trustee thinks fit (including the amount of any fee payable to the replacement at market rates), provided that the terms of that appointment will not have an adverse effect on the ratings of the Notes and that corporation is an eligible servicer. Failing such appointment the Issuer Trustee must itself act as Servicer and will be entitled to the Servicer's fee while so acting. However, in such circumstances, the Issuer Trustee may resign as servicer by giving one day's notice to the Rating Agencies and the Manager, if an eligible servicer agrees to act as Servicer from the date of the Servicer's resignation as servicer.

(e) *Collection and Foreclosure Process*

When a housing loan is 14 days delinquent, a computer generated letter is sent to the relevant Borrower advising of the situation and requesting that payment be made to rectify the situation. At 28 days delinquent, a further letter is generated and at around 30 days (or 1 day in the case of Low Doc (Stated Income) Loans) delinquent phone calls are carried out.

When a housing loan is more than 63 days delinquent, a default notice is sent advising the relevant borrower that if the matter is not rectified within a period of 31 days, St.George Bank is entitled to commence enforcement proceedings without further notice. A statement of claim will normally be issued to a borrower on an account which is greater than 120 days delinquent, if satisfactory arrangements are not in place. At any time a housing loan is more than 150 days delinquent, St.George Bank may apply for judgment in the Supreme Court of the relevant jurisdiction. Generally at greater than 150 days delinquent, St.George Bank applies for a writ of possession and generally when a housing loan is delinquent for 180 days, the sheriff is in a position to set an eviction date. Appraisals and valuations are ordered and a reserve price is set for sale via auction or private treaty. In most instances if the housing loan continues to be in arrears, the relevant mortgaged property is placed on the market and sold either by private treaty or by auction. These time frames assume that the Borrower has either taken no action or has not honoured any commitments made in relation to the delinquency.

It should also be noted that a mortgagee's ability to exercise its power of sale on any 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 the mortgagee to exercise its power of sale and final completion of the sale.

Under St.George Bank's housing loan product specifications, variable rate of interest loans enable a Borrower to have a payment holiday where the Borrower has made excess payments. The excess payments are the difference between the total amount paid by the Borrower and the amount of the minimum payments required. In accordance with the product specification, if a Borrower with excess payments fails to make some or all of a minimum payment, St.George Bank as servicer will apply the excess payments against that missed payment. As such, the relevant housing loan will not be considered delinquent until such time as the amount of missed payments is greater than the excess payments.

The arrears and security enforcement procedures of St.George Bank may change over time as a result of business changes, or legislative and regulatory changes.

(f) *Servicer Delinquency Experience*

The following table summarises the experience of housing loans originated by St.George Bank. The table expresses the number of delinquent housing loans at period end as a percentage of the total number of loans serviced. All Purchased Loans in the securitised pool that were settled prior to September 1997 were originated by St.George Bank.

St. George Bank Residential Loans

	31-Mar-03	30-Sep-03	31-Mar-04	30-Sep-04	31-Mar-05	30-Sep-05	31-Mar-06	30-Sep-06	31-Mar-07
Portfolio At:									
Outstanding Balance (A\$000's)	37,394,310	42,196,810	44,770,499	48,606,632	51,751,048	55,304,926	58,761,082	62,586,277	65,226,653
Number of Loans									
Outstanding	359,328	370,061	368,605	373,281	376,469	382,695	388,388	395,323	400,232
Percentage of Delinquent Loans:									
30 to 59 days	0.81%	0.60%	0.65%	0.49%	0.58%	0.36%	0.46%	0.41%	0.50%
60 to 89 days	0.25%	0.18%	0.20%	0.18%	0.19%	0.13%	0.13%	0.12%	0.15%
90 to 119 days	0.11%	0.10%	0.10%	0.08%	0.07%	0.05%	0.06%	0.05%	0.07%
120 days or more	0.10%	0.11%	0.12%	0.10%	0.11%	0.10%	0.10%	0.11%	0.14%
Total Delinquencies	1.28%	1.00%	1.07%	0.84%	0.95%	0.64%	0.74%	0.68%	0.86%
Foreclosures	0.03%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%
Total Delinquencies and Foreclosures	1.31%	1.01%	1.08%	0.85%	0.97%	0.66%	0.76%	0.70%	0.88%
Loan Losses as a % of Total Outstanding Balance*	0.015%	0.005%	0.005%	0.004%	0.001%	0.008%	0.005%	0.007%	0.007%

* Loan Losses for each period were annualised and also expressed as a percentage of the average outstanding balance for that period.

10.5 The Custodian

(a) General

The Custodian is responsible for custody of the relevant title documents for Purchased Loans, (including the loan agreement, mortgage document and certificate of title for the Mortgaged Property) ("**Title Documents**") on behalf of the Issuer Trustee, pursuant to the Custodian Agreement, exercising the degree of diligence and care expected of an appropriately qualified custodian of documents and in accordance with procedures approved in advance by the Issuer Trustee, the Manager and the Ratings Agencies (the "**Custodial Procedures**"). The procedures include keeping the Purchased Loans and relevant mortgage documents separate from other documents, maintaining reports on movements of documents and being able to locate security packets.

The Custodian will be audited annually in relation to its Custodial Procedures.

(b) Undertakings

The Custodian gives various undertakings in the Custodian Agreement, including that it will comply with applicable laws (including Consumer Credit Legislation) where failure to do so would have a Material Adverse Effect, comply with the Mortgage Insurance Policy, provide information and access relating to its custodial services if required by the Issuer Trustee, the Manager or the Servicer, provide to the Issuer Trustee and the Manager a weekly report on the movement of documents and ensure that the premises holding the Title Documents are appropriately insured for fire and public risks. The Custodian will be audited on an annual basis (or more regularly if any audit gives an adverse finding) in relation to its custodial procedures, identification of documents, security and tracking systems.

In performing its services, the Custodian must consider if its acts or omissions will have any Material Adverse Effect.

(c) Custodian Fee

The Custodian will receive a fee equal to the product of 0.015% per annum and the aggregate outstanding principal on the Purchased Loans on the first day of each Monthly Collection Period (but in the case of the first Monthly Collection Period, calculated from the Closing Date rather than the Cut Off Date), payable in arrears on the relevant Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date).

(d) Removal and Retirement of the Custodian

The Issuer Trustee may terminate the Custodian's appointment (and the Custodian indemnifies the Issuer Trustee against all expenses resulting from the termination) if the Issuer Trustee determines that any of the following has occurred:

- (i) an Insolvency Event occurs with respect to the Custodian;
- (ii) if the Custodian is a related company of the Approved Seller:

- (A) the long term rating of the Approved Seller falls below BBB from S&P, Baa2 from Moody's or BBB from Fitch Ratings; or
- (B) a Title Perfection Event occurs;
- (iii) the Custodian does not comply with the Custodial Procedures or any of its other obligations under any other Transaction Document and such action has had, or, if continued will have, a Material Adverse Effect (as determined by the Issuer Trustee and the Manager) and, if capable of remedy, the Custodian does not remedy that failure within 30 days after the earlier of (i) the Custodian becoming aware of that failure and (ii) receipt of a notice from either the Issuer Trustee or the Manager;
- (iv) any representation, warranty or certification made by the Custodian is incorrect when made and is not waived by the Issuer Trustee or, if capable of remedy, is not remedied to the Issuer Trustee's reasonable satisfaction within 45 days after notice from the Issuer Trustee, and the Issuer Trustee determines that breach will or may have a Material Adverse Effect;
- (v) it is unlawful for the Custodian to perform its custodial services;
- (vi) a Servicer Transfer Event; or
- (vii) the Custodian fails any audit instituted in accordance with the Custodian Agreement which audit was instituted because the Custodian failed an annual audit.

If the Custodian is removed, it must deliver at its expense the Title Documents and all other documents and records relating to the Mortgaged Property to, or at the direction of the Issuer Trustee. If the Custodian has not done so within 10 Business Days (or such longer period as the Issuer Trustee in its reasonable discretion permits) the Issuer Trustee must (with the assistance of the Manager) enter any premises where those Title Documents are kept, take possession of and remove those Title Documents. The Custodian must assist the Issuer Trustee in doing so and will at its expense do all things which the Issuer Trustee or the Manager reasonably directs it to do in relation to the Issuer Trustee taking possession of, and removing, the Title Documents. The Issuer Trustee may, to the extent that it has information available to it to do so, lodge caveats in respect of Mortgages for which it does not hold the Title Documents.

(e) Indemnity

The Custodian also indemnifies the Issuer Trustee against all losses, liabilities, costs and expenses incurred by the Issuer Trustee as a result of a breach by the Custodian of its obligations under the Custodian Agreement. In addition, under the Indemnity, the Indemnifier indemnifies the Issuer Trustee against any losses arising from a breach by the Custodian of its obligations under the Custodian Agreement. This indemnity is limited to the extent further described in the Custodian Agreement.

(f) Delegation

The Custodian, St.George Custodial Pty Limited, has delegated its custodial functions to the Servicer, an affiliate, pursuant to the terms of a delegation agreement. The Servicer may in turn delegate custodial functions to third parties (including Unisys Payment Services Ltd). However, delegation by the Custodian will not relieve the Custodian of any of its responsibilities or liabilities under the Custodian Agreement and any delegation by the Servicer of delegated custodial functions will not relieve the Servicer of its responsibility to the Custodian in respect of any such delegated custodial functions. The custody of title documents will be maintained in a security vault on premises maintained by the Servicer or a delegate of the Servicer, or such other premises as determined by the parties.

10.6 Termination of the Trust

(a) Termination Events

The Termination Date will be the earlier to occur of:

- (i) the 80th anniversary of the date of creation of the Trust;
- (ii) the date upon which the Trust terminates under statute or general law;

(iii) the Business Day immediately following the date that all Noteholders and other Trust creditors have been repaid in full; and

(iv) following full and final enforcement of the Security Trust Deed,

and (in the case of (iii) and (iv) above) the Issuer Trustee has received a confirmation from the Australian Taxation Office that the Issuer Trustee has lodged its final tax return in relation to the Trust. The Trust will continue until, and will terminate on the later of, its Termination Date, the date on which the procedures for the termination of the Trust are satisfied and the date on which the Issuer Trustee ceases to hold any Assets in relation to the Trust.

(b) *Approved Seller's Right of First Refusal*

As soon as practical after the occurrence of the Termination Date, the Manager directs the Issuer Trustee to offer irrevocably to extinguish in favour of the Approved Seller, or if the Issuer Trustee has perfected its title, to assign to the Approved Seller, its entire right, title and interest in and to the Purchased Loans, and related Mortgages for their Unpaid Balance (for performing Purchased Loans) or their Fair Market Value (for non-performing Purchased Loans).

The sale requires the approval of an Extraordinary Resolution of Noteholders if the Fair Market Value of a Purchased Loan is less than its Unpaid Balance.

The Issuer Trustee will not sell any Purchased Loans unless the Approved Seller has failed to accept the offer within 180 days after the occurrence of an event in (iii) or (iv) above by paying the purchase price to the Issuer Trustee, within that period.

The Approved Seller must pay all costs and expenses relating to the repurchase of the relevant Purchased Loans.

10.7 Perfection of Title

If a Title Perfection Event occurs (as defined below), the Issuer Trustee (at the direction of the Manager) and the Manager must (with the assistance of the Servicer) take all reasonable steps to perfect the Issuer Trustee's title in and to the Purchased Loans and related Mortgages, including:

- (a) complete, execute and register any relevant transfers;
- (b) give notice of the perfection of its title to interested persons, including the relevant Borrower or the Mortgage Insurer;
- (c) do anything else reasonably necessary to perfect its interest in the relevant Purchased Loans and related Mortgages (including the execution of any document on behalf of St.George Bank under the Power of Attorney and the registration of caveats); or
- (d) require the then existing payment instructions of each Borrower to be amended as so specified by the Issuer Trustee and the Manager.

The Issuer Trustee will not take any such action until the occurrence of a Title Perfection Event and until directed to do so by the Manager.

The Approved Seller agrees that on being directed to do so by the Issuer Trustee following a Title Perfection Event, it must promptly (and in any event within 10 Business Days or such longer period as the Issuer Trustee permits) take all action to perfect the Issuer Trustee's title to the Purchased Loans and the related Mortgages by giving written notice of the Issuer Trustee's interest to any Borrower, registering any relevant transfer, taking any other action required or permitted by law to perfect such legal title and delivering all relevant documents to the Issuer Trustee.

To enable the Issuer Trustee to perfect its title to the Purchased Loans following a Title Perfection Event, the Approved Seller has executed the irrevocable Powers of Attorney to be dated on or about 22 June 2007 appointing the directors and certain officers of the Issuer Trustee, or if the Security Trust Deed is enforced, the directors and certain officers of the Security Trustee each as its attorney. Under the Powers of Attorney, the attorney may, if the Issuer Trustee (or Security Trustee, as the case may be) certifies to the attorney that a Title Perfection Event has occurred, execute transfers in relation to the Purchased Loans for the Approved Seller and deal with the Purchased Loans as if the attorney was the Approved Seller including setting the interest rates payable under the Purchased Loans and enforcing the Mortgages relating to the Purchased Loans in the name of the Approved Seller.

Each of the following is a “**Title Perfection Event**” in relation to the Purchased Loans:

- (i) the Approved Seller ceases to have a long term credit rating of at least BBB from S&P, Baa2 from Moody's and BBB from Fitch Ratings;
- (ii) an Insolvency Event occurs with respect to the Approved Seller;
- (iii) the Servicer (as Approved Seller) fails to pay Collections within the time required under the Servicing Agreement;
- (iv) for so long as the Servicer is also the Approved Seller, a Servicer Transfer Event occurs; and
- (v) the Approved Seller breaches any representation, warranty, covenant or undertaking made by it in a Transaction Document, which breach, if capable of remedy, is not remedied within 30 days of the earlier of:
 - (A) the Approved Seller becoming aware of the breach; and
 - (B) the Approved Seller being notified of the breach by the Issuer Trustee, Manager or Servicer.

10.8 Audit

An Auditor (being a firm of chartered accountants some of whose members are Registered Company Auditors as defined in the Australian Corporations Act 2001) will be appointed to the Trust. The Auditor must:

- (a) audit the annual accounts prepared by the Manager for each financial year in respect of the Trust within three months of the end of each financial year of the Trust; and
- (b) provide a written report detailing the results of the audit to the Issuer Trustee, the Security Trustee and the Rating Agencies.

The Noteholders can inspect, but not photocopy, a copy of the audited accounts of the Trust and any Auditor's report at the offices of the Manager and the Note Trustee.

The Auditor will initially be KPMG who are chartered accountants.

10.9 Income Tax

The projected cashflows associated with the Trust are such that it is expected that the Trust will have minimal, if any, income for taxation purposes. Any income which is held by the Trust at tax year end will be distributed to the Residual Income Beneficiary. The Manager shall, or shall require the Auditor to prepare and lodge all necessary income tax returns and other statutory returns for the Trust. However, on the basis that the Residual Income Beneficiary is presently entitled to any income of the Trust, the Trust itself will not have a liability for income tax which could adversely affect the ability of the Issuer Trustee to pay principal and Interest on the Notes. St.George Bank and the Lead Manager have received an opinion from Allens Arthur Robinson confirming the application of the relevant Australian taxation principles.

