Medallion Trust

Medallion Trust Series 2004-1G
Information Memorandum



A$810,000,000
Class A-2 Mortgage Backed Pass-Through Floating Rate Securities due 25 May 2035

Provisional Rating
"AAA" by Standard & Poor's Ratings Group
"Aaa" by Moody's Investors Service Inc.

A$53,000,000
Class B Mortgage Backed Pass-Through Floating Rate Securities due December 25 May 2035

Provisional Rating
"AA" by Standard & Poor's Ratings Group

Commonwealth Bank of Australia
ABN 48 123 123 124
Structural Advisor and Lead Manager

23 March 2004

No Guarantee by Commonwealth Bank of Australia

The Class A-2 notes and the Class B notes do not represent deposits or other liabilities of Commonwealth Bank of Australia ABN 48 123 123 124 (**"Commonwealth Bank"**), Homepath Pty Limited ABN 35 081 986 530 (**"Homepath"**) or any other member of the Commonwealth Bank group. None of Commonwealth Bank, Homepath, Securitisation Advisory Services Pty. Limited ABN 88 064 133 946 (the **"Manager"**), or any other member of the Commonwealth Bank group guarantees the payment or repayment or the return of any principal invested in, or any particular rate of return on, the Class A-2 notes, the Class B notes or the performance of the Assets of the Series Trust.

In addition, none of the obligations of the Manager are guaranteed in any way by Commonwealth Bank, Homepath or any other member of the Commonwealth Bank group.

The Class A-2 notes and the Class B notes are subject to Investment Risk

The holding of the Class A-2 notes and the Class B notes is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

US Selling Restrictions

The Class A-2 notes and the Class B notes have not been and will not be registered under the United States Securities Act of 1933 as amended (the **"Securities Act"**) and may not be offered or sold within the United States 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 the registration requirements of the Securities Act. The Class A-2 notes and the Class B notes are being offered for sale outside the United States in accordance with Regulation S and the Securities Act. For a description of certain further restrictions on offers and sales of the Class A-2 notes and the Class B notes and the distribution of this Information Memorandum, see Section 15 below.

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1. Important notice

1.1 Purpose

This Information Memorandum relates solely to a proposed issue of Class A-2 notes and Class B notes by Perpetual Trustee Company Limited ABN 42 000 001 007 (the **"Trustee"**) in its capacity as trustee of the Medallion Trust Series 2004-1G (the **"Series Trust"**).

The sole purpose of this Information Memorandum is to assist the recipient to decide whether to proceed with a further investigation regarding whether it should invest in the Class A-2 notes and Class B notes. The Information Memorandum is not relevant for any other purpose. In particular, but without limiting the generality of the foregoing, nothing herein contained should be construed as constituting an offer to subscribe for or purchase or an invitation to subscribe for or buy any US$1,300,000,000 Class A-1 notes or €500,000,000 Class A-3 notes which it is proposed will be issued by the Trustee contemporaneously with the issue of the Class A-2 notes and Class B notes. The Information Memorandum contains only a summary of the terms and conditions of the Class A-2 notes and Class B notes and does not purport to contain all the information a person considering investing in Class A-2 notes and Class B notes may require. The terms and conditions of the Class A-2 notes and Class B notes are contained in the Transaction Documents. If there is any inconsistency between this Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information. A copy of the Transaction Documents may be viewed at the offices of the Manager.

1.2 Terms

References in this Information Memorandum to various documents are explained in Section 16. Unless defined elsewhere, all other terms are defined in the Glossary in Section 17. Sections 16 and 17 should be referred to in conjunction with any review of this Information Memorandum.

1.3 Limited Responsibility for Information

The Manager has prepared this Information Memorandum based on information available and facts and circumstances known to it as at 17 March 2004 (the **"Preparation Date"**). The Manager has requested and authorised the distribution of this Information Memorandum and has sole responsibility for its accuracy. Whilst the Manager believes the statements made in this Information Memorandum are accurate, neither it nor Commonwealth Bank, Homepath, the Trustee or P.T. Limited ABN 67 004 454 666 (the **"Security Trustee"**) nor any external adviser to any of the foregoing, makes any representation or warranty, express or implied, as to, nor assumes any responsibility or liability for, the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum or in any previous, accompanying or subsequent material or presentation.

None of Commonwealth Bank, Homepath, the Trustee or the Security Trustee have authorised or caused the issue of, or (subject to the following) make any statement in, any part of this Information Memorandum. Each of Commonwealth Bank, Homepath, the Trustee and the Security Trustee expressly disclaims, and takes no responsibility for any part of, this Information Memorandum.

The only role of the Trustee and the Security Trustee in the preparation of this Information Memorandum has been to confirm to the Manager as accurate in all material respects as at the Preparation Date the references in this Information Memorandum to its corporate name and address. Apart from this paragraph, neither the Trustee nor the Security Trustee was involved in the preparation of any other part of this Information Memorandum.

The Lead Manager acts solely through a separate division in the context of this Information Memorandum and the Class A-2 notes and Class B notes, without reference to any of their or their subsidiaries' respective personnel or operations outside that division, and are therefore not to be taken to be aware of any matters within the knowledge of such personnel or operations relating to the Trustee, the Manager or the issue of the Class A-2 notes and Class B notes.

1.4 Date of this Information Memorandum

This Information Memorandum has been prepared based on information available and facts and circumstances known to the Manager as at the Preparation Date.

The delivery of this Information Memorandum, or any offer or issue of Class A-2 notes and Class B notes, at any time after the Preparation Date does not imply, nor should it be relied upon as a representation or warranty, that:

(a) there has been no change since the Preparation Date in the affairs or financial condition of the Series Trust, the Trustee, Commonwealth Bank, Homepath the Manager or any other party named in this Information Memorandum; or

(b) the information contained in this Information Memorandum is correct at such later time.

None of the Manager, Commonwealth Bank, Homepath nor any other person accepts any responsibility to noteholders or prospective noteholders to update this Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

1.5 Independent Investment Decisions

This Information Memorandum is not intended to be, and does not constitute, a recommendation by the Manager, the Trustee, Commonwealth Bank, Homepath or the Security Trustee that any person subscribe for or purchase any Class A-2 notes or Class B notes. Accordingly, any person contemplating the subscription or purchase of Class A-2 notes or Class B notes must:

(a) make their own independent investigation of the terms of the Class A-2 notes and Class B notes and the financial condition, affairs and creditworthiness of the Series Trust, after taking all appropriate advice from qualified professional persons; and

(b) base any investment decision on the investigation and advice referred to in paragraph (a) and not on this Information Memorandum.

No person is authorised to give any information or to make any representation which is not contained in this Information Memorandum and any information or representation not contained in this Information Memorandum must not be relied upon as having been authorised by or on behalf of Commonwealth Bank, Homepath or the Manager.

1.6 Distribution to Professional Investors Only

This Information Memorandum has been prepared on a confidential basis for distribution only to professional investors whose ordinary business includes the buying or selling of securities such as the Class A-2 notes and Class B notes. This Information Memorandum is not intended for, should not be distributed to, and should not be construed as an offer or invitation to, any other person.

1.7 No Public Offer in Australia

This Information Memorandum is not a "Product Disclosure Statement" for the purposes of Chapter 7 of the Corporations Act and is not required to be lodged with the Australian Securities and Investments Commission under the Corporations Act as each offer for the issue, any invitation to apply for the issue, and any offer for sale of, and any invitation for offers to purchase, the Class A-2 notes and Class B notes to a person under this Information Memorandum:

(a) will be for a minimum amount payable, by each person on acceptance of the offer or application (as the case may be) of at least $500,000 (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001); or

(b) does not otherwise require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a Retail Client.

