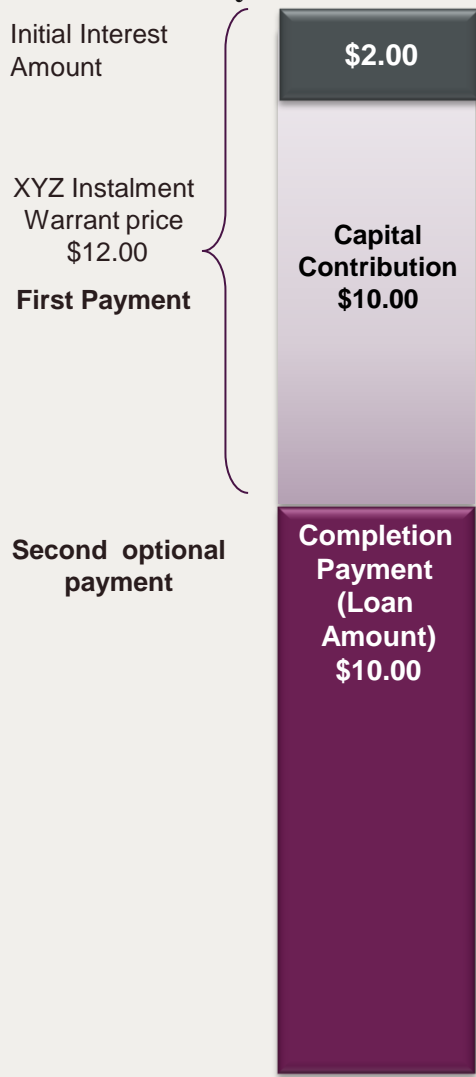


Self-Funding Instalment Warrants (SFIs)

On purchase
1 July Yr1

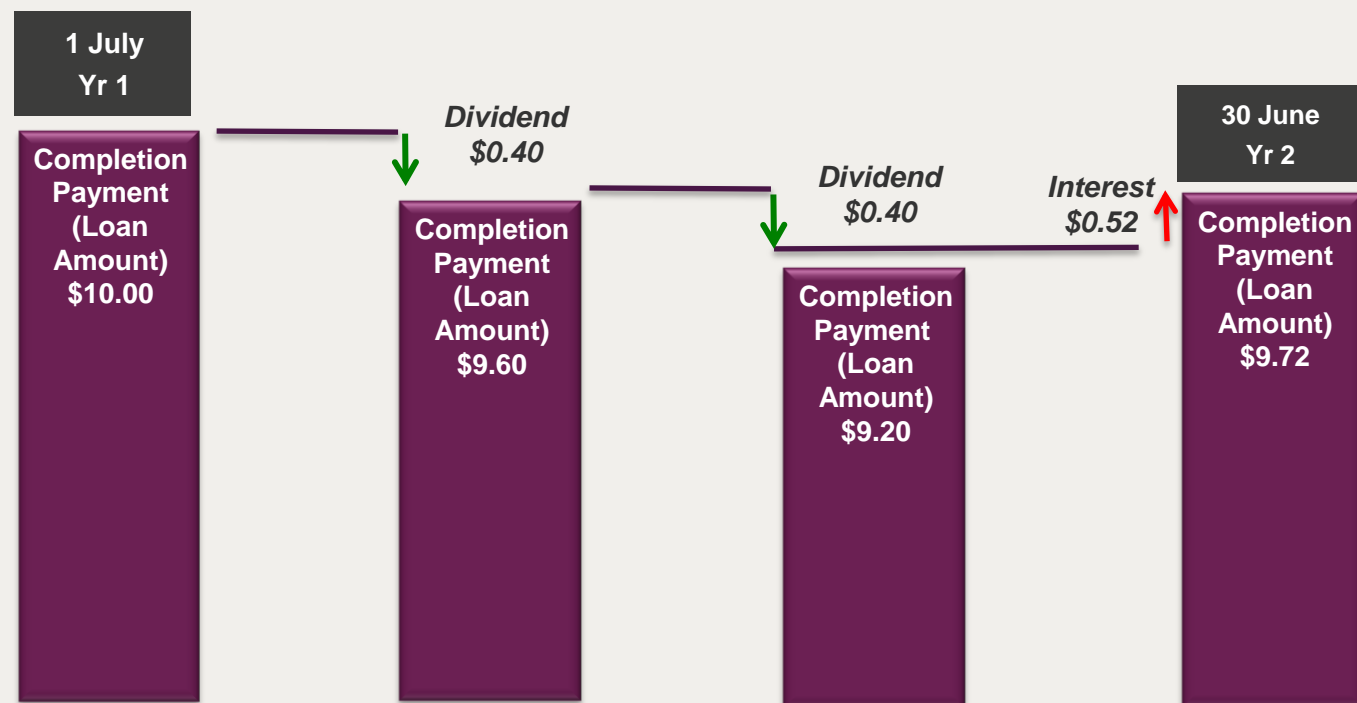


Ordinary dividends or distributions on the underlying security

- ▶ The 'self funding' component of SFIs derives from the fact that ordinary dividends or distributions paid on the underlying securities are used to reduce the Loan Amount

Interest amount

- ▶ Ongoing interest is charged once a year (usually on 30 June) and automatically added to the Loan Amount



The above illustration assumes an underlying security price of \$20 as at 1 July Yr 1, XYZ Instalment Warrant price of \$12.00, a theoretical interest rate of 5.17% p.a and two dividends of 40c each declared and paid on the underlying securities during the financial year (4% div yield). Dividends cannot be reliably predicted and may not be declared or paid at all. The interest capitalised to the loan may be higher than the dividends received from the underlying securities, causing the loan amount to increase rather than decline as shown above.