10.10 Amendments to the Master Trust Deed

The Issuer Trustee, the Manager and the Servicer may by way of supplemental deed alter, add to or modify the Master Trust Deed or the Supplementary Terms Notice, so long as such alteration, addition or modification is:

- (a) to correct a manifest error or ambiguity or is of a formal, technical or administrative nature only;
- (b) necessary to comply with the provisions of any statute or regulation or with the requirements of any government agencies;
- (c) appropriate or expedient as a consequence of an amendment to any statute or regulation or altered requirements of any government agencies;
- (d) otherwise consented to by the Issuer Trustee, Manager and Servicer, which consents shall not be unreasonably withheld; or
- (e) otherwise desirable in the reasonable opinion of the Issuer Trustee, the Manager and the Servicer.

Where, in the reasonable opinion of the Issuer Trustee, a proposed alteration, addition or modification to the Master Trust Deed is prejudicial or likely to be prejudicial to the interests of the Noteholders or the Residual Income Beneficiary of the Trust, such alteration, addition or modification may only be effected by the Issuer Trustee with the prior consent of the Noteholders under an Extraordinary Resolution of the Noteholders or with the prior written consent of the Residual Income Beneficiary (as the case may be).

10.11 Meetings of Noteholders

The provisions relating to meetings of Noteholders will be set out in the Note Trust Deed.

11. THE SECURITY STRUCTURE

11.1 General

Under the Security Trust Deed, the Issuer Trustee has granted a first ranking floating charge over all of the Assets of the Trust in favour of the Security Trustee to secure the Issuer Trustee's obligations in its capacity as trustee of the Trust to the Noteholders, the Manager, the Security Trustee, the Servicer, the Note Trustee, the Lead Manager, the Paying Agents, the Calculation Agent, the Note Registrar, the Swap Providers, the Currency Swap Provider and the providers of other Support Facilities (other than the Mortgage Insurers) and the Approved Seller in respect of any Accrued Interest Adjustment and Redraws (together, those creditors being the "**Mortgagees**").

11.2 Enforcing the Security

The Security Trustee may waive (after giving notice to the Note Trustee and the Rating Agencies) an Event of Default before it is required to convene a meeting of Voting Mortgagees which is not in the Security Trustee's opinion, materially prejudicial to the Mortgagees interests. Subject to the preceding sentence, following the Security Trustee becoming actually aware (that is, if the officers or employees of the Security Trustee who have day to day responsibility for the administration of the Security Trust are aware) of an Event of Default under the Security Trust Deed, the Security Trustee shall promptly convene a meeting of the Voting Mortgagees at which it must seek directions from the Voting Mortgagees by way of Extraordinary Resolution regarding the action the Security Trustee should take. No Mortgagee is entitled to enforce the charge under the Security Trust Deed, or appoint a receiver or otherwise exercise any power conferred by any applicable law on charges except as provided in the Security Trust Deed.

The Security Trustee will be taken not to have knowledge of the occurrence of an Event of Default unless the Security Trustee has received notice from a Mortgagee or the Issuer Trustee stating that an Event of Default has occurred and describing it.

Each of the following is an "**Event of Default**" under the Security Trust Deed:

- (a) The Issuer Trustee fails to pay:
 - (i) any Interest within 10 Business Days of the Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) on which the Interest was due to be paid, together with all interest accrued and payable on that Interest; or
 - (ii) any other Secured Moneys, within 10 Business Days of the due date for payment (or within any applicable grace period agreed with the Mortgagees, or where the Mortgagee is the Class A-1 Noteholder, with the Note Trustee, to whom the Secured Moneys relate).

Sub-paragraphs (i) and (ii) above will not constitute Events of Default if the Secured Moneys which the Chargor failed to pay are subordinated to payments of amounts due to Class A Noteholders while any Secured Moneys remain owing:

- (A) to Class A Noteholders; or
 - (B) to any other person, which rank in priority to amounts due to Class A Noteholders;
- (b) The Issuer Trustee fails to perform or observe any other provisions (other than an obligation referred to in paragraph (a) above) of the Security Trust Deed or a Trust Document where such failure will have a Material Adverse Effect and that default (if in the opinion of the Security Trustee capable of remedy) is not remedied within 30 days after written notice (or such longer period as may be specified in the notice) from the Security Trustee requiring the failure to be remedied;
 - (c) An Insolvency Event occurs in relation to the Issuer Trustee;
 - (d) The charge under the Security Trust Deed is not or ceases to be a first ranking charge over the Assets of the Trust, or any other obligation of the Issuer Trustee (other than as mandatorily preferred by law) ranks ahead of or *pari passu* with any of the Secured Moneys;
 - (e) Any Security Interest over the Assets of the Trust is enforced;

- (f) (i) All or any part of any Trust Document (other than the Basis Swap or, where the Currency Swap is terminated by the Currency Swap Provider as a result of a Call, the Currency Swap) is terminated or is or becomes void, illegal, invalid, unenforceable or of limited force and effect; or
 - (ii) a party becomes entitled to terminate, rescind or avoid all or part of any Trust Document (other than the Basis Swap or, where the Currency Swap is terminated by the Currency Swap Provider as a result of a Call, the Currency Swap),
- where that event has or will have a Material Adverse Effect; and
- (g) Without the prior consent of the Security Trustee (such consent, subject to the Security Trust Deed, having been approved by the Noteholder Mortgagees (as defined in the Security Trust Deed)):
 - (i) the Trust is wound up, or the Issuer Trustee is required to wind up the Trust under the Master Trust Deed or applicable law, or the winding up of the Trust commences;
 - (ii) the Trust is held or is conceded by the Issuer Trustee not to have been constituted or to have been imperfectly constituted; or
 - (iii) unless another trustee is contemporaneously and immediately appointed to the Trust under the Trust Documents, the Issuer Trustee ceases to be authorised under the Trust to hold the property of the Trust in its name and to perform its obligations under the Trust Documents.

Each of the Issuer Trustee and the Manager must promptly notify the Note Trustee, the Security Trustee and the Rating Agencies if, to the knowledge of its officers who are responsible for the administration of the Trust, it becomes aware of the occurrence of an Event of Default, including full details of the Event of Default.

If a meeting of Voting Mortgagees is convened, the Voting Mortgagees may vote, which vote must be by Extraordinary Resolution (being a show of hands by Voting Mortgagees representing in aggregate at least 75% of the then Secured Moneys or by written resolution signed by all of the Voting Mortgagees), on whether to direct the Security Trustee to do any of the following:

- (a) declare the charge immediately to be enforceable;
- (b) declare all Secured Moneys to be immediately due and payable;
- (c) crystallise the floating charge created under the Security Trust Deed as to any or all of the secured property; and/or
- (d) appoint a receiver over the Assets or exercise the powers that a receiver would otherwise have under the Security Trust Deed.

Prior to the Security Trustee becoming actually aware of the occurrence of an Event of Default the Security Trustee can also exercise certain powers without an Extraordinary Resolution of the Mortgagees if it believes it is necessary to do so to protect the interests of the Mortgagees. However, in any case, it does not have to act unless its liability is limited in a manner satisfactory to it. It also does not have to act unless it obtains an indemnity from the Mortgagees to the Security Trustee's reasonable satisfaction or is adequately indemnified from Assets of the Trust.

11.3 Priorities under the Security Trust Deed

The proceeds from the enforcement of the charge are to be applied (notwithstanding any order of payment in the Supplementary Terms Notice) in the following order of priority, subject to any other priority which may be required by statute or law:

- (a) first, to pay (*pari passu* and rateably):
 - (i) any fees and other expenses due to the Security Trustee or the Note Trustee;
 - (ii) any fees and other expenses due to a Paying Agent, the Note Registrar or the Calculation Agent;
 - (iii) any Trust Expenses then due and unpaid with respect to the Trust;
 - (iv) any unpaid fees due to the Standby Basis Swap Provider;
 - (v) any unpaid fees due to the Standby Fixed-Floating Rate Swap Provider; and

- (vi) the Receiver's remuneration;
- (b) second, to pay all costs, charges, expenses and disbursements properly incurred in the exercise of any Power (as defined in the Security Trust Deed) by the Security Trustee, the Note Trustee, a Receiver or an Attorney or other amounts payable to the Security Trustee or the Note Trustee under or in connection with the Security Trust Deed;
- (c) third, to pay any unpaid Accrued Interest Adjustment due to the Approved Seller;
- (d) fourth, to pay to the Fixed-Floating Rate Swap Provider under the Fixed- Floating Rate Swap any Break Payments received by or on behalf of the Issuer Trustee from a Borrower or any Mortgage Insurer and which have not previously been paid to the Fixed- Floating Rate Swap Provider, to be allocated as follows:
 - (1) if there are no additional fixed-floating rate swap providers, the amount available for payment under sub-paragraph (d) will be paid to the Fixed-Floating Rate Swap Provider;
 - (2) if there are multiple fixed-floating rate swap providers, the amount available for payment under sub-paragraph (d) will be allocated among all of the fixed-floating rate swap providers pursuant to the Fixed-Floating Rate Swap and any additional fixed-floating rate swaps, as applicable;.
- (e) fifth, to pay (*pari passu* and rateably):
 - (i) all Secured Moneys owing to the Support Facility Providers (other than the Currency Swap Provider);
 - (ii) all Secured Moneys owing to the Class A Noteholders (as at the date of payment), including any amounts retained on prior Monthly Payment Dates which remain unpaid to the Class A-1 Noteholders;
 - (iii) all Secured Moneys owing in relation to any Redraws made by the Approved Seller for which it has not been reimbursed under the Trust Documents; and
 - (iv) all Secured Moneys owing to the Currency Swap Provider specified in the Currency Swap other than any break costs in respect of the termination of the Currency Swap to the extent that the Currency Swap Provider is the Defaulting Party or sole Affected Party (but without double counting with payments under paragraph (b) above or sub-paragraph (ii) above);
- (f) sixth, to pay all Secured Moneys owing to the Class B Noteholders (as at the date of payment), including any amounts retained on prior Monthly Payment Dates which remain unpaid to the Class B Noteholders;
- (g) seventh, to pay all Secured Moneys owing to the Class C Noteholders (as at the date of payment), including any amounts retained on prior Monthly Payment Dates which remain unpaid to the Class C Noteholders;
- (h) eighth, to pay (*pari passu* and rateably) any amounts not covered above owing to any Mortgagee under or in connection with any Trust Document;
- (i) ninth, to pay (*pari passu* and rateable), based on the respective amounts payable to each entity as follows:
 - (i) any break costs payable to the Fixed-Floating Rate Swap Provider and any additional fixed-floating rate swap provider, as applicable, with respect to the termination of the Fixed-Floating Rate Swap or any additional fixed-floating rate swap, where the Fixed-Floating Rate Swap Provider or any additional fixed-floating rate swap provider, as applicable, is the Defaulting Party or sole Affected Party, as follows:
 - (A) if there are no additional fixed-floating rate swap providers, the amount available for payment pursuant to this sub-paragraph (i) will be paid to the Fixed-Floating Rate Swap Provider; and
 - (B) if there are multiple fixed-floating rate swap providers, the amount available for payment pursuant to this sub-paragraph (i) will be allocated among all of the fixed-floating rate swap providers pursuant to the Fixed-Floating Rate Swap and any additional fixed-floating rate swaps, as applicable; and

- (ii) any settlement amounts payable to the Currency Swap Provider with respect to the termination of a currency swap where the Currency Swap Provider is the Defaulting Party or sole Affected Party;
- (j) tenth, to pay the holder of any subsequent Security Interest over Assets of which the Security Trustee has notice of the amount properly secured by the Security Interest; and
- (k) eleventh, to pay any surplus to the Issuer Trustee to be paid in accordance with the Master Trust Deed and the Supplementary Terms Notice.

11.4 The Security Trustee

(a) General

The Security Trustee is appointed to act as trustee on behalf of the Mortgagees on the terms and conditions of the Security Trust Deed. It holds the benefit of the charge, the secured property and the benefit of certain stipulated covenants of the Issuer Trustee in the Trust Documents on trust for each Mortgagee in accordance with the terms and conditions of the Security Trust Deed. The Security Trust Deed contains a range of provisions regulating the scope of the Security Trustee's duties and liabilities. The Security Trustee may rely on documents provided by the Issuer Trustee or Manager, and the advice of consultants and advisers.

If there is a conflict between the duties owed by the Security Trustee to any Mortgagees or class of Mortgagees, the Security Trustee must give priority to the interests of the Noteholders and other Voting Mortgagees.

The Supplementary Terms Notice contains provisions requiring the Security Trustee, subject to the other provisions of the Security Trust Deed and the Supplementary Terms Notice, (a) to give priority to the interests of the Class A Noteholders if there is a conflict between their interests and the interests of Class B Noteholders or the Class C Noteholders, (b) to give priority to the interests of the Class B Noteholders if there is a conflict between their interests and the interests of Class C Noteholders, and (c) to give priority to the interests of the Noteholders if there is a conflict between the interests of the Noteholders and any other Mortgagee. If there is a conflict between the interests of Class A-1 Noteholders and Class A-2 Noteholders, the Security Trustee must convene a meeting of the Class A Noteholders to resolve that conflict. An Extraordinary Resolution of the Class A Noteholders in respect of the conflict is binding on all the Class A-1 Noteholders and Class A-2 Noteholders.

Provided that the Security Trustee acts in good faith, it shall not incur any liability to any Mortgagee for giving effect to the preceding provisions of this paragraph.

The Security Trustee makes no statement or representation in this Offering Circular. It has not authorised or caused the issue of any part of it and takes no responsibility for any part of it.

(b) Security Trustee's fee and expenses

The Issuer Trustee will reimburse the Security Trustee for all costs and expenses of the Security Trustee properly incurred in acting as Security Trustee.

The Security Trustee shall be entitled to a fee which will accrue from day to day and be payable monthly. The amount of this fee will be agreed from time to time by the Issuer Trustee, the Security Trustee and the Manager.

If the Security Trustee is required at any time to undertake duties which relate to the enforcement of the terms of any Transaction Document by the Security Trustee upon a default by any other party under the terms of that Transaction Document, the Security Trustee is entitled to such additional remuneration as may be agreed between the Security Trustee and the Manager or, failing agreement, such amount as is determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Security Trustee. The determination of such merchant bank shall be conclusive and binding on the Manager and the Security Trustee so far as the law allows.

The Issuer Trustee indemnifies the Security Trustee against any loss, cost, liability, expense or damage under or in relation to the Trust Documents, except where arising from the Security Trustee's fraud, negligence or breach of trust.

(c) Removal and Retirement of the Security Trustee

The Security Trustee may retire by giving three months notice in writing to the Issuer Trustee, the Manager, the Note Trustee and the Rating Agencies.

The Security Trustee may be removed by an Extraordinary Resolution of the Voting Mortgagees.

The Security Trustee may also be removed by the Manager if any of the following has occurred:

- (i) an Insolvency Event in relation to the Security Trustee in its personal capacity;
- (ii) the cessation by the Security Trustee of its business;
- (iii) the Security Trustee fails to comply with any of its obligations under any Transaction Document and such action has had, or, if continued will have, a Material Adverse Effect, and, if capable of remedy, that failure is not remedied within 14 days after the earlier of (i) the Security Trustee having become actually aware (by virtue of the actual awareness of the officers, employees, agents or delegates of the Security Trustee who have day to day responsibility for the administration of the security trust) of that failure and (ii) the Security Trustee having received written notice with respect thereto from the Manager; or
- (iv) there is a change in effective control of the Security Trustee from that subsisting as at the date of the Security Trust Deed unless approved by the Manager.

If no other person can be found to act as Security Trustee, the Voting Mortgagees may elect a Security Trustee from among the Voting Mortgagees.