1.8 Offer Must Comply with Laws

No action has been taken or will be taken which would permit a public offering of the Class A-2 notes and Class B notes, or possession or distribution of this Information Memorandum, in any country or jurisdiction where action for that purpose is required. In relation to United States selling restrictions, see Section 15.

A person may not (directly or indirectly) offer for issue or sale, or make any invitation to apply for the issue or purchase of, the Class A-2 notes and Class B notes, nor distribute this Information Memorandum unless the offer or invitation:

(a) does not need disclosure to investors under Part 6D.2 of the Corporations Act;

(b) is not made to a Retail Client; and

(c) complies with any other applicable laws in all jurisdictions in which the offer or invitation is made.

A holder of Class A-2 notes and Class B notes who is not a resident of the Commonwealth of Australia may be subject to restrictions on the transfer of the Class A-2 notes and Class B notes, Australian interest withholding tax and other constraints, risks or liabilities.

1.9 Disclosure of Interests

Each of Commonwealth Bank, Homepath and the Manager and their respective subsidiaries, directors and employees:

(a) may have a pecuniary or other interest in the Class A-2 notes and Class B notes; and

(b) will receive fees, brokerage and commissions, and may act as principal, in any dealings in the Class A-2 notes and Class B notes.

1.10 Limited Recovery

Any obligation or liability of the Trustee arising under or in any way connected with the Class A-2 notes and Class B notes, the Master Trust Deed, the Series Supplement, the Security Trust Deed or any other Transaction Document to which the Trustee is a party is limited, except in the case of fraud, negligence or wilful default on its part, to the extent to which it can be satisfied out of the Assets of the Series Trust out of which the Trustee is actually indemnified

for the obligation or liability. Other than in the exception previously mentioned, the assets of the Trustee, the Security Trustee or any other member of the Perpetual Trustee group are not available to meet payments of interest or repayments of principal on the Class A-2 notes and Class B notes. The Trustee does not guarantee the success of the Series Trust nor the repayment of capital or any particular rate of capital or income return.

1.11 References to Rating

There are various references in this Information Memorandum to the credit rating of the Class A-2 notes and Class B notes and of particular parties. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency. In addition, the provisional ratings of the Class A-2 notes and Class B notes does not address the expected timing of principal repayments under the Class A-2 notes and Class B notes. Other than this Section 1.11 and Section 14, none of the rating agencies have been involved in the preparation of this Information Memorandum.

2. Summary

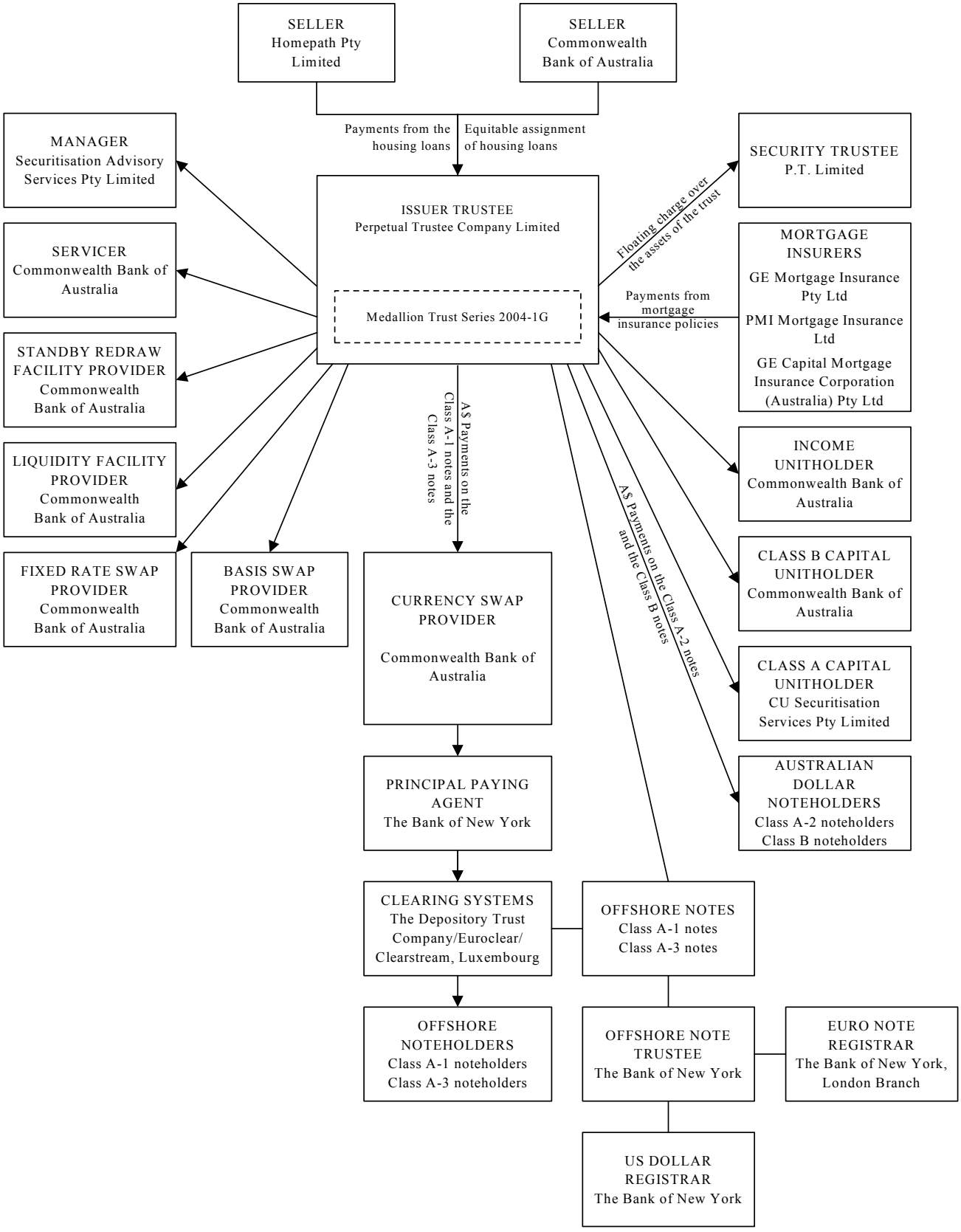
This summary highlights selected information from this document and does not contain all of the information that you need to consider in making your investment decision. This summary contains an overview of some of the concepts and other information to aid your understanding. All of the information contained in this summary is qualified by the more detailed explanations in other parts of this Information Memorandum.

2.1 Parties to the Transaction

Trustee:	Perpetual Trustee Company Limited (ABN 42 000 001 007), in its capacity as trustee of the Series Trust
Manager:	Securitisation Advisory Services Pty Limited (ABN 88 064 133 946), Level 7, 48 Martin Place, Sydney, NSW 2000 Ph: 612-9378 5293
Security Trustee:	P.T. Limited (ABN 67 004 454 666)
Sellers:	Commonwealth Bank of Australia (ABN 48 123 123 124) Homepath Pty Limited (ABN 35 081 986 530)
Servicer:	Commonwealth Bank of Australia
Offshore Note Trustee:	The Bank of New York
Principal Paying Agent for the Offshore notes:	The Bank of New York
Agent Bank for the Offshore notes:	The Bank of New York
US Dollar Note Registrar:	The Bank of New York
Euro Note Registrar:	The Bank of New York, London Branch
Irish Listing Agent:	Deutsche Bank Luxembourg SA
Irish Paying Agent:	Deutsche International Corporate Services (Ireland) Limited
Income Unitholder:	Commonwealth Bank of Australia
Class A Capital Unitholder:	CU Securitisation Services Pty Limited
Class B Capital Unitholder:	Commonwealth Bank of Australia
Lead Manager for the Class A-2 notes and Class B notes:	Commonwealth Bank of Australia
Liquidity Facility Provider:	Commonwealth Bank of Australia
Standby Redraw Facility	Commonwealth Bank of Australia

Provider:	
Mortgage Insurers:	GE Mortgage Insurance Pty Limited (ABN 61 071 466 334) PMI Mortgage Insurance Ltd (ABN 70 000 511 071) GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd (ABN 52 081 488 440)
Fixed Rate Swap Provider:	Commonwealth Bank of Australia
Basis Swap Provider:	Commonwealth Bank of Australia
Currency Swap Provider:	Commonwealth Bank of Australia
Rating Agencies:	Moody's Investors Service, Inc. Standard & Poor's (Australia) Pty. Ltd.

Structural Diagram



2.2 Summary of the Notes

The Trustee will issue Class A-1 notes, Class A-2 notes and Class A-3 notes (together, the **"Class A notes"**) and Class B notes (together with the Class A notes, the "notes") collateralised by the same pool of housing loans. The Class A-1 notes and the Class A-3 notes (together, the **"Offshore notes"**) have been registered in the United States and application will be made to the Irish Stock Exchange for the Class Offshore notes to be admitted to the Daily Official List and are not being offered by this Information Memorandum. The Trustee may in certain circumstances also issue redraw bonds collateralised by the same pool of housing loans.

	Class A-1	**Class A-2**	**Class A-3**	**Class B**
Initial Principal Balance	US$1,300,000,000	A$810,000,000	€500,000,000	A$53,000,000
% of Total	50.91%	23.52%	24.04%	1.54%
Anticipated Ratings: Moody's Investors Service Inc. Standard & Poor's (Australia) Pty. Ltd.	 Aaa AAA	 Aaa AAA	 Aaa AAA	 Not rated AA
Interest rate up to but excluding the Step-Up Date.	three-month LIBOR plus 0.13%	three month Australian Bank Bill Rate plus 0.22%	three-month EURIBOR plus 0.14%	three month Australian Bank Bill Rate plus 0.55%
Interest rate with respect to each Distribution Date on or after the Step-Up Date; provided that if the Trustee (i) proposes to redeem the notes and redraw bonds for an amount equal to the outstanding principal balance of the notes and redraw bonds as reduced by losses, plus accrued interest on the outstanding principal balance of the notes and the redraw bonds, and (ii) fails to obtain the approval of an Extraordinary Resolution of noteholders and redraw bondholders, then the interest rate with respect to each subsequent Distribution Date will be the rate specified in the line above.	three month LIBOR plus 0.26%	three month Australian Bank Bill Rate plus 0.44%	three month LIBOR plus 0.28%	As above
Interest Accrual Method	actual /360	actual /365(fixed)	actual /360	actual /365(fixed)
Distribution Dates	25th day or, if the 25th day is not a Business Day, then the next Business Day, of each February, May, August and November beginning on 25 May 2004.			
Clearance/Settlement	DTC/Euroclear/ Clearstream, Luxembourg	Austraclear	Euroclear/ Clearstream, Luxembourg	Austraclear
Cut-Off Date	Commencement of business 11 March 2004			
Closing Date	On or about 25 March 2004			
Final Maturity Date	The Distribution Date falling in May 2035			

2.3 Structural Overview

Commonwealth Bank established the Medallion Trust Programme pursuant to a master trust deed dated 8 October 1997 between Securitisation Advisory Services Pty Limited, as Manager, and the Trustee as amended from time to time (the **"Master Trust Deed"**). The Master Trust Deed provides the general terms and structure for securitisations under the program. A series supplement between the Trustee, the Manager, Commonwealth Bank as a Seller and the Servicer and Homepath as a Seller (the **"Series Supplement"**), sets out the specific details of the Series Trust, which may vary from the terms set forth in the Master Trust Deed. Each securitisation under the Medallion Trust Programme is a separate transaction with a separate trust. The Assets of the Series Trust will not be available to pay the obligations of any other trust, and the assets of other trusts will not be available to pay the obligations of the Series Trust. See Section 5.

The Series Trust involves the securitisation of housing loans originated by Commonwealth Bank and Homepath and secured by mortgages on residential property located in Australia. Each of Commonwealth Bank and Homepath will equitably assign the housing loans to the Series Trust, which will in turn issue the floating rate Offshore notes, along with the Class A-2 notes and Class B notes, to fund the acquisition of the housing loans.

The Trustee will grant a floating charge over all of the Assets of the Series Trust under the Security Trust Deed in favour of P.T. Limited, as Security Trustee, to secure the Series Trust's payment obligations on the notes and the redraw bonds and to its other creditors. The floating charge is a first ranking charge over the Assets of the Series Trust subject only to a prior interest in favour of the Trustee to secure payment of certain expenses of the Series Trust. A floating charge is a security interest on a class of assets, but does not attach to specific assets unless or until it crystallises, which means it becomes a fixed charge. The charge will crystallise if an Event of Default occurs under the Security Trust Deed (but in some cases will crystallise only over the Assets affected by the Event of Default). While the charge is a floating charge, the Trustee may deal with the Assets of the Series Trust in accordance with the Transaction Documents and, if it acts contrary to its duties, may be able to deal with the Assets of the Series Trust in such a way as to prejudice the Security Trustee's interest in the Assets in breach of the Transaction Documents. Once the floating charge crystallises, the Trustee will no longer be able to dispose of or create interests in the Assets of the Series Trust except in accordance with the Transaction Documents. For a description of floating charges and crystallisation see Section 11.8(b).

Payments of interest and principal on the notes and redraw bonds will come only from the housing loans and other Assets of the Series Trust. The assets of the parties to the transaction are not available to meet the payments of interest and principal on the notes and the redraw bonds. If there are losses on the housing loans, the Series Trust may not have sufficient Assets to repay the notes and the redraw bonds.

2.4 Credit Enhancements

Payments of interest and principal on the notes and redraw bonds will be supported by the following forms of credit enhancement:

(a) **Subordination and Allocation of Losses**

The Class B notes will always be subordinated to the Class A notes in their right to receive interest payments. Prior to the occurrence of an Event of Default and enforcement of the charge under the Security Trust Deed, the Class B notes will be subordinated to the Class A notes in their right to receive principal payments only in the circumstances and to the extent described in Section 9.12. Following the occurrence of an Event of Default and enforcement of the charge under the Security

Trust Deed, the Class B notes will be fully subordinated to the Class A notes in their right to receive principal payments.

The Class B notes will bear all losses on the housing loans before the Class A notes. Any losses allocated to the Class A notes will be allocated rateably between the Class A-1 notes, the Class A-2 notes and the Class A-3 notes as described in Section 9.14. The support provided by the Class B notes is intended to enhance the likelihood that the Class A notes will receive expected payments of interest and principal. The following chart describes the initial support provided by the Class B notes:

Class	Credit Support	Initial Support Percentage
Class A notes	Class B notes	1.54%

The initial support percentage in the preceding table is the initial balance of the Class B notes, as a percentage of the aggregate Invested Amount of the notes to be issued on the Closing Date.