(d) Description of the Security Trustee

The Security Trustee is P.T. Limited of 12, Angel Place, 123 Pitt Street, Sydney, New South Wales, Australia. The principal activities of the Security Trustee are the provision of services as trustee, executors, administrators, attorneys and agents and other fiduciary services. P.T. Limited has been appointed by Perpetual Trustee Company Limited as its authorised representative (Authorised Representative No. 266797) under its Australian Financial Services License (Australian Financial Services License No. 236643).

(e) Some other provisions of the Security Trust Deed

The Security Trust Deed may be amended by the Issuer Trustee and the Security Trustee with the approval of the Manager and the Note Trustee in the manner (and subject to the restrictions) set out in the Security Trust Deed.

The Security Trust Deed contains a range of provisions regulating the scope of the Security Trustee's duties and liability. These include the following:

- (i) The Security Trustee is not responsible for the adequacy or enforceability of the Security Trust Deed or other Transaction Documents;
- (ii) The Security Trustee is not required to exercise its powers under the Security Trust Deed without being directed to do so by the Note Trustee or by an Extraordinary Resolution of the Voting Mortgagees;
- (iii) The Security Trustee may rely on documents provided by the Issuer Trustee or the Manager and others, and the advice of consultants and advisers;
- (iv) The Security Trustee is not required to monitor whether an Event of Default has occurred or compliance by the Issuer Trustee or the Manager with the Transaction Documents, or their other activities;
- (v) The Security Trustee is not required to do anything unless its liability is limited in a manner satisfactory to it;
- (vi) The Security Trustee need not give Mortgagees information concerning the Issuer Trustee which comes into the possession of the Security Trustee;
- (vii) The rights, remedies and discretions of the Noteholders including all rights to vote or give instructions or consents to the Security Trustee and to direct it to enforce its undertakings and warranties may, subject to the Note Trust Deed and Security Trust Deed, only be exercised by the Note Trustee and the Security Trustee may rely on any instructions or directions given to it by

the Note Trustee as being given on behalf of the Noteholders without enquiry about compliance with the Note Trust Deed;

- (viii) The Security Trustee has no duties or responsibilities except those expressly set out in the Security Trust Deed or any collateral security;
- (ix) Any actions taken by the Security Trustee under the Security Trust Deed or any collateral security bind all the Mortgagees;
- (x) Each Mortgagee must make its own investigations, without reliance on the Security Trustee, as to the affairs of the Issuer Trustee and whether or not to take action under any Transaction Document; and
- (xi) The Security Trustee in its capacity as a Mortgagee can exercise its rights and powers as such as if it were not acting as the Security Trustee. It and its associates may engage in any kind of business with the Issuer Trustee, the Manager, the Mortgagees and others as if it were not the Security Trustee and may receive consideration for services in connection with any Transaction Document or otherwise without having to account to the Mortgagees.

11.5 Note Trustee

(a) General

Deutsche Trustee Company Limited has been appointed as the Note Trustee and will act as trustee for the Class A-1 Noteholders from time to time under the Note Trust Deed.

The rights, remedies and discretions of the Class A-1 Noteholders under the Transaction Documents including all rights to vote or give instructions to the Security Trustee and to enforce undertakings or warranties under the Transaction Documents may only be exercised by the Note Trustee on behalf of the Class A-1 Noteholders in accordance with the Note Trust Deed.

Subject to the Security Trust Deed and the Note Trust Deed, the Class A-1 Noteholders may only exercise enforcement rights in respect of the Security Trust Deed through the Note Trustee and only in accordance with the Transaction Documents.

Any payment to be made to the Class A-1 Noteholders under the Transaction Documents may be made to the Principal Paying Agent or the Note Trustee (as the case may be) in accordance with the Agency Agreement and the Note Trust Deed.

Under the Note Trust Deed, the Issuer Trustee is required to provide to the Note Trustee, on an annual basis, written confirmation:

- (i) as to whether or not the Issuer Trustee is aware that an Event of Default (as defined in the Note Trust Deed) has occurred; and
- (ii) as to any other matter which is required to be notified to the Note Trustee under the Transaction Documents and which has not previously been so notified.

(b) Removal and Retirement of the Note Trustee

The Note Trustee may retire by giving three months' notice in writing to the Issuer Trustee, the Manager, the Security Trustee and the Rating Agencies.

The Noteholders may resolve by Extraordinary Resolution to require the Issuer Trustee to remove the Note Trustee.

The Note Trustee may also be removed by the Manager or the Issuer Trustee if any of the following has occurred:

- (i) an Insolvency Event in relation to the Note Trustee;
- (ii) the Note Trustee has ceased its business; or
- (iii) the Note Trustee fails to comply with any of its obligations under any Transaction Document and such action has had, or, if continued will have, a Material Adverse Effect (as determined by the Issuer Trustee), and, if capable of remedy, that failure is not remedied within 14 days after the earlier of (i) the Note Trustee becoming aware of that failure and (ii) receipt by the Note Trustee of a written notice with respect thereto from either the Issuer Trustee or the Manager.

(c) Description of the Note Trustee

Deutsche Trustee Company Limited will serve as the Note Trustee. The corporate trust office of the Note Trustee responsible for the administration of the Trust is located at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

(d) Note Trustee's liability

- (i) Clause 14 of the Note Trust Deed provides that, subject to paragraph (ii) below, the Note Trustee will have no liability under or in connection with the Transaction Documents (whether to the Class A-1 Noteholders, the Issuer Trustee, the Manager or any other person) other than to the extent to which the liability is able to be satisfied out of the assets of the Note Trust from which the Note Trustee is actually indemnified for the liability.
- (ii) The limitation in paragraph (i) will not apply to a liability of the Note Trustee to the extent that it is not satisfied because, under the terms of the Note Trust Deed or by operation of law, there is a reduction in the extent of the Note Trustee's indemnification as a result of the Note Trustee's fraud, negligence or wilful default. Nothing in clause 14 of the Note Trust Deed or any similar provision in any other Transaction Document limits or adversely affects the rights of the Note Trustee.

12. TAXATION

12.1 Australian Taxation

The following statements with respect to Australian taxation are only general summaries, primarily with respect to holders of the Class A-1 Notes who are not Australian residents, and are based on advice received by the Issuer Trustee on the basis of Australian law as in effect on the date of this Offering Circular and which is subject to change possibly with retroactive effect. Purchasers of the Class A-1 Notes should consult their own tax advisers concerning the consequences, in their particular circumstances, under Australian tax laws, and the laws of any other taxing jurisdiction, of the purchase, ownership, disposal or any dealing of or in the Class A-1 Notes. Any such dealing would need to comply with the selling restrictions and securities law generally.

(a) Payments of Principal, Premiums and Interest

Under existing Australian tax law, non-resident holders of the Class A-1 Notes or interests in the Book-Entry Note, other than persons holding such securities or interest as part of a business carried on, at or through a permanent establishment in Australia, are not subject to Australian income tax, on payments of interest or amounts in the nature of interest other than interest withholding tax, which is currently 10%, on interest.

For the purposes of withholding tax, interest includes amounts in the nature of interest (such as a discount in respect of a bill or a premium on redemption of a note), amounts paid in substitution for interest and amounts received in exchange for interest in connection with a "washing arrangement". A washing arrangement is an arrangement under which title to a security is transferred to a resident shortly before an interest payment is made and the sole or dominant purpose of the arrangement is to reduce the amount of withholding tax payable.

Pursuant to section 128F of the Income Tax Assessment Act 1936 of the Commonwealth of Australia (the "**Tax Act**"), an exemption from Australian interest withholding tax applies provided all prescribed conditions are met.

Under current law, these conditions are:

- (i) the Issuer Trustee is a company that is a resident of Australia, or a non-resident carrying on business at or through a permanent establishment in Australia, when it issues the Class A-1 Notes and when interest, as defined in section 128A(1AB) of the Tax Act, is paid;
- (ii) the Class A-1 Notes, or a global bond or interests in such a global bond, are issued in a manner which satisfied the public offer test as prescribed under section 128F of the Tax Act or which satisfied the definition of a global bond under subsection 128F(10) of the Tax Act; and
- (iii) if the Issuer Trustee is a company acting in the capacity of a trustee, the Trust is not established for charitable purposes and the only persons capable of benefiting under the Trust are companies that are not acting in the capacity of a trustee.

It is the Issuer Trustee's intention to issue the Class A-1 Notes in a way that will satisfy the public offer test and otherwise meet the requirements of section 128F of the Tax Act.

This withholding tax exemption will not apply where, at the time of issue, the Issuer Trustee knew or had reasonable grounds to suspect that Class A-1 Notes, or an interest in the Class A-1 Notes, was being or would later be acquired, either directly or indirectly, by an Offshore Associate of the Issuer Trustee, other than one acting in the capacity of a dealer, manager or underwriter (as such term is used in section 128F of the Tax Act) in relation to the placement of the Class A-1 Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of an Australian registered scheme. The exemption will also not apply to interest paid by the Issuer Trustee if, at the time of the payment, the Issuer Trustee knows, or has reasonable grounds to suspect, that the payee is an Offshore Associate of the Issuer Trustee other than one receiving the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of an Australian registered scheme.

If the requirements for exemption under section 128F of the Tax Act are met with respect to the Class A-1 Notes, payments of principal, interest and any premium made to a holder of the Class A-1 Notes

to a non-resident of Australia and who does not carry on business through a permanent establishment in Australia, will not be subject to Australian income or withholding tax.

Subject to certain statutory exceptions, tax will be deducted, at the highest marginal tax rate plus medicare levy, from payments to resident Noteholders who do not provide the Issuer Trustee with a tax file number or Australian Business Number. Resident Noteholders may also be subject to Australian income tax in respect of interest on the Class A-1 Notes.

Section 126 of the Tax Act imposes a type of withholding tax at the rate of 45% on the payment of interest on the Class A-1 Notes payable to bearer if the Issuer Trustee fails to disclose the names and addresses of the holders of those Class A-1 Notes to the Australian Taxation Office (“ATO”). Section 126 does not apply to the payment of interest on the Class A-1 Notes held by non-residents who do not carry on business at or through a permanent establishment in Australia where the issue of those Class A-1 Notes satisfied the requirements of section 128F or where interest withholding tax is payable. However, the operation of section 126 in relation to the Class A-1 Notes held in some circumstances is unclear. Section 126 will not apply in any circumstances if the name and address of the holder of the Class A-1 Notes are disclosed to the ATO. The Issuer Trustee intends to comply with section 126 without withholding in relation to any of the Class A-1 Notes by advising the ATO of the name and address of Euroclear and Clearstream, Luxembourg as the holders of the Class A-1 Notes.

(b) Taxation of Foreign Exchange Gains and Losses

The Australian tax legislation contains rules in relation to the treatment of foreign currency gains and losses. The specific taxation implications of these rules will vary as between Noteholders. The measures should not impact non-resident Noteholders who do not have a permanent establishment in Australia. Noteholders should seek their own advice in relation to the specific taxation consequences of these measures.

(c) Note Transfers

A Noteholder may be subject to taxation in respect of any gain made on the transfer of the Class A-1 Notes. The specific taxation implications in respect of the transfer depends on the nature of the gain which will vary as between Noteholders. Broadly, the taxation consequences will depend on whether Noteholders own the Class A-1 Notes on revenue or capital account.

Noteholders should seek their own advice in relation to the specific taxation consequences of the transfer of their the Class A-1 Notes.

(d) Profit on sale by non-resident Noteholders

Under existing Australian law, non-resident holders of the Class A-1 Notes will not be subject to Australian income tax on profits derived from the sale or disposal of an interest in the Class A-1 Notes if the profits do not have an Australian source (see below). If the profits are Australian sourced, an exclusion from Australian income tax may be available if the non-resident is entitled to the benefit of a double taxation agreement and the Class A-1 Notes are not held as part of a business carried on, at or through a permanent establishment in Australia.

The source of any profit on the disposal of the Class A-1 Notes will depend on the factual circumstances of the actual disposal. Where the Class A-1 Notes are acquired and disposed of pursuant to contractual arrangements entered into and concluded outside Australia, and the seller and the purchaser are non-residents of Australia and do not have a business carried on, at or through a permanent establishment in Australia, the profit should not have an Australian source.

There are however specific withholding tax rules that may apply to treat a portion of the sale price of the Class A-1 Notes as interest for withholding tax purposes. However, such amounts of deemed interest will be covered by the exemption in section 128F of the Tax Act provided that all of the requirements of that section are satisfied.

(e) Goods and Services Tax (GST)

The GST is a transactions based tax and accordingly may impact various transactions in which the Issuer Trustee is involved. Broadly, the impact of the GST regime will depend on the type of supply made by the Issuer Trustee.

Where the supply by the Issuer Trustee is a “taxable supply”, the Issuer Trustee will have to remit GST equal to 1/11th of the total consideration received for the supply to the ATO. The Issuer Trustee can

obtain full input tax credits for the GST component of the cost of things acquired to make the taxable supply. Where the supply by the Issuer Trustee is a “GST-free supply”, the Issuer Trustee does not have to remit GST on the supply to the ATO. The Issuer Trustee can obtain full input tax credits for the GST component of the cost of things acquired to make the GST-free supply.

Where the supply by the Issuer Trustee is an “input taxed supply”, which includes financial supplies, the Issuer Trustee is not required to remit GST on the supply. The Issuer Trustee is generally not entitled to input tax credits for the GST component of the cost of things acquired to make input taxed supplies. In some circumstances, however, “reduced input tax credits” may be available.

On the basis of the current GST legislation, the issue of the Class A-1 Notes would constitute either a financial supply or a GST-free supply depending on the status and location of the Noteholders. In either case GST is not required to be remitted (nor is there a need to charge an amount to GST) in respect of the supply. Payments made to Noteholders would not constitute a separate supply for GST purposes nor consideration for a supply by Noteholders.

The acquisition of the Class A-1 Notes by a Noteholder may, in certain circumstances, be considered by the Australian Commissioner of Taxation to constitute the making of a financial supply by the Noteholder. This is based on a view expressed by the Australian Commissioner of Taxation in Ruling GSTR 2002/2. In any event, this will not give rise to a liability for GST on the part of Noteholders but may affect their entitlement to input tax credits on acquisitions which relate to acquiring the Class A-1 Notes. Noteholders should seek their own advice in relation to the GST treatment of the Class A-1 Notes and any transactions that they enter into associated with the Class A-1 Notes.

(f) Swaps and GST

Where the Basis Swap Provider or the Fixed-Floating Rate Swap Provider is an Australian resident, the GST implications under current Australian law are as follows:

- (i) the exchange of fixed interest rate obligations for floating interest rate obligations by the Issuer Trustee would constitute a financial supply. Accordingly, the Issuer Trustee would not be obliged to remit GST to the ATO and would not be entitled to claim full input tax credits in relation to the costs associated with making the supply (although the Issuer Trustee may be entitled to claim a reduced input tax credit in certain circumstances); and
- (ii) the exchange of floating interest rate obligations for fixed interest rate obligations by that Swap Provider would also constitute a financial supply.

Where the Basis Swap Provider or the Fixed-Floating Rate Swap Provider is not an Australian resident and is not in Australia in relation to the supply at the time the supply is made, the GST implications under current Australian law are as follows:

- (A) the supply of fixed interest rate obligations for floating interest rate obligations by the Issuer Trustee to the non-resident Interest Rate Swap Provider would constitute a GST-free supply. Accordingly, the Issuer Trustee would not be required to remit GST to the ATO, however, the Issuer Trustee would not be entitled to claim input tax credits in relation to the costs associated with making this supply; and
- (B) the supply of floating interest obligations for fixed interest rate obligations by the non-resident Interest Rate Swap Provider to the Issuer Trustee would have no impact for GST purposes.