In certain circumstances, the Trustee may issue redraw bonds as described in Section 9.13(b). If issued, redraw bonds will, prior to the occurrence of an Event of Default and enforcement of the charge under the Security Trust Deed, rank equally with the Class A notes in their right to receive interest payments and will rank in priority to the Class A notes in their right to receive principal payments. Any losses allocated to the Class A notes and the redraw bonds will be allocated rateably between the Class A notes and the redraw bonds. Following the occurrence of an Event of Default and enforcement of the charge under the Security Trust Deed, redraw bonds will rank equally with the Class A notes in their right to receive both interest and principal payments.

(b) **Mortgage Insurance Policies**

A master mortgage insurance policy issued by GE Mortgage Insurance Pty Ltd (**"GEMI"**) and GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd (**"GEMICO"**) will provide full coverage for all principal due on certain of the housing loans which are generally those which had a loan to value ratio greater than 80% at the time of origination.

A master mortgage insurance policy issued by PMI Mortgage Insurance Ltd (**"PMI"**) will provide full coverage for all principal due on the balance of the housing loans.

(c) **Excess Available Income**

Any interest collections on the housing loans and other income of the trust remaining after payments of interest on the notes and the redraw bonds and the Series Trust's expenses and the reimbursement of any unreimbursed Principal Draws will be available to cover any losses on the housing loans that are not covered by the mortgage insurance policies.

2.5 Liquidity Enhancement

Payments of interest on the notes and redraw bonds will be supported by the following forms of liquidity enhancements.

(a) **Liquidity Facility**

To cover possible liquidity shortfalls in the payments of interest on the notes and redraw bonds and other expenses of the Series Trust, the Trustee will, in certain circumstances, be able to borrow funds under a liquidity facility to be provided by Commonwealth Bank.

(b) **Principal Draws**

To cover possible liquidity shortfalls in the payments of interest on the notes and redraw bonds and the other expenses of the Series Trust, where the liquidity facility has been fully utilised, the Manager will direct the Trustee to allocate available principal collections on the housing loans and other principal receipts of the Series Trust towards meeting the shortfall.

(c) **Redraws and Further Advances**

Under the terms of each variable rate housing loan, a borrower may, subject to certain conditions, redraw previously prepaid principal. A borrower may redraw an amount equal to the difference between the scheduled principal balance, being its principal balance if no amount had been prepaid, of his or her loan and the current principal balance of the loan. Commonwealth Bank or Homepath may also agree to make further advances to a borrower in excess of the scheduled principal balance of his or her loan. Commonwealth Bank or Homepath, as appropriate, will be reimbursed for any redraws, and for any further advances which exceed the scheduled principal balance of a housing loan by no more than one scheduled monthly instalment on the housing loan, that it advances to borrowers from principal collections on the housing loans. Thus, the Series Trust will have less funds available to pay principal to the notes on the next Distribution Date, but will have a corresponding greater amount of Assets with which to make future payments.

Where Commonwealth Bank or Homepath makes further advances which exceed the scheduled principal balance of a housing loan by more than one scheduled monthly instalment, then Commonwealth Bank or Homepath will repurchase the loan from the pool.

See Sections 7, 9.13(b) and 11.10.

2.6 Hedging Arrangements

To hedge its interest rate and currency exposures, the Trustee will enter into the following hedge arrangements:

(a) a basis swap to hedge the basis risk between the interest rate on the housing loans which accrue interest at a discretionary variable rate of interest and the floating rate obligations of the Series Trust, including the Trustee's payment obligations under the currency swaps;

(b) a fixed rate swap to hedge the basis risk between the interest rate on the housing loans which accrue interest at a fixed rate of interest and the floating rate obligations of the Series Trust, including the Trustee's payment obligations under the currency swaps; and

(c) two currency swaps to hedge the currency risk and the basis risk between the collections on the housing loans and the amounts received by the Trustee under the basis swap and the fixed rate swap, which are denominated in Australian dollars and, in the case of the basis swap and fixed rate swap, calculated by reference to the three-month Bank Bill Rate, and the obligation of the Series Trust to pay:

(i) interest and principal on the Class A-1 notes, which are denominated in U.S. dollars and, in the case of interest, calculated by reference to quarterly LIBOR; and

(ii) interest and principal on the Class A-3 notes, which are denominated in Euro and, in the case of interest, calculated by reference to quarterly EURIBOR.

2.7 Optional Redemption

The Trustee will, if the Manager directs it to do so, redeem all of the notes and redraw bonds on any Distribution Date falling on or after the date when the current total outstanding principal balance of the housing loans is less than 10% of the total outstanding principal balance of the housing loans as of 11 March 2004.

If the Trustee redeems the notes pursuant to the prior sentence, the noteholders will receive a payment equal to the outstanding principal balance of the notes plus any interest accrued on the outstanding principal balance of the notes, unless an Extraordinary Resolution of noteholders and redraw bondholders consent to receiving the outstanding principal balance of the notes and redraw bonds, as reduced by losses allocated against the notes and redraw bonds, plus accrued interest on the outstanding principal balance of the notes and redraw bonds.

The interest rate on the Class A notes with respect to each Distribution Date on or after the Step-Up Date will be three-month LIBOR plus 0.26% for the Class A-1 notes, three-month Bank Bill Rate plus 0.44% for the Class A-2 notes and three-month EURIBOR plus 0.28% for the Class A-3 notes. If the issuer trustee is unable to obtain the approval of an Extraordinary Resolution of noteholders and redraw bondholders to redeem the notes and redraw bonds for an amount equal to the outstanding principal balance as reduced by the amount of losses, if any, allocated to the notes and redraw bonds, then the interest rate on the Class A notes will remain at, or return to, as applicable, three-month LIBOR plus 0.13% for the Class A-1 notes, three-month Bank Bill Rate plus 0.22% for the Class A-2 notes and three-month EURIBOR plus 0.14% for the Class A-3 notes.

2.8 The Housing Loan Pool

The housing loan pool will consist of fixed rate and variable rate residential housing loans secured by mortgages on owner occupied and non-owner occupied residential properties. The housing loans will have terms to stated maturity as of the Cut-Off Date of no more than 30 years. Commonwealth Bank expects the pool of housing loans to have characteristics similar to the following:

Selected Housing Loan Pool Data as of the Commencement of Business on 11 March 2004

Number of Housing Loans	23,209
Housing Loan Pool Size	A$3,436,411,027
Average Housing Loan Balance	A$148,064
Maximum Housing Loan Balance	A$750,000
Minimum Housing Loan Balance	A$50,067
Total Valuation of the Properties	A$5,561,466,383
Maximum Remaining Term to Maturity in months	355
Maximum Current Loan-to Value Ratio	95.00%
Weighted Average Seasoning in months	20
Weighted Average Remaining Term to Maturity in months	311
Weighted Average Original Loan-to-Value Ratio	71.88%
Weighted Average Current Loan-to-Value Ratio	68.05%

The original loan-to-value ratio of a housing loan is calculated by comparing the initial principal amount of the housing loan to the valuation of the property that is currently securing the housing loan at the time the housing loan was originated unless the property has been revaluated in the limited circumstances described below. There will be no revaluation of the properties specifically for the purposes of the issue of the notes. Revaluations are only conducted in circumstances where a borrower under a housing loan seeks additional funding, or seeks to partially discharge an existing security, or where a borrower is in default and Commonwealth Bank or Homepath is considering enforcement action. Thus, if collateral has been released from the mortgage securing a housing loan or if the property securing the housing loan has reduced in value, the original loan-to-value ratio at the Cut-Off Date may not reflect the loan-to-value ratio at the origination of that housing loan.

Before the issuance of the notes, housing loans may be added to or removed from the housing loan pool. This addition or removal of housing loans may result in changes in the housing loan pool characteristics shown in the preceding table and could affect the weighted average lives and yields of the notes. Neither Commonwealth Bank or Homepath will add or remove any housing loans prior to the Closing Date if this would result in a change of more than 5% in any of the characteristics of the pool of housing loans described in the above table other than a change in the Number of Housing Loans, the Housing Loan Pool Size or Total Valuation of the Properties where the change is due to adding or removing housing loans due to a fluctuation in the A$/US$ exchange rate or the A$/€ exchange rate, unless a revised Information Memorandum is delivered to prospective investors.

Each Seller will select housing loans from its pool of eligible loans based on its selection criteria.

2.9 Collections

The Trustee will receive for each Collection Period amounts, which are known as collections, which include:

(a) payments of interest, principal, fees and other amounts under the housing loans, excluding any insurance premiums and related charges payable to Commonwealth Bank or Homepath;

(b) proceeds from the enforcement of the housing loans and mortgages and other securities relating to those housing loans;

(c) amounts received under mortgage insurance policies;

(d) amounts received from Commonwealth Bank, either as a Seller or Servicer or Homepath, for breaches of representations or undertakings; and

(e) interest on amounts in the collections account, other than certain excluded amounts, and income received on Authorised Short-Term Investments of the Series Trust.

Collections will be allocated between income and principal. Collections attributable to interest, plus some other amounts, are known as the available income amount. The collections attributable to principal, plus some other amounts, are known as the available principal amount.

The available income amount is used to pay certain fees and expenses of the Series Trust and interest on the notes and redraw bonds. The available principal amount is used to pay, among other things, principal on the notes and redraw bonds. If there is an excess of available income amount after the quarterly payment of such fees, expenses and interest on the notes, redraw bonds and the standby redraw facility, the excess income will be used to first reimburse any

principal draws, second to reduce rateably any principal charge-offs on the Class A notes, the redraw bonds and the standby redraw facility and lastly to reduce any principal charge-offs on the Class B notes. Any remaining excess will be used to pay the manager's arranging fee with the balance distributed to the income unitholder.

2.10 Interest on the Notes and Redraw Bonds

Interest on the notes and redraw bonds is payable in arrears on each Distribution Date.

On each Distribution Date, the amount available to pay interest on the Class A notes and redraw bonds will be allocated rateably between the Class A notes and the redraw bonds.

On each Distribution Date:

(a) the Class A-1 interest amount will be payable by the Trustee to the Currency Swap Provider under the Class A-1 currency swap and the Currency Swap Provider will in turn pay to the Principal Paying Agent the interest to be paid on the Class A-1 notes;

(b) the Class A-2 interest amount will be payable by the Trustee to the Class A-2 noteholders; and

(c) the Class A-3 interest amount will be payable by the Trustee to the Currency Swap Provider under the Class A-3 currency swap and the Currency Swap Provider will in turn pay to the Principal Paying Agent the interest to be paid on the Class A-3 notes.

Interest will be paid on the Class B notes only if there are sufficient funds available to make payments of interest on the Class A notes and the redraw bonds.

Interest on each class of notes and the redraw bonds is calculated for each Accrual Period as follows:

(a) the Invested Amount of that note or redraw bond as of the first day of that Accrual Period, after giving effect to any payments of principal made with respect to such note or redraw bond on such day;

(b) the interest rate for such note or redraw bond for that Accrual Period; and

(c) a fraction, the numerator of which is the actual number of days in that Accrual Period and the denominator of which is 360 days for the Offshore notes, or 365 days for the Class A-2 notes, the Class B notes and any redraw bonds.

2.11 Principal on the Notes and Redraw Bonds

Principal on the notes and redraw bonds will be payable on each Distribution Date.

The amount available to be paid in respect of principal on the notes and redraw bonds will be paid first to redraw bondholders with priority given to redraw bonds with earlier issue dates until the outstanding principal balance of the redraw bonds, as reduced by losses allocated against the redraw bonds, is reduced to zero.

After payments in respect of the redraw bonds, the available principal up to a specified maximum amount will be allocated rateably between the Class A noteholders until the outstanding principal balance of the Class A notes, as reduced by losses allocated against the Class A notes, is reduced to zero.

On each Distribution Date:

(a) the principal amount available and so allocated to the Class A-1 notes will be paid by the Trustee to the Currency Swap Provider under the Class A-1 currency swap and the Currency Swap provider will in turn pay to the Principal Paying Agent the amount of principal to be repaid on the Class A-1 notes;

(b) the principal amount available and so allocated to the Class A-2 notes will be paid by the Trustee to the Class A-2 noteholders; and

(c) the principal amount available and so allocated to the Class A-3 notes will be paid by the Trustee to the Currency Swap Provider under the Class A-3 currency swap and the Currency Swap provider will in turn pay to the Principal Paying Agent the amount of principal to be repaid on the Class A-3 notes.

The specified maximum amount to be applied to make repayments of principal on the notes will vary in accordance with the stepdown conditions, with the result that, in some circumstances, the Class B notes will receive principal rateably with the Class A notes.

The balance of the available amount of principal will be paid on a Distribution Date to Class B noteholders in respect of principal on the Class B notes until the outstanding principal balance of the Class B notes, as reduced by losses allocated against the Class B notes, is reduced to zero.

On each Distribution Date, the outstanding principal balance of each note and redraw bond will be reduced by the amount of the principal payment made on that date on that note or redraw bond. The outstanding principal balance of each note and redraw bond will also be reduced by the amount of principal losses on the housing loans allocated to that note or redraw bond.

If the Security Trust Deed is enforced after an Event of Default, the proceeds from the enforcement will be distributed rateably among all of the Class A notes (converted, in the case of the Class A-1 notes to US$, and, in the case of the Class A-3 notes, to Euro, in each case, in accordance with the exchange rates specified in the security trust deed) and the redraw bonds and prior to any distributions to the Class B notes.

2.12 Allocation of Cash Flows

On each Distribution Date, the Trustee will allocate interest and principal to each noteholder and redraw bondholder to the extent of the available income amount and available principal amount on that Distribution Date available to be applied for these purposes. The charts on the succeeding pages summarise the flow of payments.

Determination of Available Income Amount for a Distribution Date

Finance Charge Collections

Amounts received by the Trustee during the preceding Collection Period under the housing loans in respect of interest, fees and certain other charges.

+

Mortgage Insurance Income Proceeds

Amounts received pursuant to a mortgage insurance policy which the Manager determines should be accounted for in respect of a finance charge loss.

+

Other Income

Certain other amounts received by the Trustee during the preceding Collection Period and certain other receipts in the nature of income (as determined by the Manager) received by the preceding Determination Date.

+

Liquidity Facility Advance

Any advance to be made under the liquidity facility on that Distribution Date.

+

Principal Draw

Any amount of the Available Principal Amount to be allocated to the Available Income Amount as a principal draw on that Distribution Date.

+

Other Amounts under Support Facilities

Other amounts received from a Support Facility Provider which the Manager determines should be included in the Available Income Amount.

=

Available Income Amount

Distribution of Available Income Amount on a Distribution Date

On the first Distribution Date, pay the Accrued Interest Adjustment to Commonwealth Bank and Homepath.

↓

Pay or make provision for taxes of the trust, if any.

↓

Pay to the issuer trustee its quarterly fee.

↓

Pay to the security trustee its quarterly fee, if any.

↓

Pay to the manager its quarterly management fee.

↓

Pay to the servicer its quarterly fee.