(g) Currency Swaps and GST

Where the Currency Swap Provider is an Australian resident, the GST implications under current Australian law are as follows:

- (i) the exchange of currency denominations by the Issuer Trustee would constitute a financial supply. Accordingly, the Issuer Trustee would not be obliged to remit GST to the ATO and would not be entitled to claim full input tax credits in relation to the costs associated with making the supply (although the Issuer Trustee may be entitled to claim a reduced input tax credit); and
- (ii) the exchange of currency denominations by the Currency Swap Provider would also constitute a financial supply.

Where the Currency Swap Provider is not an Australian resident and is not in Australia in relation to the supply at the time the supply is made, the GST implications under current Australian law are as follows:

- (A) the supply of currency denominations by the Issuer Trustee to the non-resident Currency Swap Provider, would constitute a GST free supply. Accordingly, the Issuer Trustee would not be required to remit GST to the ATO, however, the Issuer Trustee would be entitled to claim input tax credits in relation to the costs associated with making this supply; and
- (B) the supply of currency denominations by the non-resident Currency Swap Provider to the Issuer Trustee would have no impact for GST purposes.

(h) Debt and Equity

Based on Australia's current taxation law, the Class A-1 Notes issued by the Issuer Trustee will constitute debt interests for Australian tax purposes. Interest paid by the Issuer Trustee in respect of the Class A-1 Notes will be tax deductible to the Issuer Trustee. Interest derived by Australian tax resident holders of the Class A-1 Notes or non-residents that hold such Class A-1 Notes through a permanent establishment in Australia should be included in the assessable income of the recipient.

(i) Other taxes

No stamp, issue, registration or similar taxes are payable in Australia in connection with the issue of the Class A-1 Notes. Furthermore, a transfer of, or agreement to transfer, the Class A-1 Notes executed outside Australia should not be subject to Australian stamp duty.

(j) Non-Compliance Withholding Regulations

Regulations may be made that require amounts to be withheld (on account of tax liabilities) from certain payments (excluding payments of interest, or amounts in the nature of interest) made by an Australian resident entity (such as the Trust) to foreign residents. The rules state that regulations may only be made in respect of payments of a kind that could reasonably be related to assessable income of foreign residents. Also, the explanatory material to the rules states that regulation will only be made where there is a demonstrated compliance risk and after consultation with affected taxpayer groups. Having regard to the types of regulations that the Australian Government has so far passed, it seems unlikely that any of the amounts payable in respect of the Class A-1 Notes will be covered by regulations of this kind.

(k) Taxation of the Trust

The net income of the Trust for a given year of income will be determined after deducting from the assessable income of the Trust any allowable deductions incurred by the Trust. The assessable income will primarily be the interest income that is derived by the Trust from the provisions of mortgage finance. Subject to certain exceptions, the allowable deductions of the Trust will primarily be the expenses which are incurred for the purpose of deriving assessable income or necessarily incurred in carrying on a business for the purposes of gaining or producing assessable income. Expenses which are capital in nature will not be allowable as deductions.

As noted above, the Class A-1 Notes should be treated as debt interests and interest paid by the Trust should be tax deductible to the Trust.

Under the current taxation law, the net income of the Trust should be included in the assessable income of the beneficiaries of the Trust who are presently entitled to the income. This should be so whether or not the income is actually paid to the beneficiaries, where the beneficiaries are presently entitled to the net income of the Trust. Where the net income is paid to a beneficiary, it will be assessable to the beneficiary in the year to which the distribution relates notwithstanding that it may be paid in the following year of income.

In the case of the Manager in its capacity as the Residual Income Beneficiary, it will be presently entitled to the net income of the Trust. The Issuer Trustee should not be liable to income tax on the net income derived by the Trust.

(l) Thin Capitalisation

The thin capitalisation rules in Australian tax legislation exempt most securitisation vehicles from their operation. It is expected that the Trust would meet the criteria for this exemption.

Even if the thin capitalisation rules did apply to the Trust, on the basis that the Residual Income Beneficiary of the Trust will be presently entitled to the income of the Trust, any resultant tax liability

would be met by the Residual Income Beneficiary. Accordingly, the thin capitalisation rules would not adversely affect the ability of the Issuer Trustee to pay principal and interest on the Class A-1 Notes.

(m) Tax Consolidation Regime

Australia has a tax consolidation regime that applies to wholly owned corporate groups. Entry into this system is optional, however the choice by a head company to consolidate brings all of its wholly owned subsidiaries, which are companies, partnership or trusts, into the regime. An entity is wholly owned for these purposes if all of the membership interests in it are held directly or indirectly by the head company. The head company of a tax consolidated group will be liable for income tax in respect of itself and all of its wholly owned group members. The legislation provides that where, however, the head company fails to meet its income tax liabilities, each wholly owned group member is jointly and severally liable to pay the consolidated group's income tax liabilities. Thus, there is a contingent risk that the members of a consolidated group may be liable to contribute to a consolidated group's income tax liabilities.

The Trust will not qualify as a wholly owned subsidiary of a head company as all of the units in the Trust will not be owned, directly, or indirectly, by a single holding company. Specifically, a single residual capital unit in the Trust will be held by an entity which is not related to any consolidatable group of which the Residual Income Beneficiary may be a member. Accordingly, the Trust cannot be a member of a consolidatable group for the purposes of the consolidation rules.

12.2 EU Savings Tax Directive

On 3 June 2003, ECOFIN adopted a Directive (2003/48/EC) regarding the taxation of savings income pursuant to which Member States, since 1 July 2005 have been required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria instead operate a withholding tax system in relation to such payments (unless during such period such countries elect otherwise). A number of non-Member countries and territories including Switzerland have agreed to adopt similar measures (a withholding tax in the case of Switzerland) with effect from 1 July 2005.

Payments of interest on the Notes which are made or collected through Belgium, Luxembourg, Austria or any other relevant non-Member State may be subject to withholding tax which would prevent holders of the Class A-1 Notes from receiving interest on their the Class A-1 Notes in full.

13. SUBSCRIPTION AND SALE

13.1 General

The Lead Manager has, pursuant to the Subscription Agreement, agreed, subject to certain conditions, to subscribe for the Class A-1 Notes at 100% of their principal amount. The Subscription Agreement entitles the Lead Manager to terminate the agreement in certain circumstances prior to payment to the Issuer Trustee. The Issuer Trustee has agreed to indemnify the Lead Manager against certain liabilities in connection with the offer and sale of the Class A-1 Notes.

This Offering Circular does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any country or jurisdiction where such an offer or solicitation is not authorised. No action has been taken to permit a public offering in any jurisdiction where action would be required for such purpose.

The Lead Manager has undertaken not to offer or sell, directly or indirectly, the Class A-1 Notes, or to distribute or publish this Offering Circular or any other material relating to the Notes, in or from any country or jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations.

13.2 The United States of America

The Class A-1 Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States of America and may not be offered or sold within the United States of America or to, or for the account or benefit of, US persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act or applicable securities laws of any state of the United States of America. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell or deliver the Class A-1 Notes:

- (a) as part of their distribution at any time; or
- (b) otherwise, until 40 days after the later of the commencement of the offering of the Class A-1 Notes to persons other than distributors in reliance on Regulation S and the Issue Date (the "**Distribution Compliance Period**"),

within the United States or to, or for the account or benefit of, US persons and it will have sent to each dealer to which it sells the Class A-1 Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Class A-1 Notes, within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meaning given to them by Regulation S.

The Lead Manager has agreed that neither it, its affiliates nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Class A-1 Notes, and the Lead Manager, its affiliates and any person acting on its behalf have complied and will comply with the offering restrictions requirements of Regulation S.

In addition, until the end of the Distribution Compliance Period, any offer or sale of the Class A-1 Notes within the United States by a dealer whether or not participating in the offering may violate the registration requirements of the Securities Act. Terms in this paragraph have the meanings given to them by Regulation S of the Securities Act.

13.3 United Kingdom

The Lead Manager has represented to and agreed with the Issuer Trustee that:

- (a) it has complied with and will comply with all applicable provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**"), with respect to anything done by it in relation to the Class A-1 Notes in, from or otherwise involving the United Kingdom; and

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity, within the meaning of section 21 of FSMA, received by it in connection with the Issue or Sale of any Class A-1 Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer Trustee.

13.4 Australia

No offering circular, prospectus or other disclosure document in relation to any Class A-1 Notes has been lodged with the Australian Securities and Investments Commission. The Class A-1 Notes may not, in connection with their initial distribution, be offered or sold, directly or indirectly, in, or to any resident of Australia. The Lead Manager has agreed that it:

- (a) has not, directly or indirectly, offered for issue or sale or invited applications for the issue of or for offers to purchase nor has it sold the Class A-1 Notes;
- (b) will not, directly or indirectly, offer for issue or sale or invite applications for the issue of or for offers to purchase nor will it sell the Class A-1 Notes; and
- (c) has not distributed and will not distribute any draft, preliminary or definitive offering circular, or any advertisement or other offering material in relation to the Class A-1 Notes,

in Australia, its territories or possessions unless:

- (i) the amount payable for the Class A-1 Notes on acceptance of the offer by each offeree or invitee is a minimum amount of A\$500,000, or its equivalent in another currency (disregarding amounts, if any, lent by the Issuer Trustee or other person offering the Class A-1 Notes or any associate of them) or the offer or invitation is otherwise an offer or invitation for which no disclosure is required to be made under Part 6D.2 of the Australian Corporations Act 2001; and
- (ii) the offer, invitation or distribution complies with all applicable laws, regulations and directives in relation to the offer, invitation or distribution and does not require any document to be lodged with the Australian Securities and Investments Commission.

In addition, the Lead Manager has agreed that, in connection with the primary distribution of the Class A-1 Notes, it will not sell any Class A-1 Notes to any person if, at the time of such sale, the employees of the Lead Manager aware of, or involved in the sale, know, or have reasonable grounds to suspect, that, as a result of such sale, such Class A-1 Notes or any interest in such Class A-1 Notes will be, or will later be acquired, directly or indirectly, by an Offshore Associate of the Issuer Trustee other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of such Class A-1 Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of an Australian registered scheme.

The Lead Manager has agreed that it must offer the Class A-1 Notes for which it subscribes for sale within 30 days of the Issue Date. Such offer must only be by one of the following means, or a combination thereof:

- (i) as a result of negotiations being initiated by the Lead Manager in electronic form on Reuters or the electronic information system made available to its subscribers by Bloomberg, L.P., specifying in such offer the name of the Issuer Trustee and the price at which the Class A-1 Notes are offered for sale; or
- (ii) by the Lead Manager offering those Class A-1 Notes for sale to at least 10 persons, each of whom must be:
 - (A) carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in the financial markets; and
 - (B) not known, or suspected, by employees of the Lead Manager acting in relation to the sale to be an associate of any other person covered by this paragraph; or
- (iii) by the Lead Manager offering those Class A-1 Notes for sale as a result of being accepted for listing on a stock exchange where the Issuer Trustee has previously entered into an agreement with the Lead Manager in relation to the placement of the Class A-1 Notes requiring the Issuer Trustee to seek such listing; or

- (iv) by the Lead Manager offering those Class A-1 Notes for sale to at least 100 persons whom it would be reasonable to regard as either having acquired instruments similar to the Class A-1 Notes in the past or as likely to be interested in acquiring the Class A-1 Notes.

13.5 Singapore

The Lead Manager has represented to and agreed with the Issuer Trustee that:

- (a) the Information Memorandum and the Offering Circular have not been and will not be registered as a prospectus with the Monetary Authority of Singapore and that the A\$ Notes have been offered by the Issuer Trustee pursuant to the "institutional investors" exemption invoked under Section 274 of the Singapore Securities and Futures Act, Chapter 289 of Singapore (the **SFA**);
- (b) neither this Information Memorandum, the Offering Circular nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the A\$ Notes has been distributed or circulated by the dealers nor have the A\$ Notes been offered or sold, or been made the subject of an invitation for subscription or purchase, whether directly or indirectly, in Singapore other than:
 - (i) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; or
 - (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

13.6 Hong Kong

The Lead Manager has represented to and agreed with the Issuer Trustee that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any A\$ Notes other than:
 - (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or
 - (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purpose of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the A\$ Notes which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the A\$ Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

13.7 Spain

The Lead Manager has represented to and agreed with the Issuer Trustee that:

- (a) the A\$ Notes have not and will not be offered, sold or distributed in the Kingdom of Spain save in accordance with the requirements of the Spanish Securities Market Law of 28 July 1988 (Ley 24/1988, de 28 de julio, del Mercado de Valores) as amended and restated, and Royal Decree 291/1992, of 27 March, on Issues and Public Offerings of Securities (Real Decreto 291/1992, de 27 de marzo, sobre Emisiones y Ofertas Públicas de Venta de Valores) as amended and restated and the decrees and regulations made thereunder;
- (b) neither the A\$ Notes nor the Information Memorandum have been or will be verified or registered in the administrative registries of the Spanish Securities Markets Commission (Comisión Nacional del Mercado de Valores);
- (c) the A\$ Notes have not and will not be sold, offered or distributed in Spain other than:
 - (i) to qualified investors pursuant to and in compliance with Spanish Securities Market Law 24/1988, as amended, Royal Decree 1310/2005 and any regulation issued thereunder; or

- (ii) in other circumstances which do not constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law and further relevant legislation or without complying with all legal and regulatory requirements in relation thereto.

13.8 General

This Offering Circular does not constitute, and may not be used for the purposes of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. No action has been, or will be, taken by the Issuer Trustee or the Lead Manager that would permit a public offering of the Class A-1 Notes in any country or jurisdiction where action for that purpose is required. Accordingly, the Class A-1 Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other circular, prospectus, form of application, advertisement or other material in connection with the Class A-1 Notes 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 of that country or jurisdiction.

Neither the Issuer Trustee nor the Lead Manager represent that Class A-1 Notes may at any time lawfully be sold in compliance with any application registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assume any responsibility for facilitating such sale.

With regard to the issue of the Class A-1 Notes, the Lead Manager will be required to comply with other additional or modified restrictions (if any) as the Issuer Trustee and the Lead Manager shall agree.

The Lead Manager are not authorised to give any information or to make any representation not contained in this Offering Circular in connection with the offer and sale of the Class A-1 Notes.