↓

Pay to the liquidity facility provider the quarterly commitment fee in relation to the liquidity facility.

↓

Pay rateably to the Support Facility Providers amounts due under Support Facilities except those described above or below. These may include interest due on the liquidity facility and payments due under the basis swaps and fixed rate swaps.

↓

Pay or make provision for all expenses of the trust except those described above or below.

↓

Pay to the standby redraw facility provider the quarterly commitment fee in relation to the standby redraw facility.

↓

Repay to the liquidity facility provider outstanding advances under the liquidity facility made on prior Distribution Dates.

↓

Pay rateably to:

- the Currency Swap Provider payment under the Class A-1 currency swap relating to interest due on the Class A-1 notes;
- the Class A-2 noteholders interest due on the Class A-2 notes; and
- the Currency Swap Provider payment under the Class A-3 currency swap relating to interest due on the Class A-3 notes;
- the redraw bondholders interest due on the redraw bonds; and
- the standby redraw facility provider interest due on the standby redraw facility.

↓

Pay to Class B noteholders interest due on the Class B notes.

↓

Allocate the amount of any unreimbursed principal draws to the Available Principal Amount for distribution.

↓

Allocate the amount of any unreimbursed principal charge-offs to the Available Principal Amount for distribution.

↓

Pay to the Manager its quarterly arranging fee.

↓

Distribute any remaining amounts to the income unitholder.

Determination of Available Principal Amount for a Distribution Date

Principal Collections

Amounts received by the Trustee during the preceding Collection Period under the housing loans in respect of principal other than as described below.

+

Mortgage Insurance Principal Proceeds

Amounts received pursuant to a mortgage insurance policy which the Manager determines should be accounted for in respect of a principal loss.

+

Other Principal Amounts

Prepayments of principal on the housing loans, amounts rounded down from the preceding Distribution Date, certain other amounts received by the Trustee during the preceding Collection Period, certain other receipts in the nature of principal, as determined by the Manager, received by the preceding Determination Date and, for the first Distribution Date, the amount, if any, by which the proceeds of issue of the notes exceeds the consideration for the housing loans acquired by the Series Trust.

+

Principal Charge-off Reimbursement

The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed principal charge-offs.

+

Redraw Bond Amount

The proceeds of issue of any redraw bonds during the period ending on and including the preceding Determination Date and commencing on but excluding the Determination Date before that.

+

Standby Redraw Facility Advance

Any advance to be made under the standby redraw facility on the Distribution Date.

+

Principal Draw Reimbursement

The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed principal draws.

=

Available Principal Amount

Distribution of Available Principal Amount on a Distribution Date

Redraws and Further Advances

Repay to a Seller rateably any redraws and further advances under the housing loans, other than further advances which cause the related housing loan to be removed from the Series Trust, made by the Sellers during or prior to the preceding Collection Period.

↓

Principal Draws

Allocate an amount equal to the Principal Draw for the Distribution Date to the Available Income Amount.

↓

Standby Redraw Facility Principal

Repay to the Standby Redraw Facility Provider the principal outstanding under the standby redraw facility as reduced by principal charge-offs or increased by reimbursement of principal charge-offs.

↓

Redraw Bonds

Repay to the redraw bondholders the Stated Amount of the redraw bonds.

↓

Class A Noteholders

Pay rateably as follows:

- an amount equal to or greater than the Class A-1 notes proportional share of the remaining Available Principal Amount on that Distribution Date to the Currency Swap Provider under the Class A-1 currency swap in relation to a repayment to the Class A-1 noteholders of the Stated Amount of the Class A-1 notes;
- an amount equal to or greater than the Class A-2 notes proportional share of the remaining Available Principal Amount on that Distribution Date to the Class A-2 noteholders; and
- an amount equal to or greater than the Class A-3 notes proportional share of the remaining Available Principal Amount on that Distribution Date to the Currency Swap Provider under the Class A-3 currency swap in relation to a repayment to the Class A-3 noteholders of the Stated Amount of the Class A-3 notes,

until the Stated Amounts of the Class A-1 notes, the Class A-2 notes and the Class A-3 notes are reduced to zero.

↓

Class B Noteholders

Repay to the Class B noteholders the Stated Amount of the Class B notes until the Stated Amount of the Class B notes is reduced to zero.

↓

Capital Unitholders

Distribute any remaining amounts:

- firstly to the Class A Capital unitholder (up to a maximum amount for all such distributions of A$1,000); and
- secondly to the Class B Capital unitholder.

2.13 Miscellaneous

(a) **Transfer**

Unless lodged in Austraclear the Class A-2 notes and Class B notes may only be purchased or sold by execution and registration of a Security Transfer. For further details, see Section 9.2(c).

The Class A-2 notes and Class B notes can only be transferred if:

(i) the relevant offer for sale or invitation to purchase:

A. does not require disclosure to investors under Part 6D.2 of the Corporations Act;

B. is not made to a Retail Client; and

C. complies with all applicable laws in all jurisdictions in which the offer or invitation is made; and

(ii) the relevant offer or invitation is in accordance with Regulation S under the United States Securities Act of 1933 as amended (the **"Securities Act"**) or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act (see Section 15 for more details).

(b) **Austraclear**

It is intended that the Class A-2 notes and Class B notes will be lodged in Austraclear after issue. Any subsequent transfer of Class A-2 notes and Class B notes must be in accordance with the Austraclear Regulations so long as the relevant Class A-2 notes and Class B notes are held in Austraclear. For further details, see Section 9.2(e).

(c) **Stamp Duty**

The Manager has received advice that neither the issue, the transfer, nor the redemption of the Class A-2 notes and Class B notes will currently attract stamp duty in any jurisdiction of Australia. For further details, see Section 13.10.

(d) **Withholding Tax and Tax File Numbers**

Payments of principal and interest on the Class A-2 notes and the Class B notes will be reduced by any applicable withholding taxes. The Trustee is not obligated to pay any additional amounts to the Class A-2 noteholders and Class B noteholders to cover any withholding taxes.

Under present law, the Class A-2 notes and the Class B notes will not be subject to Australian withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Income Tax Assessment Act, 1936 (Cth) (the **"Tax Act"**) and they are not acquired directly or indirectly by any Offshore Associate of the Trustee or Commonwealth Bank.

The Lead Manager has agreed with the Trustee to offer the Class A-2 notes and Class B notes for subscription or purchase in accordance with certain procedures intended to result in the public offer test being satisfied and all Class A-2 notes and

Class B notes having the benefit of the section 128F exemption. One of these conditions is that the Issuer Trustee must not know or have reasonable grounds to suspect that a Class A-2 note or Class B note, or an interest in a Class A-2 note or Class B note, was being, or would later be, acquired directly or indirectly by any Offshore Associates of the Trustee or Commonwealth Bank. Accordingly, Offshore Associates of the Trustee or Commonwealth Bank should not acquire Class A-2 notes or Class B notes.

Under current tax law, tax will be deducted on payments to an Australian resident Class A-2 noteholder or Class B noteholder who does not provide the Trustee with a tax file number or Australian Business Number (where applicable) unless an exemption applies to that noteholder.

Noteholders and prospective noteholders should obtain advice from their own tax advisers in relation to the tax implications of an investment in Class A-2 notes and Class B notes.

For further details see Section 13.3.