This Offering Circular may be used by the Lead Manager for offers and sales related to market-making transactions in the Class A-1 Notes. The Lead Manager may act as principal or agent in these transactions. These sales will be made at prices relating to prevailing market prices at the time of sale. The Lead Manager has no obligation to make a market in the Class A-1 Notes, and any market-making may be discontinued at any time without notice. The Lead Manager is the only manager participating in the initial distribution of the Class A-1 Notes

14. GENERAL INFORMATION

- (a) The Class A-1 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with the following:
- Common Code of 030593383
ISIN number of XS0305933839
- (b) Transactions in respect of the Class A-1 Notes will normally be effected for settlement in Euros and in each case for delivery on the third Business Day after the date of the transaction.
- (c) Application has been made by the Manager to have the Class A-1 Notes listed on the ASX. No application has been made to list the Class A-1 Notes on any other stock exchange.
- (d) Copies of the following documents may be obtained free of charge during normal business hours on any Business Day from, the registered office of the Principal Paying Agent as set out at the end of this Offering Circular:
- (i) the Agency Agreement;
 - (ii) the latest pool status report in relation to the Trust; and
 - (iii) the constitution of the Issuer Trustee.
- (e) Each Class A-1 Note will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (f) Under temporary Australian foreign exchange controls, which may change in the future:
- (i) the written approval of the Australian Minister of Foreign Affairs is required for transactions involving the control or ownership of assets by persons or entities linked to terrorist activities and identified by the United Nations and the Commonwealth of Australia under the Charter of the United Nations (Anti-terrorism – Persons and Entities) List, as published from time to time in the Commonwealth Government Gazette. This includes individuals or entities linked with the Taliban, Osama bin Laden and other terrorist organisations. Transactions involving persons published in the Commonwealth Government Gazette without the permission of the Australian Minister for Foreign Affairs are a criminal offence;
 - (ii) transactions involving the previous Iraqi regime, including Saddam Hussein, other members of the regime and their immediate families, individuals associated with the regime of former President of Yugoslavia Slobodan Milosevic and certain ministers and senior officials of the Government of Zimbabwe are prohibited under the Banking (Foreign Exchange) Regulations 1959 (Cth). The Reserve Bank of Australia publishes changes to prohibited parties and variations in the restrictions on those parties from time to time in the Commonwealth Government Gazette; and
 - (iii) transactions over A\$100,000 involving the Embassy of the Federal Republic of Yugoslavia, the Consulate-General of the Federal Republic of Yugoslavia and Narodna Banka Jugoslavije (including Banque Nationale de Yugoslavie) require prior approval from the Reserve Bank of Australia.
- The Charter of the United Nations (Sanctions—Liberia) Regulations 2002, as amended in 2005, imposes a freeze on funds, financial assets and economic resources relating to former Liberian President Charles Taylor and certain persons and entities associated with him and his former regime.
- (g) As at the date of this Offering Circular, the Trust has no borrowings or indebtedness and there has been no change in the capitalisation of the Trust since it was established. The Trust is not required by Australian law and the Trust does not intend to publish annual reports and accounts.
- (h) All notices, other than notices given in accordance with the following paragraph, to holders of the Class A-1 Notes shall be deemed to have been duly given if published in a leading daily newspaper printed in the English language and with general circulation in London (which is expected to be the Financial Times) or, if this is not practicable, in another leading English language newspaper having general circulation in Europe previously approved in writing by the

Note Trustee. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in the newspaper or in one of the newspapers referred to above.

Any notice to holders of Class A-1 Notes specifying a payment date, an interest rate, interest payable, a principal payment (or the absence of a principal payment) or a principal amount will be deemed to have been duly given if the information contained in such notice appears on the relevant page of the Reuters Screen or the electronic information system made available to its subscribers by Bloomberg, L.P. or such other similar electronic reporting service as may be approved by the Note Trustee in writing and notified to holders of Class A-1 Notes ("**Relevant Screen**"). Any such notice will be deemed to have been given on the first date on which such information appeared on the Relevant Screen. If it is impossible or impracticable to give notice in accordance with this paragraph then notice of the matters referred to in this paragraph must be given in accordance with applicable law.

15. TRANSACTION DOCUMENTS

The following documents relating to the Trust and the Class A-1 Notes (each a “**Transaction Document**”) will be available for inspection by the Class A-1 Noteholders and persons intending to acquire the Class A-1 Notes during ordinary business hours at the office of the Issuer Trustee, being (at the Closing Date) Level 12, Angel Place, 123 Pitt Street, Sydney, New South Wales, Australia and at the office of the Note Trustee at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England, United Kingdom. However, any person wishing to inspect these documents must first undertake not to disclose the contents of the documents without the prior written consent of the Issuer Trustee and the Manager.

- (a) Master Trust Deed (the “**Master Trust Deed**”) between St.George Bank, the Issuer Trustee and the Manager dated 14 March 1998.
- (b) Notice of Creation of Trust (the “**Notice**”) between St.George Bank, the Issuer Trustee and the Manager dated 14 June 2007.
- (c) Crusade Euro Trust No. 1E of 2007 Supplementary Terms Notice (the “**Supplementary Terms Notice**”) between the Issuer Trustee, the Manager, the Approved Seller, the Servicer, the Custodian, the Note Trustee and the Security Trustee dated on or about 22 June 2007.
- (d) Servicing Agreement (the “**Servicing Agreement**”) between the Servicer, the Manager and the Issuer Trustee dated 14 March 1998.
- (e) Security Trust Deed (the “**Security Trust Deed**”) between the Issuer Trustee, the Note Trustee, the Security Trustee and the Manager dated 14 June 2007.
- (f) Custodian Agreement (the “**Custodian Agreement**”) between the Custodian, the Manager and the Issuer Trustee dated 14 March 1998.
- (g) Variable rate basis swap agreement (the “**Basis Swap**”) between the Basis Swap Provider, the Standby Basis Swap Provider and the Issuer Trustee, together with the schedule and confirmation with respect thereto to be dated on or about 22 June 2007.
- (h) Fixed-floating rate swap agreement (the “**Fixed-Floating Rate Swap**”) between the Fixed-Floating Rate Basis Swap Provider, the Standby Fixed-Floating Rate Swap Provider and the Issuer Trustee, together with the schedules and confirmations with respect thereto to be dated on or about 22 June 2007.
- (i) Mortgage insurance policy between St.George Insurance Australia Pty Limited, St.George Bank and the Issuer Trustee to be dated on or about 22 June 2007.
- (j) Mortgage insurance policy between PMI Mortgage Insurance Ltd, St.George Bank and the Issuer Trustee to be dated on or about 22 June 2007.
- (k) Deed of Indemnity (the “**Indemnity**”) between the Indemnifier, the Custodian, the Manager and the Issuer Trustee dated 19 March 1998.
- (l) Power of attorney (the “**Power of Attorney**”) by St.George Bank to be dated on or about 22 June 2007.
- (m) Cross currency swap agreement between the Currency Swap Provider and the Issuer Trustee, together with the schedule and confirmation with respect thereto to be dated on or about 22 June 2007 in relation to the Class A-1 Notes (the “**Currency Swap**”).
- (n) Note Trust Deed (the “**Note Trust Deed**”) between the Note Trustee, the Issuer Trustee, the Principal Paying Agent, the Calculation Agent, the Security Trustee and the Manager to be dated on or about 22 June 2007.
- (o) Agency Agreement (the “**Agency Agreement**”) between the Principal Paying Agent, the Issuer Trustee, the Note Trustee, the Manager, the Note Registrar and the Calculation Agent to be dated on or about 22 June 2007.
- (p) Subscription Agreement (the “**Subscription Agreement**”) between the Issuer Trustee, the Lead Manager, the Manager and St.George Bank dated 22 June 2007.

Also available for inspection are the memorandum and articles of association of the Issuer Trustee.

16. GLOSSARY OF TERMS

A\$, AUD, \$ and Australian dollars

means Australian dollars.

A\$ Class A-1 Interest Amount

means, for any Quarterly Payment Date, the amount in Australian dollars which is calculated:

- (a) on a daily basis at the applicable rate set out in the Currency Swap (being AUD-BBR-BBSW, as defined in the ISDA Definitions), as at the first day of the Quarterly Interest Period ending on (but excluding) that Quarterly Payment Date with a designated maturity of 3 months or, in the case of the first Quarterly Interest Period, the rate will be determined by the linear interpolation of 2 and 3 months plus the Spread);
- (b) on the A\$ Equivalent of the aggregate of the Invested Amount of the Class A-1 Notes as at the first day of the Quarterly Interest Period ending on (but excluding) that Quarterly Payment Date; and
- (c) on the basis of the actual number of days in that Quarterly Interest Period and a year of 365 days.

A\$ Equivalent

means:

- (a) in relation to an amount denominated or to be denominated in Euros, the amount converted to (and denominated in) A\$ at the A\$ Exchange Rate; and
- (b) in relation to an amount denominated or to be denominated in A\$, the amount of A\$.

A\$ Exchange Rate

means, on any date in relation to the Currency Swap, the rate of exchange (set as at the commencement of the Currency Swap) applicable under the Currency Swap for the exchange of Euros for Australian dollars.

A\$ Note

means a Class A-2 Note, a Class B Note or a Class C Note.

A\$ Noteholder

means a Noteholder who holds an A\$ Note.

Accrued Interest Adjustment

see Section 6.1(b) "Accrued Interest Adjustment".

Affected Party

in relation to:

- (a) a Fixed-Floating Rate Swap has the meaning given in that Fixed-floating Rate Swap;
- (b) the Currency Swap has the meaning given in the Currency Swap provided that the Currency Swap Provider shall not be an Affected Party by reason of an Illegality or Tax Event (as such terms are defined in the Currency Swap).

Agency Agreement

see Section 15 "Transaction Documents".

Approved Bank

means:

- (a) a Bank, other than St.George Bank, which has a short term rating of at least A-1+ from Standard & Poor's, P-1 from Moody's and F1 from Fitch Ratings;
- (b) a Bank, including St.George Bank, which has a short term rating of at least F1 from Fitch Ratings, P-1 from Moody's and A-1 from Standard & Poor's, provided that the total value of deposits held by the Bank in relation to the Trust does not exceed 20% of the sum of the aggregate of the Stated Amounts of the Notes; or

- (c) St.George Bank, provided that:
 - (i) St.George Bank has a short term rating of at least F1 from Fitch Ratings, P-1 from Moody's and A-1+ from S&P; or
 - (ii) if St.George Bank does not have a short term rating of at least F1 from Fitch Ratings, P-1 from Moody's and A-1+ from S&P, the Rating Agencies have confirmed that the holding of a bank account by the Issuer Trustee with St.George Bank will not result in a downgrading of the credit rating assigned or to be assigned to the Notes.
- Approved Seller** see Section 1.2(b) "Parties to the Transaction".
- Arrears** subsist in relation to a Purchased Loan at any time if, at that time, the principal outstanding under that Purchased Loan is greater than the scheduled principal balance for that Purchased Loan, in each case as determined by the Servicer.
- Arrears Percentage** means, for any Monthly Payment Date:
- (a) the aggregate Unpaid Balance of all Purchased Loans which are in Arrears by 60 consecutive days or more as at the end of the Monthly Collection Period immediately preceding that Monthly Payment Date;
- divided by
- (b) the aggregate Unpaid Balance of all Purchased Loans as at the end of the Monthly Collection Period immediately preceding that Monthly Payment Date, expressed as a percentage.
- Asset** means all assets of the Trust, including any loan specified in a Sale Notice, and any related Mortgage, security or other rights with respect thereto which is acquired by the Trust, or any Authorised Investment acquired by the Trust.
- ASX** means the Australian Securities Exchange.
- Auditor** means the auditor of the Trust appointed from time to time.
- Austraclear** means Austraclear Limited or any other Australian clearing system recognised by the Reserve Bank of Australia and the Australian Bankers Association or any successor entity.
- Australia** means the Commonwealth of Australia, its territories or possessions.
- Authorised Investments** in respect of a Trust, any investments which at their date of acquisition are of the following types:
- (a) loans secured by Mortgages, those Mortgages, other related securities and related rights;
 - (b) cash on hand or at an Approved Bank;
 - (c) other receivables, receivables securities and receivable rights approved by the Manager and acceptable to the Issuer Trustee (that acceptance not to be unreasonably withheld);
 - (d) bonds, debentures, stock or treasury bills of any government of an Australian jurisdiction;
 - (e) debentures or stock of any public statutory body constituted under the law of any Australian jurisdiction where the repayment of the principal is secured and the interest payable on the security is guaranteed by the government of an Australian jurisdiction;
 - (f) notes or other securities of any government of an Australian jurisdiction;

- (g) deposits with, or the acquisition of certificates of deposit, whether negotiable, convertible or otherwise, of, an Approved Bank;
- (h) bills of exchange which at the time of acquisition have a remaining term to maturity of not more than 200 days, accepted or endorsed by an Approved Bank;
- (i) securities which are “mortgage-backed securities” within the meaning of each of the Duties Act, 1997 of New South Wales, the Duties Act, 2000 of Victoria, the Duties Act, 2001 of Queensland and, if applicable, the Duties Act, 1999 of the Australian Capital Territory;
- (j) any other assets or a class of assets that are:
 - (i) included within the definition of pool of mortgages under the Duties Act of 1997 of New South Wales,
 - (ii) included within the definition of pool of mortgages under the Duties Act of 2000 of Victoria;
 - (iii) included within the definition of pool of mortgages under the Duties Act of 2001 of Queensland; and
 - (iv) included within the definition of pool of mortgages under the Duties Act of 1999 of the Australian Capital Territory, if applicable.

As used in this definition, expressions will be construed and, if necessary, read down so that the Notes in relation to the trust constitute “mortgage-backed securities” for the purposes of both the Duties Act, 1997 of New South Wales and the Duties Act, 2000 of Victoria.

Each of the investments outlined above (other than (a) and (b) above) must have a long term rating of AAA or a short term rating of A-1+, as the case may be, from Standard & Poor's and a long term rating of Aaa or a short term rating of P-1, as the case may be, from Moody's and a long term rating of AAA or a short term rating of F1+, as the case may be, from Fitch Ratings. Each of the investments (other than (a) and (b) above) must mature no later than the next Quarterly Payment Date following its acquisition. Each investment must be denominated in Australian dollars. Each investment must be of a type which does not adversely affect the risk weighting expected to be attributed to the Notes by the Bank of England and must be held by, or in the name of, the Issuer Trustee or its nominee.

Available Income

see Section 8.4 “Available Income”.

Bank

means:

- (a) for the purposes of the definition of Business Day:
 - (i) a corporation authorised under the Banking Act 1959 (Cth) to carry on general banking business in Australia or a corporation formed or incorporated under an Act of the Parliament of an Australian jurisdiction to carry on the general business of banking; or
 - (ii) a person authorised under the Banking Act 1987 (UK) to carry on a deposit taking business; and
- (b) in any other case, a corporation authorised under the Banking Act 1959 (Cth) to carry on general banking business in Australia or a corporation formed or incorporated under an Act of the Parliament of an Australian jurisdiction to carry on the general business of banking.

Basis Swap	see Sections 9.3 “Basis Swap and Fixed-Floating Rate Swap” and 15 “Transaction Documents”.
Basis Swap Provider	see Section 1.2(b) “Parties to the Transaction”.
BBSW Reference Bank	any financial institution authorised to quote on the Reuters Screen BBSW Page.
Book-Entry Note	means a registered note in registered form issued or to be issued by the Trustee under clause 3.1 of the Note Trust Deed representing Class A-1 Notes substantially in the form of Schedule 1 of the Note Trust Deed.
Borrower	means the Borrower under a Purchased Loan.
Break Payment	means any amount owed by a Borrower under a Purchased Loan which bears a fixed rate of interest and which amount is owed following payment by that Borrower of any principal before the due date for that principal, in accordance with the terms of the relevant Receivables Contract (and includes an amount owed by a Mortgage Insurer with respect to the obligation of that Borrower to pay any such amount).
Business Day	means any day, other than a Saturday, Sunday or public holiday, on which Banks are open for business in London and Sydney and the Trans-European Automated Real-Time Gross-Settlement Express Transfer (TARGET) System or any successor to it is open.
Calculation Agent	see Section 1.2(b) “Parties to the Transaction”.
Call	see Section 2.5 “Call and Tax Redemption”.
Call Date	see Section 2.5(a) “Call and Tax Redemption”.
Carryover Charge Off	means, in relation to the Trust at any time, a Carryover Class A Charge Off, a Carryover Class B Charge Off or a Carryover Class C Charge Off.
Carryover Class A Charge Off	means, on any Monthly Determination Date, in relation to a Class A Note, the aggregate of Class A Charge Offs in relation to that Class A Note prior to that Monthly Determination Date and which have not been reinstated or allocated before that Monthly Determination Date as described in Section 8.8(b)(iv) or Section 8.8(c)(iv).
Carryover Class B Charge Off	means, on any Monthly Determination Date, in relation to a Class B Note, the aggregate of Class B Charge Offs in relation to that Class B Note prior to that Monthly Determination Date and which have not been reinstated or allocated before that Monthly Determination Date as described in Section 8.8(b)(v) or Section 8.8(c)(v)
Carryover Class C Charge Off	means, on any Monthly Determination Date, in relation to a Class C Note, the aggregate of Class C Charge Offs in relation to that Class C Note prior to that Monthly Determination Date and which have not been reinstated or allocated before that Monthly Determination Date as described in Section 8.8(b)(vi) or Section 8.8(c)(vi).
Charge Off	means a Class A Charge Off, Class B Charge Off or a Class C Charge Off.
Class	where used in relation to the Notes, means each class constituted by the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes and where used in relation to Noteholders means the holders of Notes in the relevant Class or Classes of Notes.

Class A Charge Off	means, in relation to a Class A Note on any Monthly Determination Date, the amount of any Principal Charge Offs allocated against that Class A Note on that Monthly Determination Date as described in Section 8.16(c) "Charge Offs".
Class A Initial Invested Amount	means, in relation to a Class A Note, the Initial Invested Amount of that Class A Note.
Class A Interest	means all interest accrued on the Class A Notes in respect of an Interest Period for that Class A Note as described in Section 2.3 "Interest Payments".
Class A Note	means a Class A-1 Note or Class A-2 Note.
Class A Noteholder	means a Noteholder who holds a Class A-1 Note or a Class A-2 Note and " Class A-1 Noteholder " and " Class A-2 Noteholder " shall be construed accordingly.
Class A Principal Payment Amount	<p>means, on any Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) on and after the Stepdown Date, for so long as no Trigger Event exists, an amount equal to the lesser of:</p> <p>(a) on (i) any Monthly Payment Date which is not also a Quarterly Payment Date, the Principal Collections remaining for payment to the Class A-2 Noteholders and allocation to the Class A-1 Noteholders of the applicable Principal Carryover Amount and (ii) any Quarterly Payment Date, the Principal Collections remaining for payment on the Class A Notes, in each case after payment of Initial Invested Amounts and payments to the Liquidity Account; and</p> <p>(b) the greater of:</p> <p>(i) the A\$ Equivalent of the aggregate of the outstanding Notional Invested Amounts of the Class A Notes for that Monthly Payment Date minus the product of:</p> <p>(A) 95%; and</p> <p>(B) the aggregate Unpaid Balance of the Purchased Loans as of the last day of the that Monthly Collection Period; and</p> <p>(ii) zero.</p>
Class A Principal Payment	means each payment to the Class A Noteholders as described in Sections 8.11 and 8.12 and " Class A-1 Principal Payment " and " Class A-2 Principal Payment " shall be construed accordingly.
Class A Stated Amount	means a Class A-1 Stated Amount" or a Class A-2 Stated Amount.
Class A-1 Bond Factor	see Condition 5(b) "Mandatory Redemption in part from Principal Collection and apportionment of Principal Collections between the Class A-1 Notes".
Class A-1 Currency Swap	see Section 9.4 "The Currency Swap".
Class A-1 Note	means each of the €500,000,000 Class A-1 Mortgage Backed Pass Through Floating Rate Notes due September 2038.
Class A-1 Noteholder	means a Noteholder who holds a Class A-1 Note.

Class A-1 Principal Carryover Amount

means, any Principal Collections allocated on a Monthly Payment Date (which is not also a Quarterly Payment Date) for retention in the Collection Account or investment in Authorised Investments, which amounts represent principal repayments on the Class A-1 Notes and will be paid by the Issuer Trustee to the Currency Swap Provider on the next Quarterly Payment Date.

Class A-1 Proportion

means, on any date, the A\$ Equivalent of the aggregate Notional Invested Amounts of all Class A-1 Notes at the immediately preceding Monthly Payment Date (or, where that date is a Monthly Payment Date, that date) divided by the aggregate of the A\$ Equivalent of the Notional Invested Amounts of all Class A-1 Notes and the Notional Invested Amounts of all Class A-2 Notes at the immediately preceding Monthly Payment Date (or, where that date is a Monthly Payment Date, that date).

Class A-1 Stated Amount

means, on a Quarterly Determination Date and in relation to a Class A-1 Note, an amount equal to:

- (a) the Class A-1 Initial Invested Amount for that Note; less
- (b) the aggregate of all Class A-1 Principal Payments made before that Quarterly Determination Date with respect to that Class A-1 Note; less
- (c) Carryover Class A-1 Charge Offs (if any) for that Class A-1 Note on that Quarterly Determination Date; less
- (d) Class A-1 Principal Payments (if any) to be made in relation to that Class A-1 Note on the next Quarterly Payment Date; less
- (e) Class A-1 Charge Offs (if any) to be made in relation to that Class A-1 Note on the next Quarterly Payment Date; plus
- (f) any Excess Available Income to be applied to reinstating any Carryover Charge Offs on the Class A-1 Note on that Quarterly Determination Date.

Class A-2 Note

means each of the A\$1,400,000,000 Class A-2 Mortgage Backed Pass Through Floating Rate Notes due September 2038.

Class A-2 Noteholder

means a Noteholder who holds a Class A-2 Note.

Class A-2 Proportion

means, on any date, the aggregate of the Notional Invested Amounts of all Class A-2 Notes at the immediately preceding Monthly Payment Date (or, where that date is a Monthly Payment Date, that date) divided by the aggregate of the A\$ Equivalent of the Notional Invested Amounts of all Class A-1 Notes and the Notional Invested Amounts of all Class A-2 Notes at the immediately preceding Monthly Payment Date (or, where that date is a Monthly Payment Date, that date).

Class A-2 Stated Amount

means, on a Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date) in relation to a Class A-2 Note, an amount equal to:

- (a) the Class A-2 Initial Invested Amount for that Note; less
- (b) the aggregate of all Class A-2 Principal Payments made before that Monthly Determination Date with respect to that Class A-2 Note; less
- (c) Carryover Class A-2 Charge Offs (if any) made for that Class A-2 Note on that Monthly Determination Date; less
- (d) Class A-2 Principal Payments (if any) to be made in relation to that Class A-2 Note on the next Monthly Payment Date (including

a Monthly Payment Date which is also a Quarterly Payment Date); less

- (e) Class A-2 Charge Offs (if any) to be made in relation to that Class A-2 Note on the next Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date); plus
- (f) any Excess Available Income to be applied to reinstating any Carryover Charge Offs on the Class A-2 Note on that Monthly Determination Date (but only if that Monthly Determination Date is also a Quarterly Determination Date).

Class B Charge Off

means, in relation to a Class B Note on any Monthly Determination Date, the amount of any Principal Charge Offs allocated against that Class B Note on that Monthly Determination Date as described in Section 8.16(c) "Charge Offs".

Class B Initial Invested Amount

means, in relation to any Class B Note, the Initial Invested Amount of that Class B Note.

Class B Interest

means all interest accrued on the Class B Notes in respect of a Quarterly Interest Period as described in Section 2.3 "Interest Payments".

Class B Note

means each of the A\$29,200,000 Class B Mortgage Backed Pass Through Floating Rate Notes due September 2038.

Class B Noteholder

means a Noteholder who holds a Class B Note.

Class B Principal Carryover Amount

means, any Principal Collections allocated on a Monthly Payment Date (which is not also a Quarterly Payment Date) for retention in the Collection Account or investment in Authorised Investments, which amounts represent principal repayments on the Class B Notes and will be paid by the Issuer Trustee to the Class B Noteholders on the next Quarterly Payment Date.

Class B Principal Payment Amount

means, on any Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) on and after the Stepdown Date, for so long as no Trigger Event exists, an amount equal to the lesser of:

- (a) on (i) any Monthly Payment Date which is not also a Quarterly Payment Date, the Principal Collections remaining for allocation to the Class B Principal Carryover Amount after payment of the Initial Principal Distributions and payments to the Liquidity Account, and payment or allocation to the applicable Principal Carryover Amount (as the case may be), of the Class A Principal Payment Amount and (ii) any Quarterly Payment Date, the Principal Collections remaining for payment after payment of the Class A Principal Payment Amount; and
- (b) the greater of:
 - (i) the A\$ Equivalent of the aggregate of the outstanding Notional Invested Amounts of the Class A Notes plus the outstanding Notional Invested Amounts of the Class B Notes for that Monthly Payment Date minus the product of:
 - (A) 98.4%; and

(B) the aggregate Unpaid Balance of the Purchased Loans as of the last day of that Monthly Collection Period; and

(ii) zero.

Class B Principal Payment means each payment to the Class B Noteholders as described in Sections 8.11 and 8.12.

Class B Stated Amount means, on a Quarterly Determination Date and in relation to a Class B Note, an amount equal to:

- (a) the Class B Initial Invested Amount for that Note; less
- (b) the aggregate of all Class B Principal Payments made before that Quarterly Determination Date with respect to that Class B Note; less
- (c) Carryover Class B Charge Offs (if any) made for that Class B Note on that Quarterly Determination Date; less
- (d) Class B Principal Payments (if any) to be made in relation to that Class B Note on the next Quarterly Payment Date; less
- (e) Class B Charge Offs (if any) to be made in relation to that Class B Note on the next Quarterly Payment Date; plus
- (f) any Excess Available Income to be applied to reinstating any Carryover Charge Offs on the Class B Note on that Quarterly Determination Date.

Class C Charge Off means, in relation to a Class C Note on any Monthly Determination Date, the amount of any Principal Charge Offs allocated against that Class C Note on that Monthly Determination Date as described in Section 8.16 "Charge Offs".

Class C Initial Invested Amount means, in relation to a Class C Note, the Initial Invested Amount of that Class C Note.

Class C Interest means all interest accrued on the Class C Notes in respect of a Quarterly Interest Period as described in Section 2.3 "Interest Payments".

Class C Note means each of the A\$18,000,000 Class C Mortgage Backed Pass Through Floating Rate Notes due September 2038.

Class C Noteholder means a Noteholder who holds a Class C Note.

Class C Principal Carryover Amount means, any Principal Collections allocated on a Monthly Payment Date (which is not also a Quarterly Payment Date) for retention in the Collection Account or investment in Authorised Investments, which amounts represent principal repayments on the Class C Notes and will be paid by the Issuer Trustee to the Class C Noteholders on the next Quarterly Payment Date.

Class C Principal Payment Amount means, on any Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) on and after the Stepdown Date, for so long as no Trigger Event exists, an amount equal to the lesser of:

- (a) on (i) any Monthly Payment Date which is not also a Quarterly Payment Date, the Principal Collections remaining for allocation to the Class C Principal Carryover Amount after payment of the Initial Principal Distributions and payments to the Liquidity Account and payment, or allocation to the Class A Principal Carryover Amount and the Class B Principal

Carryover Amount (as the case may be), of the Class A Principal Payment Amount and the Class B Invested Amount and (ii) any Quarterly Payment Date, the Principal Collections remaining for payment after payment of the Class A Principal Payment Amount and the Class B Principal Payment Amount; and

- (b) the greater of:
- (i) the A\$ Equivalent of aggregate of the outstanding Notional Invested Amounts of the Class A Notes plus the outstanding Notional Invested Amounts of the Class B Notes plus the outstanding Invested Amount of the Class C Notes for that Monthly Payment Date minus the product of:
 - (A) 100%; and
 - (B) the aggregate Unpaid Balance of the Purchased Loans as of the last day of that Monthly Collection Period; and
 - (ii) zero.

Class C Principal Payment means each payment to the Class C Noteholders as described in Sections 8.11 and 8.12.

Class C Stated Amount means, on a Quarterly Determination Date and in relation to a Class C Note, an amount equal to:

- (a) the Class C Initial Invested Amount for that Note; less
- (b) the aggregate of all Class C Principal Payments made before that Quarterly Determination Date with respect to that Class C Note; less
- (c) Carryover Class C Charge Offs (if any) made in relation to that Class C Note on that Quarterly Determination Date; less
- (d) Class C Principal Payments (if any) to be made in relation to that Class C Note on the next Quarterly Payment Date; less
- (e) Class C Charge Offs (if any) to be made in relation to that Class C Note on the next Quarterly Payment Date; plus
- (f) any Excess Available Income to be applied to reinstating any Carryover Charge Offs on the Class C Note on that Quarterly Determination Date.

Clearstream, Luxembourg means Clearstream Banking, société anonyme.

Closing Date see Sections 1.2(c) "Note Issue Summary" and 2.13(a) "Key Dates and Periods".

Collection Account means a bank account with St.George Bank or any other account opened and maintained by the Issuer Trustee with an Approved Bank in accordance with the Master Trust Deed.

Collection Period means a Monthly Collection Period or a Quarterly Collection Period.

Collections means, in relation to the Trust for a period, Finance Charge Collections and Principal Collections for that period.

Common Depository means Deutsche Bank AG, London Branch, as common depository for Euroclear and Clearstream, Luxembourg, or any other common depository for Euroclear and Clearstream, Luxembourg appointed from time to time to hold the Book-Entry Note.