3. Some risk factors

The purchase, and subsequent holding, of the Class A-2 notes and Class B notes is not free of risk. The Manager believes that the risks described below are some of the principal risks inherent in the transaction for noteholders and that the discussion in relation to the Class A-2 notes and Class B notes indicates some of the possible implications for noteholders. However, the inability of the Trustee to pay interest or principal on the Class A-2 notes or Class B notes may occur for other unforeseen reasons and the Manager does not in any way represent that the description of the risks outlined below is exhaustive. It is only a summary of some particular risks. Further, although the Manager believes that the various structural protections available to noteholders lessen certain of these risks, there can be no assurance that these measures will be sufficient to ensure the payment or distribution of interest or principal on the Class A-2 notes and Class B notes on a timely or full basis. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and make their own independent investigation and seek their own independent advice as to the potential risks involved in purchasing and holding the Class A-2 notes and Class B notes.

3.1 Limited Liability Under the Notes

The notes are debt obligations of the Trustee in its capacity as trustee of the Series Trust. The Trustee's liability in respect of the notes is limited to, and can be enforced against the Trustee only to the extent to which it can be satisfied out of, the Assets of the Series Trust out of which the Trustee is actually indemnified for the liability except in certain limited circumstances (as to which see Section 11.4(h)).

3.2 Secondary Market Risk

There is currently no secondary market for the Class A-2 notes and Class B notes. The Lead Manager has undertaken to use its reasonable endeavours, subject to market conditions, to assist Class A-2 noteholders and Class B noteholders so requesting them to locate potential purchasers of Class A-2 notes and Class B notes from time to time in order to facilitate liquidity in the Class A-2 notes and Class B notes. There is no assurance that as a result of this action any secondary market will develop or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Class A-2 notes and Class B notes. No assurance can be given that it will be possible to effect a sale of the Class A-2 notes and Class B notes; nor can any assurance be given that, if a sale takes place, it will not be at a discount to the acquisition price.

3.3 Timing of Principal Distributions

Set out below is a description of some circumstances in which the Trustee may receive early or delayed repayments of principal on the housing loans and, as a result of which, the noteholders may receive repayments of principal on the notes earlier or later than would otherwise have been the case:

(a) enforcement proceeds received by the Trustee due to a borrower having defaulted on its housing loan;

(b) receipt of insurance proceeds by the Trustee in relation to an insurance claim in respect of a housing loan;

(c) repurchases of housing loans by Commonwealth Bank or Homepath as a result of any one of the following occurring:

(i) the discovery and subsequent notice by the Trustee, Commonwealth

Bank or Homepath or the Manager, no later than 5 business days prior to the expiry of the Prescribed Period, that any of the representations and warranties made by Commonwealth Bank in respect of that housing loan were incorrect when given (see Section 6.5);

(ii) Commonwealth Bank or Homepath making a further advance under a housing loan which causes the scheduled principal balance for that housing loan to be exceeded by more than 1 scheduled monthly instalment (see Section 7.4(c));

(iii) a Potential Termination Event occurs which leads to the Series Trust being terminated early (see Section 10.1);

(iv) an interest withholding tax (or similar tax) is imposed upon payments of interest on Offshore notes. This may affect the amount paid to Class A-2 noteholders and Class B noteholders if the Trustee, at the direction of the Manager, redeems all, but not some, of the notes and redraw bonds as a result of the imposition of such interest withholding tax (See Section 9.19); or

(v) when the Manager directs the Trustee to redeem the notes and redraw bonds on any Distribution Date falling on or after the date when the current total outstanding principal balance of the housing loans falls below 10% of the total outstanding principal balance of the housing loans on 11 March 2004 (see Section 9.21);

(d) the Servicer is obliged to service the housing loans in accordance with its servicing guidelines or, to the extent not covered by the servicing guidelines, the standards and practices of a prudent lender in the business of making retail home loans. There is no definitive view as to whether the standards and practices of a prudent lender in the business of making retail home loans do or do not include the Servicer's own franchise considerations. If those considerations are included the Servicer would be entitled to consider its own reputation and future business writing prospects in making a determination as to how current housing loans are administered. Such a course may result in a delay of principal returns to noteholders. The Servicer is, however, required to give undertakings as to how it will administer the housing loans (see Section 11.11(d)) and comply with the express limitations in the Series Supplement;

(e) the terms and conditions of the housing loans and related securities allow borrowers, with the consent of Commonwealth Bank or Homepath, to substitute their mortgaged property with a different mortgaged property without necessitating the repayment of the housing loan in full. Housing loans which are secured by mortgaged property which may be substituted in this way may show a slower rate of prepayment than housing loans secured by mortgaged property which cannot be substituted in this way;

(f) the terms and conditions of a housing loan and its related securities may allow a borrower, at the discretion of Commonwealth Bank or Homepath (as appropriate), to redraw funds previously prepaid by that borrower (see Section 7.4(c) for a description of the redraw facility). This may slow the rate of prepayment on the housing loans; and

(g) the mortgage which secures a housing loan may also secure other financial accommodation provided by Commonwealth Bank or Homepath. If the mortgagor is in default under that other financial accommodation and Commonwealth Bank or Homepath (as appropriate) enforces the relevant mortgage, the proceeds of

enforcement will be made available to the Trustee (in priority to Commonwealth Bank or Homepath) for repayment of the housing loan. This may in turn result in the relevant housing loan being prepaid earlier than would otherwise be the case. This may occur notwithstanding there being no default under the housing loan.

3.4 Prepayment then Non-Payment

There is the possibility that borrowers who have prepaid an amount of principal under their housing loans do not continue to make scheduled payments under the terms of their housing loans. Consistent with standard Australian banking practice, the Servicer does not consider such a housing loan to be in arrears until such time as the actual principal balance has exceeded the then current scheduled principal balance.

The failure of borrowers to make payments when due after an amount has been prepaid under their housing loans may affect the ability of the Trustee to make timely payments of interest and principal to noteholders. If the Trustee has insufficient funds to pay interest on the notes because the above situation has occurred, the Trustee may be entitled to make a drawing under the liquidity facility for the amount of the deficiency (as to which, see Section 11.9) up to a total aggregate amount equal to the un-utilised portion of the liquidity facility limit. The liquidity facility mitigates the risk of such a deficiency but may not be sufficient to cover the whole of the deficiency.

3.5 Delinquency and Default Risk

The Trustee's obligations to pay interest and principal on the notes in full is limited by reference to, amongst other things, receipts under or in respect of the outstanding housing loans. Noteholders must rely, amongst other things, for payment upon payments being made under the housing loans and on amounts available under the mortgage insurance policies and, if and to the extent available, money available to be drawn under the liquidity facility (see Section 11.9).

If borrowers fail to make their monthly payments when due (other than when the borrower has prepaid principal under its housing loan, as to which see Section 7.4(c)), there is a possibility that the Trustee may have insufficient funds to make full payments of interest on the notes and eventual payment of principal to the noteholders. A wide variety of local or international developments of a legal, social, economic, political or other nature could conceivably affect the performance of borrowers under their housing loans.

In particular, as at the Cut-Off Date, some of the housing loans will be set at variable rates. These rates are reset from time to time at the discretion of Commonwealth Bank or Homepath, as appropriate (see Section 11.11(d)). It is possible, therefore, that if these rates increase significantly relative to historical levels, borrowers may experience distress and increased default rates on the housing loans may result.

If a borrower defaults on payments to be made under a housing loan and Commonwealth Bank or Homepath, as appropriate seeks to enforce the mortgage securing the housing loan, many factors may affect the length of time before the mortgaged property is sold and the proceeds of sale are realised. In such circumstances, the sale proceeds are likely to be less than if the sale was carried out by the borrower in the ordinary course. Any such delay and any loss incurred as a result of the realised proceeds of the sale of the property being less than the principal amount outstanding at that time under the housing loan may affect the ability of the Trustee to make payments under the notes, notwithstanding any amounts that may be claimed under the mortgage insurance policies (see Section 8) or claimed under the liquidity facility (see Section 11.9).