Conditions	means, in relation to any Class A-1 Notes, the terms and conditions of those Class A-1 Notes, as set out in Section 3 “Terms and Conditions”.
Consumer Credit Legislation	means any legislation relating to consumer credit, including: <ul style="list-style-type: none"> (a) the Credit Act of any Australian jurisdiction; (b) the Consumer Credit Code (NSW) 1996; and (c) any equivalent legislation of any Australian jurisdiction.
Currency Swap	see sections 9.4 “The Currency Swap” and 15 “Transaction Documents”.
Currency Swap Provider	see Section 1.2(b) “Parties to the Transaction”.
Custodian	see Section 1.2(b) “Parties to the Transaction”.
Custodian Agreement	see Section 15 “Transaction Documents”.
Cut-Off Date	see Section 2.14(a) “Key Dates and Periods”.
Default	means a failure by the Issuer Trustee to comply with: <ul style="list-style-type: none"> (a) an obligation which is expressly imposed on it by the terms of a Transaction Document; or (b) a written direction given by the Manager in accordance with a Transaction Document (and in terms which are consistent with the requirements of the Transaction Documents) in circumstances where the Transaction Documents require or contemplate that the Issuer Trustee will comply with that direction, <p>in each case within any period of time specified in, or contemplated by, the relevant Transaction Document for such compliance. However, it will not be the Default of the Issuer Trustee if the Issuer Trustee does not comply with an obligation or direction where the Note Trustee or the Security Trustee directs the Issuer Trustee not to comply with that obligation or direction.</p>
Defaulting Party	in relation to: <ul style="list-style-type: none"> (a) a Fixed-Floating Rate Swap has the meaning given in that Fixed-floating Rate Swap; (b) the Currency Swap has the meaning given in the Currency Swap.
Definitive Note	means a registered note in definitive form issued or to be issued in respect of Class A-1 Notes under, and in the circumstances specified in, the Note Trust Deed, and includes any replacement for a Definitive Note issued under the relevant Conditions.
Determination Date	a Monthly Determination Date or a Quarterly Determination Date.
Eligibility Criteria	see Section 6.2(j) “Approved Seller Representations and Warranties”.
EURIBOR	means the rate “EUR-EURIBOR – Telerate”, as the applicable Floating Rate Option under the Definitions of the International Swaps and Derivatives Association, Inc. (“ISDA”) incorporating the 2000 ISDA Definitions, as amended and updated as at the Issue Date (the “ISDA Definitions”) being applicable for deposits in Euros for a period of three months (or, in the case of the first Quarterly Interest Period, the linear interpolation of 2 and 3 months) which appears on the Reuters Page EURIBOR01 as of 11.00 am, Brussels time, on the relevant Interest Determination Date. If such rate does not appear on the Reuters Page EURIBOR01, the rate for that Quarterly Interest Period will be determined as if the Issuer Trustee and the Calculation Agent had specified “EUR-EURIBOR-Reference Banks” as the

applicable Floating Rate Option under the ISDA Definitions. “EUR-EURIBOR-Reference Banks” means that the rate for a Quarterly Interest Period for a Class A-1 Note will be determined on the basis of the rates at which deposits in Euros are offered by four major banks in the Euro-zone interbank market agreed to by the Calculation Agent and the Currency Swap Provider (the “Reference Banks”) at approximately 11.00 am, Brussels time, on the relevant Interest Determination Date to prime banks in the Euro- zone interbank market for a period of three months (or, in the case of the first Quarterly Interest Period, the linear interpolation of 2 and 3 months) commencing on the first day of the Quarterly Interest Period and in a Representative Amount (as defined in the ISDA Definitions). The Calculation Agent will request the principal Euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided by Reference Banks to the Calculation Agent, the rate for that Quarterly Interest Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided by Reference Banks to the Calculation Agent following the Calculation Agent's request, the rate for that Quarterly Interest Period will be the arithmetic mean of the rates quoted by four major banks in the Euro-zone, selected by the Calculation Agent and the Currency Swap Provider, at approximately 11.00 am, Brussels time, on that Interest Determination Date for loans in Euros to leading European banks for a period of three months (or, in the case of the first Quarterly Interest Period, the linear interpolation of 2 and 3 months) commencing on the first day of the Quarterly Interest Period and in a Representative Amount. If no such rates are available in the Euro-zone, then the rate for such Quarterly Interest Period will be the most recently determined rate in accordance with this definition.

Euro and €	means the single currency introduced at the third stage of the European Economic and Monetary Union pursuant to the Treaty Establishing the European Community, as amended.
Euro Account	means, in relation to the Trust, the Euro account opened with the Principal Paying Agent, or any other Euro account opened and maintained outside Australia with the Principal Paying Agent so long as the Principal Paying Agent is an Approved Bank.
Euro Equivalent	means, in relation to an amount denominated or to be denominated in Australian dollars, that amount converted to (and denominated in) Euros at the Euro Exchange Rate.
Euro Exchange Rate	means, on any date in respect of the Currency Swap, the rate of exchange (set as at the commencement of the Currency Swap) applicable under the Currency Swap for the exchange of Australian dollars for Euros.
Euroclear	means Euroclear Bank S.A./N.V.
Event of Default	see Section 11.2 “Enforcing the Security”.
Excess Available Income	see Section 8.8(a).
Excess Distribution	in relation to a Quarterly Collection Period, the amount (if any) by which the Excess Available Income for that Quarterly Collection Period exceeds the amount applied in Section 8.8(b) “Distribution of Excess Available Income” on each Quarterly Determination Date relative to that Quarterly Collection Period.
Extraordinary Resolution	(a) in relation to the Noteholders of the Trust, subject to the provisions of the Note Trust Deed: <ul style="list-style-type: none"> (i) a resolution passed at a meeting of the Noteholders of the Trust duly convened and held in accordance with the

Master Trust Deed by a majority consisting of not less than 75% of the votes able to be cast by Noteholders (by show of hands or poll, as the case may be); or

- (ii) a resolution in writing signed by all the Noteholders of the Trust; and
- (b) in relation to the Voting Mortgagees, subject to the provisions of the Security Trust Deed:
 - (i) where the Note Trustee is the only Voting Mortgagee, a resolution of the Note Trustee alone; or
 - (ii) otherwise, in relation to the Voting Mortgagees:
 - (A) a resolution passed at a meeting of the Voting Mortgagees duly convened and held in accordance with the provisions contained in the Security Trust Deed by a majority consisting of not less than 75% of the votes capable of being cast at that meeting by Voting Mortgagees present in person or by proxy; or
 - (B) a resolution in writing pursuant to the Security Trust Deed signed by all the Voting Mortgagees.

Fair Market Value	in relation to a Purchased Loan and the related security, the fair market value of that Purchased Loan and the related security agreed between the Issuer Trustee (acting on appropriate expert advice) and the Approved Seller, or in the absence of such agreement as determined by the Auditor.
Final Maturity Date	see Section 1.2(c) "Note Issue Summary".
Finance Charge Collections	see Section 8.4 "Available Income".
Finance Charge Loss	means, with respect to any Purchased Loan, Liquidation Losses which are attributable to interest, fees and expenses in relation to the Purchased Loan.
Financial Year	means, for the purposes of the Master Trust Deed with respect to the Trust, each year ending on and including 30 September.
Fitch Ratings	means Fitch Australia Pty Limited.
Fixed-Floating Rate Swap	see Sections 9.3 "Basis Swap and Fixed-Floating Rate Swap" and 15 "Transaction Documents".
Fixed-Floating Rate Swap Provider	see Section 1.2(b) "Parties to the Transaction".
Further Advance	means, in relation to any Monthly Collection Period, an amount provided to a Borrower by the Approved Seller under a Purchased Loan in that Monthly Collection Period which increases the principal amount of that Purchased Loan and which is not a Redraw (notwithstanding that the scheduled principal balance is required to be increased by reason of the provision of that amount).
GST	means any goods and services tax, broad based consumption tax or value added tax imposed by any government agency and includes any goods and services tax payable under the A New Tax System (Goods and Services Tax) Act 1999.
Hedge Agreement	means any arrangement in relation to interest rates and/or currency exchanges made by the Issuer Trustee with respect to the Purchased Loans or Notes and includes the Basis Swap, the Fixed-Floating Rate Swap and the Currency Swap.
Indemnifier	see Section 1.2(b) "Parties to the Transaction".

Indemnity	see Section 15 “Transaction Documents”.
Initial Invested Amount	see Section 1.2(c) “Note Issue Summary”.
Initial Principal Distribution	see Section 8.10(a).
Insolvency Event	<p>in relation to the Issuer Trustee (in its personal capacity or as Issuer of the Trust), the Manager, the Custodian, an Approved Seller or the Servicer (each a “relevant corporation”) means the happening of any of the following events:</p> <p>(a) except for the purpose of a solvent reconstruction or amalgamation:</p> <p style="padding-left: 2em;">(i) an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting or an application to a court or other steps (other than frivolous or vexatious applications, proceedings, notices and steps) are taken for:</p> <p style="padding-left: 4em;">(A) the winding up, dissolution or administration of the relevant corporation; or</p> <p style="padding-left: 4em;">(B) the relevant corporation entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them,</p> <p style="padding-left: 2em;">and is not dismissed, ceased or withdrawn within 15 Business Days; or</p> <p style="padding-left: 2em;">(ii) the relevant corporation ceases, suspends or threatens to cease or suspend the conduct of all or substantially all of its business or disposes of or threatens to dispose of substantially all of its assets;</p> <p>(b) the relevant corporation is, or under applicable legislation is taken to be, unable to pay its debts (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute) or stops or suspends or threatens to stop or suspend payment of all or a class of its debts (except, in the case of the Issuer Trustee, where this occurs in relation to another trust of which it is the trustee);</p> <p>(c) a receiver, receiver and manager or administrator is appointed (by the relevant corporation or by any other person) to all or substantially all of the assets and undertakings of the relevant corporation or any part thereof (except, in the case of the Issuer Trustee, where this occurs in relation to another trust of which it is the trustee); or</p> <p>(d) anything analogous to an event referred to in paragraphs (a) to (c) above (inclusive) or having substantially similar effect occurs with respect to the relevant corporation.</p>
Interest	means Class A Interest, Class B Interest or Class C Interest.
Interest Determination Date	see Section 1.2(c) “Note Issue Summary”.
Interest Payments	see Sections 1.2(c) “Note Issue Summary” and 2.3 “Interest Payments”.
Interest Period	means a Monthly Interest Period or a Quarterly Interest Period, as relevant
Interest Rate	see Section 2.3(d) “Interest Rate”.
Invested Amount	means on a Monthly Determination Date (including a Monthly Determination Date which is also a Quarterly Determination Date), as applicable, in relation to a Note, the Initial Invested Amount of that

	Note minus the aggregate of Principal Payments made in respect of that Note on or before the Monthly Determination Date.
ISDA Definitions	means the 2000 Definitions published by the International Swaps and Derivatives Association, Inc.
Issuer Trustee	see Section 1.2(b) "Parties to the Transaction".
Lead Manager	see Section 1.2(b) "Parties to the Transaction".
Liquidation Loss	means, for a Monthly Collection Period, the amount (if any) by which the Unpaid Balance of a Purchased Loan (together with the enforcement expenses relating to the Purchased Loan and the related Mortgage) exceeds the Liquidation Proceeds in relation to such Purchased Loan for such Monthly Collection Period.
Liquidation Proceeds	in relation to a Purchased Loan, all amounts recovered from enforcement of that Purchased Loan and related Mortgage (not including proceeds of a Mortgage Insurance Policy).
Liquidity Account	see Section 1.3(e)(iii) "Liquidity Reserve".
Liquidity Draw	see Section 9.2(c) "Liquidity Draw".
Liquidity Limit	see Section 1.3(e)(iii) "Liquidity Reserve".
Liquidity Reserve	see Section 1.3(e)(iii) "Liquidity Reserve".
Liquidity Shortfall	see Section 8.6 "Liquidity Draw".
LMI Insurer	see Section 9.1(c).
LMI Policies	see Section 9.1(c).
Loan	means a loan secured by a Mortgage and which satisfies the Eligibility Criteria.
Loan Offset Deposit Account	means any deposit account maintained by a Borrower under a Purchased Loan with the Approved Seller where an amount equal to the interest which would otherwise accrue on that account is offset against moneys owed by that Borrower under that Purchased Loan, in accordance with the relevant Receivables Contract.
Loan Offset Interest Amount	means, in relation to any Borrower under a Purchased Loan, the amount of any interest which would be payable by the Approved Seller to that Borrower on amounts standing to the credit of the Borrower's Loan Offset Deposit Account, if interest was payable on that account.
LVR	means for a Purchased Loan, the outstanding amount of such Purchased Loan, plus any other amount secured by the relevant Mortgage, at the date of determination divided by the aggregate value (determined at the time the Mortgage was granted or as may be revalued from time to time in accordance with the Servicer's usual procedures) of the Mortgaged Property subject to the related Mortgage for that Purchased Loan, expressed as a percentage.
LVR Insurance Policy	see Section 9.1(b).
LVR Insurer:	see Section 9.1(b).
Manager	see Section 1.2(b) "Parties to the Transaction".
Margin	see Sections 1.2(c) "Note Issue Summary" and 2.3(d) "Interest Rate".
Master Trust Deed	see Section 15 "Transaction Documents".
Material Adverse Effect	means, in relation to an event, an event which will materially and adversely affect the amount of any payment to be made to any

Noteholder, or will materially and adversely affect the timing of such payment.

Modified Following Business Day Convention	see Section 2.6(b) "Payment to be made on Business Day"
Monthly Collection Period	see Section 2.14(a) "Key Dates and Periods".
Monthly Determination Date	see Section 2.14(a) "Key Dates and Periods".
Monthly Interest Period	see Section 2.14(a) "Key Dates and Periods".
Monthly Payment Date	see Section 2.14(a) "Key Dates and Periods".
Moody's	means Moody's Investor Services Inc or Moody's Investor Services Pty Limited, each member of the group of companies of which that company is a member, and their respective successors and assigns.
Mortgage	means for a Purchased Loan or a housing loan offered for sale pursuant to a Sale Notice as the case may be, means a registered (or pending registration, registrable) mortgage over land, situated in any Australian jurisdiction, and securing the repayment of the outstanding principal on such Purchased Loan or housing loan, as the case may be, and all other moneys payable under such Purchased Loan or housing loan, as the case may be.
Mortgage Insurance Policy	see Section 9.1 "Mortgage Insurance Policies".
Mortgage Insurer	see Sections 1.2(b) "Parties to the Transaction" and 9.1 "Mortgage Insurance Policies".
Mortgage Pool	means all Purchased Loans and related Mortgages, originated by the Approved Seller and equitable title to which are held by the Issuer Trustee as trustee of the Trust from time to time.
Mortgage Shortfall	<p>means in relation to a Purchased Loan, the amount (if a positive number) equal to the Principal Loss for that Purchased Loan minus the aggregate of:</p> <ul style="list-style-type: none">(a) the total amount recovered and recoverable in respect of that Purchased Loan under the Mortgage Insurance Policy, determined to be attributable to principal; and(b) the total amount recovered and recoverable by the Issuer Trustee from the Approved Seller or the Servicer (as the case may be) in respect of that Purchased Loan (by way of damages or otherwise) under or in respect of the Master Trust Deed, the Supplementary Terms Notice or the Servicing Agreement (as the case may be), determined by the Manager to be attributable to principal. <p>For the purposes of this definition:</p> <ul style="list-style-type: none">(a) an amount shall be regarded as not recoverable upon the earlier of:<ul style="list-style-type: none">(i) a determination being made, in the case of paragraph (a), by the Manager, and in the case of paragraph (b), by the Issuer Trustee, in each case upon the advice of such suitably qualified expert advisers as the Manager or the Issuer Trustee (as the case may be) thinks fit, that there is no such amount, or that such amount is not likely to be recovered (including because the Mortgage Insurance Policy has been terminated, the Mortgage Insurer is entitled to reduce the amount of the claim or the Mortgage Insurer defaults in payment of a claim); and(ii) the date which is two years after the Monthly Determination Date upon which the relevant Principal Loss was

determined in Section 8.14 "Allocating Liquidation Losses";
and

- (b) a Mortgage Shortfall arises on the date upon which there are no further amounts referred to in (a) and (b) recoverable in respect of the relevant Purchased Loan.

Mortgaged Property	means in relation to a Purchased Loan the land the subject of the Mortgage relating to that Purchased Loan.
Mortgagees	see Section 11.1 "The Security Structure – General".
Non-Resident	means a person not a resident of Australia.
Note	means a Class A Note, a Class B Note or a Class C Note.
Noteholder	means a Class A Noteholder, a Class B Noteholder or a Class C Noteholder.
Noteholder Mortgagee	means, together: <ul style="list-style-type: none">(a) the Note Trustee on behalf of the Class A-1 Noteholders save that where the Note Trustee has become bound to take steps and/or proceed hereunder and fails to do so within a reasonable time and such failure is continuing, the Class A-1 Noteholders and then only if and to the extent permitted under the Transaction Documents and Australian law; and(b) each A\$ Noteholder.
Note Registrar	see Section 1.2(b) "Parties to the Transaction".
Note Trust Deed	see Section 15 "Transaction Documents".
Note Trustee	see Section 1.2(b) "Parties to the Transaction".
Notice	see Section 15 "Transaction Documents".
Notional Invested Amount	means, on any Monthly Payment Date in relation to a Note: <ul style="list-style-type: none">(a) if that Monthly Payment Date is also a Quarterly Payment Date, the Invested Amount of that Note on that Quarterly Payment Date; and(b) if that Monthly Payment Date is not also a Quarterly Payment Date, the Invested Amount of that Note on that Monthly Payment Date and, with respect to any Note (other than a Class A-2 Note) minus all Principal Carryover Amounts or the Euro Equivalent (in the case of the Class A-1 Notes) of such amounts allocated for that Note up to and including that Monthly Payment Date in the relevant Quarterly Interest Period.
Notional Stated Amount	means, on any Monthly Payment Date in relation to a Note: <ul style="list-style-type: none">(a) if that Monthly Payment Date is also a Quarterly Payment Date, the Stated Amount of that Note on that Quarterly Payment Date (excluding any applicable Principal Payments on that Monthly Payment Date); and(b) if that Monthly Payment Date is not also a Quarterly Payment Date, the Stated Amount of that Note on that Monthly Payment Date (excluding any applicable Principal Payments on that Monthly Payment Date) and, with respect to any Note other than a Class A-2 Note:<ul style="list-style-type: none">(i) minus all Principal Carryover Amounts (or the Euro Equivalent (in the case of Class A-1 Notes) of such amounts) allocated for that Note up to but excluding

that Monthly Payment Date in the relevant Quarterly Interest Period;

- (ii) plus all amounts (or the Euro Equivalent (in the case of Class A-1 Notes) of such amounts) allocated to the Carryover Charge Offs for that Note up to and excluding that Monthly Payment Date as described in Section 8.8(c) in the relevant Quarterly Interest Period; and
- (iii) minus all amounts (or the Euro Equivalent (in the case of Class A-1 Notes) of such amounts) allocated to that Note up to but excluding that Monthly Payment Date as described in Section 8.16”.

Offshore Associate

means, in relation to an entity, an associate (as defined in section 128F of the Income Tax Assessment Act 1936 (Cth)) of that entity (and which, where that entity is a trust, would include the beneficiaries of that trust and any of their associates) that is either a non-resident of Australia that does not acquire Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, is a resident of Australia that acquires Notes in carrying on a business at or through a permanent establishment outside of Australia.

One Month Bank Bill Rate

means on any date the rate quoted on the Reuters Screen BBSW Page at approximately 10.00am, Sydney time, on that date (the “**Calculation Day**”) for each BBSW Reference Bank so quoting (but not fewer than five) as being the mean buying and selling rate for a bill (which for the purpose of this definition means a bill of exchange of the type specified for the purpose of quoting on the Reuters Screen BBSW Page) having a tenor of 30 days eliminating the highest and lowest mean rates and taking the average of the remaining mean rates and then (if necessary) rounding the resultant figure upwards to four decimal places, or in the case of the first Monthly Interest Period, the linear interpolation of 2 and 3 months. If on the Calculation Day fewer than five BBSW Reference Banks have quoted rates on the Reuters Screen BBSW Page, the rate shall be calculated as above by taking the rates otherwise quoted by five of the BBSW Reference Banks on application by the parties for such a bill of the same tenor. If in respect of the Calculation Day the rate cannot be determined in accordance with the foregoing procedures then the rate for the Calculation Day shall mean such rate as is agreed between the Manager and the Issuer Trustee having regard to comparable indices then available.

Paying Agent

means any person for the time being appointed as a paying agent under the Agency Agreement and includes the Principal Paying Agent.

Payment Date

a Monthly Payment Date or a Quarterly Payment Date.

Payment Shortfall

see Section 1.3(e)(ii) “Principal Draws”.

Power of Attorney

see Section 15 “Transaction Documents”.

Pricing Date

see Section 1.2 (c) “Note Issue Summary”.

Principal Carryover Amount

means a Class A-1 Principal Carryover Amount, a Class B Principal Carryover Amount or a Class C Principal Carryover Amount, as relevant.

Principal Charge Off

in relation to any Monthly Collection Period, the aggregate of all Mortgage Shortfalls for that Monthly Collection Period and, in relation to the final Monthly Collection Period, includes all Principal Draws and Liquidity Draws outstanding on the Monthly Payment Date for that Monthly Collection Period (after applying all amounts then available

	towards repaying those Principal Draws and Liquidity Draws on the Monthly Payment Date).
Principal Collections	see Section 8.9. "Principal Collections".
Principal Draw	see Sections 1.3(e)(ii) "Principal Draws" and 8.5 "Principal Draws".
Principal Loss	see Section 8.14 "Allocating Liquidation Loss".
Principal Paying Agent	see Section 1.2(b) "Parties to the Transaction".
Principal Payment	means a Class A Principal Payment, a Class B Principal Payment or a Class C Principal Payment.
Purchase Price	the principal balance outstanding as at the Closing Date of the housing loans offered for sale on the Closing Date pursuant to the Sale Notice, including those substituted prior to the Closing Date as described in Section 5.3 "Details of the Mortgage Pool".
Purchased Loan	see Section 1.2(a) "General Information – Overview", and where the context requires includes any Mortgage forming part of the Assets of the Trust which secures the relevant Purchased Loan.
Quarterly Collection Period	see Section 2.14(a) "Key Dates and Periods".
Quarterly Determination Date	see Section 2.14(a) "Key Dates and Periods".
Quarterly Interest Period	see Section 2.14(a) "Key Dates and Periods".
Quarterly Payment Date	see Sections 1.2(c) "Note Issue Summary" and 2.13(a) "Key Dates and Periods".
Rating Agency	means S&P, Moody's or Fitch Ratings.
Real Property Legislation	means any law relating to the registration, priority or effectiveness of any mortgage over land in any Australian jurisdiction.
Receivables	see Section 1.2(a) "General Information – Overview".
Receivables Contract	for a Purchased Loan or a housing loan offered for sale pursuant to a Sale Notice as the case may be, any agreement or arrangement entered into between the Approved Seller and the Borrower under which the Borrower incurs obligations to the Approved Seller with respect to such Purchased Loan or housing loan, as the case may be.
Recovery	means any amount received by the Servicer under or in respect of a Purchased Loan and the related rights at any time after a Finance Charge Loss or Principal Loss has arisen in respect of that Purchased Loan, provided that amount is not otherwise payable to a Mortgage Insurer under a Mortgage Insurance Policy.
Redraw	see Section 1.3(f) "Redraws and Further Advances".
Redraw Retention Amount	see Section 8.13(b) "Redraws and Further Advances".
Relevant Party	means each of the Manager, the Servicer, the Calculation Agent, the Custodian, each Paying Agent, the Note Registrar, the Note Trustee, the Basis Swap Provider and the Currency Swap Provider or any other provider of a Support Facility.
Replacement Currency Swap	see Section 8.19 "Replacement of Currency Swap".
Residual Income Beneficiary	see Section 1.2(b) "Parties to the Transaction".
Reverted Housing Loan	see Section 9.1(a).
Reverted Housing Loan LMI Insurer	see Section 9.1(d)(i).
Reverted Housing Loan LMI Policy	see Section 9.1(d)(i).

Reverted Housing Loan (Pool)	see Section 9.1(a).
Reverted Housing Loan (Specific)	see Section 9.1(a).
Reverted Housing Loan Insurance Policy	see Section 9.1(b).
Reverted Housing Loan Insurer	see Section 9.1(b).
Reverted Housing Loan Specific Insurance Policy	see Section 9.1(b).
S&P	Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc.
Sale Notice	see Section 6.1(a) "Sale Notice".
Secured Moneys	means all money which the Issuer Trustee is or at any time may become actually or contingently liable to pay to or for the account of any Mortgagee (including a Noteholder) for any reason whatever under or in connection with a Trust Document.
Security Trustee	see Section 1.2 (b) "Parties to the Transaction".
Security Trust Deed	see Section 15 "Transaction Documents".
Servicer	see Section 1.2 (b) "Parties to the Transaction".
Servicer Transfer Event	see Section 10.4(d) "Removal and Retirement of the Servicer".
Servicing Agreement	see Section 15 "Transaction Documents".
Insurance Policy	see Section 9.1(b) "Insurance Policies".
Insurer	see Section 9.1(b) "Insurance Policies".
Spread	in respect of the Currency Swap has the meaning given in the Currency Swap in respect of payments by the Issuer Trustee under the Currency Swap.
Standby Swap Provider	means the Standby Basis Swap Provider or the Standby Fixed-Floating Rate Swap Provider.
Stated Amount	means a Class A Stated Amount, a Class B Stated Amount or a Class C Stated Amount.
Stepdown Date	means 13 September 2010.
Step-Up Margin	see Section 1.2(c) "Note Issue Summary" and 2.3(b) "Step-Up Margin".
St.George Bank Group	see Section 5.2(a) "Origination Process".
Subscription Agreement	see Section 15 "Transaction Documents".
Supplementary Terms Notice	see Section 15 "Transaction Documents".
Support Facility	means the support facilities set out in Section 10 "The Trust", including: <ul style="list-style-type: none"> (a) each Mortgage Insurance Policy; (b) the Basis Swap; (c) the Fixed-Floating Rate Swap; and (d) the Currency Swap.
Support Facility Provider	means any person who has entered into or agreed to make available a Support Facility (other than a Mortgage Insurance Policy or a Title Insurance Policy) to the Issuer Trustee in relation to the Trust.

Surplus Amount	see Section 1.3(e)(iii) "Liquidity Reserve".
Swap	means the Basis Swap, the Fixed-Floating Rate Swap or the Currency Swap.
Swap Provider	means the Basis Swap Provider, the Fixed-Floating Rate Swap Provider or the Currency Swap Provider.
Tax Act	see Section 12.1(a) "Payments of Principal Premiums and Interest".
Termination Date	see Section 10.6(a) "Termination Events".
Three Month Bank Bill Rate	means on any date the rate quoted on the Reuters Screen BBSW Page at approximately 10.00am, Sydney time, on that date (the " Calculation Day ") for each BBSW Reference Bank so quoting (but not fewer than five) as being the mean buying and selling rate for a bill (which for the purpose of this definition means a bill of exchange of the type specified for the purpose of quoting on the Reuters Screen BBSW Page) having a tenor of 3 months (or, where the relevant date is the first day of the first Quarterly Interest Period, the rate will be determined by linear interpolation calculated by reference to the duration of the first Quarterly Interest Period) eliminating the highest and lowest mean rate and taking the average of the remaining mean rates and then (if necessary) rounding the resultant figure upwards to four decimal places. If on the Calculation Day fewer than five BBSW Reference Banks have quoted rates on the Reuters Screen BBSW Page, the rate shall be calculated as above by taking the rates otherwise quoted by five of the BBSW Reference Banks on application by the parties for such a bill of the same tenor. If in respect of the Calculation Day the rate for that date cannot be determined in accordance with the foregoing procedures then the rate shall mean such rate as is agreed between the Manager and St.George Bank having regard to comparable indices then available.
Threshold Rate	see Section 9.3(e) "Threshold Rate".
Title Documents	see Section 10.5 "The Custodian – General".
Title Perfection Event	see Section 10.7 "Perfection of Title".
Total Available Funds	see Section 8.3 "Determining Total Available Funds".
Total Payments	see Section 8.7(d) "Total Payments".
Total Stated Amount	the total Stated Amount on all Notes at any time.
Transaction Documents	see Section 15 – "Transaction Documents".
Trigger Event	subsists on any Monthly Payment Date (including a Monthly Payment Date which is also a Quarterly Payment Date) if: <ul style="list-style-type: none"> (a) the aggregate of the Notional Stated Amounts for the Class B Notes and the Class C Notes, divided by the aggregate of the Notional Stated Amounts for all Notes on that Monthly Payment Date, is less than 5%; (b) the average of the Arrears Percentages for the 12 months immediately preceding that Monthly Payment Date (or, where that Monthly Payment Date occurs within 12 months of the Closing Date, the period commencing on the Closing Date and ending on that Monthly Payment Date) exceeds 4%; (c) cumulative Mortgage Shortfalls up to and including that Monthly Payment Date exceed 10% of the aggregate initial Invested Amounts of the Class B Notes and the Class C Notes; or (d) that Monthly Payment Date is a date on or after the Call Date and the Issuer Trustee has not exercised its option to redeem, on

a Quarterly Payment Date, all Notes outstanding on the Call Date.

Trust	see Section 1.2(a) – “General Information Overview”.
Trust Document	means each of: <ul style="list-style-type: none">(a) the Security Trust Deed;(b) the Master Trust Deed;(c) the Supplementary Terms Notice;(d) the Notice of Creation of Trust with respect to the Trust;(e) the Servicing Agreement;(f) the Custodian Agreement;(g) each Note;(h) each Support Facility;(i) the Subscription Agreement;(j) the Agency Agreement; and(k) the Note Trust Deed.
Trust LMI Insurer	see Section 9.1(d)(i)
Trust LMI Policy	see Section 9.1(d)(i)
Trust Expenses	see Section 8.7(e) – “Trust Expenses”.
Unpaid Balance	of a Purchased Loan, the sum of: <ul style="list-style-type: none">(a) the unpaid principal amount of that Purchased Loan; and(b) the unpaid amount of all finance charges, interest payments and other amounts accrued on or payable under or in connection with that Purchased Loan or the related Mortgage or other rights relating to the Purchased Loan.
Voting Mortgagee	means <ul style="list-style-type: none">(a) with respect only to the enforcement of the security under the Security Trust Deed, for so long as the Secured Moneys of the Class A-1 Noteholders and the A\$ Noteholders represent 75% or more of total Secured Moneys, the Noteholder Mortgagees alone; and(b) at any other time (subject to the Note Trust Deed and the Security Trust Deed):<ul style="list-style-type: none">(i) the Note Trustee, acting on behalf of the Class A-1 Noteholders under the Note Trust Deed and the Security Trust Deed and, if the Note Trustee has become bound to take steps and/or to proceed hereunder and fails to do so within a reasonable time and such failure is continuing, the Class A-1 Noteholders and then only if and to the extent the Class A-1 Noteholders are able to do so under the Transaction Documents and Australian law; and(ii) each other Mortgagee (as defined in the Security Trust Deed) other than the Class A-1 Noteholder.
Weighted Average Australian Bank Bill Rate	means, the sum of: <ul style="list-style-type: none">(a) the One Month Bank Bill Rate (as at the start of the Monthly Interest Period for that Monthly Payment Date) multiplied by the proportion which the aggregate Invested Amount of the

Class A-2 Notes bears to the aggregate Invested Amount of all Notes as at the start of that Monthly Interest Period; and

- (b) the Three Month Bank Bill Rate (as at the start of the current Quarterly Interest Period) multiplied by the proportion which the aggregate Invested Amount of the Class A-1 Notes, the Class B Notes and the Class C Notes bears to the aggregate Invested Amount of all Notes as at the start of that Monthly Interest Period.

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SERVICER

St.George Bank Limited

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MANAGER

Crusade Management Limited

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Kogarah NSW 2217
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CUSTODIAN

St.George Custodial Pty Limited

4-16 Montgomery Street
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AUSTRALIA

ISSUER

Perpetual Trustees Consolidated Limited

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SECURITY TRUSTEE

P.T. Limited

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NOTE TRUSTEE

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FIXED-FLOATING RATE SWAP PROVIDER**

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**STANDBY BASIS SWAP PROVIDER AND
STANDBY FIXED-FLOATING RATE SWAP PROVIDER**

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