Noteholders will bear the investment risk resulting from the delinquency and default

experience of the housing loans.

3.6 Servicer Risk

The appointment of the Servicer may be terminated in certain circumstances. If the appointment of the Servicer is terminated, the Trustee is obliged to find another entity to perform the role of Servicer for the Series Trust. The appointment of a substitute Servicer will only have effect once the rating agencies have confirmed in writing that the appointment will not cause a reduction, qualification or withdrawal of any current credit rating assigned by them to the notes and the substitute Servicer has executed a deed under which it agrees to service the housing loans and related securities upon the same terms as originally agreed to by the Servicer. However, there is no guarantee that a substitute Servicer will be found who would be willing to service the housing loans and related securities on the same terms agreed to by the Servicer.

If the Trustee is unable to locate a suitable substitute Servicer, the Trustee must act as the substitute Servicer, and will continue to act in this capacity until a suitable substitute Servicer is found.

The Servicer may also retire as Servicer by giving not less than 3 months' notice in writing to the Trustee and the Manager (or, if the Trustee has agreed to a lesser period of notice, that lesser period).

3.7 Equitable Assignment

The housing loans will initially be assigned by Commonwealth Bank and Homepath to the Trustee in equity. If the Trustee declares that a Perfection of Title Event has occurred under the Series Supplement (see Section 6.3) the Trustee and the Manager must, amongst other things, take all such steps as are necessary to perfect the Trustee's legal title in the mortgages relating to the housing loans (see Section 6.3 for further details on Perfection of Title Events). Until such time, the Trustee is not to take any such steps to perfect legal title and, in particular, it will not notify the borrowers or any security providers of the assignment of the housing loans.

The delay in the notification to a borrower of the assignment of the housing loans to the Trustee may have the following consequences:

(a) until a borrower, guarantor or security provider has notice of the assignment, such person is not bound to make payment to anyone other than Commonwealth Bank or Homepath (as appropriate) and can obtain a valid discharge from Commonwealth Bank or Homepath (as appropriate). However, Commonwealth Bank is appointed as the initial Servicer of the housing loans and is obliged to deal with all moneys received from borrowers in accordance with the Series Supplement and to service those housing loans in accordance with the servicing standards;

(b) until a borrower, guarantor or security provider has notice of the assignment, rights of set-off or counterclaim may accrue in favour of the borrower, guarantor or security provider against its obligations under the housing loans which may result in the Trustee receiving less money than expected from the housing loans (see Section 3.8 below);

(c) for so long as the Trustee holds only an equitable interest in the housing loans, the Trustee's interest in the housing loans may become subject to the interests of third parties created after the creation of the Trustee's equitable interest but prior to it acquiring a legal interest. To reduce this risk, the Servicer has undertaken not to consent to the creation or existence of any security interest over the mortgages securing the housing loans; and

(d) for so long as the Trustee holds only an equitable interest in the housing loans, Commonwealth Bank or Homepath (as appropriate) must be a party to any legal proceedings against any borrower, guarantor or security provider in relation to the enforcement of any housing loan. In this regard, the Servicer undertakes to service (including enforce) the housing loans in accordance with the servicing standards.

3.8 Set-Off

The housing loans can only be sold free of set-off to the Trustee to the extent permitted by law. The consequence of this is that if a borrower, guarantor or security provider in connection with the housing loan has funds standing to the credit of an account with Commonwealth Bank or amounts are otherwise payable to such a person by Commonwealth Bank, that person may have a right on the enforcement of the housing loan or the related securities or on the insolvency of Commonwealth Bank to set-off Commonwealth Bank's liability to that person in reduction of the amount owing by that person in connection with the housing loan.

If Commonwealth Bank becomes insolvent, it can be expected that borrowers, guarantors and security providers will exercise their set-off rights to a significant degree.

To the extent that, on the insolvency of Commonwealth Bank set-off is claimed in respect of deposits, the amount available for distribution to the noteholders may be reduced to the extent that those claims are successful.

3.9 Ability of the Trustee to Redeem the Notes

The ability of the Trustee to redeem all the notes at their aggregate outstanding principal amounts whilst any of the housing loans are still outstanding will depend upon whether the Trustee is able to collect or otherwise obtain an amount sufficient to redeem the notes and to pay its other obligations in the order explained in Section 9.11. Following the enforcement of the Security Trust Deed and the crystallisation of the floating charge in favour of the noteholders and other Secured Creditors, the Security Trustee will be required to apply moneys otherwise available for distribution in the order of the priority set out in the Security Trust Deed (described in Section 11.8(k)). The moneys available to the Security Trustee for distribution may not be sufficient to satisfy in full the claims of all or any of the noteholders and neither the Security Trustee nor the Trustee will have any liability to the noteholders in respect of any such deficiency. Although the Security Trustee may seek to obtain the necessary funds by means of a sale of the outstanding housing loans, there is no guarantee that there will be at that time an active and liquid secondary market for mortgages. Further, if there was such a secondary market, there is no guarantee that the Security Trustee will be able to sell the housing loans for the principal amount then outstanding under such housing loans.

Accordingly, the Security Trustee may be unable to realise the value of the housing loans, or may be unable to realise the full value of the housing loans which may impact upon its ability to redeem all outstanding notes at that time.

3.10 Breach of Representation and Warranty

Commonwealth Bank (for itself and on behalf of Homepath) makes certain representations and warranties as at the Cut-Off Date to the Trustee in relation to the housing loans to be assigned to the Trustee (see Section 6.4). The Trustee has not investigated or made any enquiries regarding the accuracy of the representations and warranties. Under the Series Supplement the Trustee is under no obligation to test the truth of the representations and warranties and is entitled to rely entirely upon the representations and warranties being correct unless it is actually aware of any breach (see Section 6.4). Commonwealth Bank and Homepath have each agreed in the Series Supplement to repurchase any housing loan attributable to it in respect of which it is discovered by the Trustee, the Manager or a Seller within the Prescribed

Period that any one of the representations and warranties given by Commonwealth Bank was incorrect when given and notice of such discovery is given by the Manager, Commonwealth Bank or Homepath, as applicable, to the Trustee or by the Trustee to Commonwealth Bank or Homepath, as applicable, no later than 5 Business Days prior to the expiry of the Prescribed Period. If the Trustee discovers that a representation and warranty was incorrect when given in relation to a housing loan after the last day that the above notice can be given, Commonwealth Bank has agreed to pay damages to the Trustee for any loss or costs incurred by the Trustee. However, the amount of such loss or costs cannot exceed the principal outstanding amount and accrued but unraised interest and any outstanding fees in respect of the housing loans. Besides these two remedies, there is no other express remedy available to the Trustee in respect of a breach of the representations and warranties given in respect of the housing loans. The rights of the Trustee in respect of any representation or warranty being incorrect are described in more detail in Section 6.5.

3.11 The Mortgage Insurance Policies

A claim under a mortgage insurance policy may be refused or reduced in certain circumstances (see generally Section 8) including in the event of a misrepresentation or a breach of any duty of disclosure by Commonwealth Bank or Homepath or, in the case of the pool master mortgage insurance policy (see Section 8.3), by the Trustee, Commonwealth Bank or Homepath (see Section 8). This may affect the ability of the Trustee to make timely payments of Coupon and principal on the notes. However, in respect of certain of these circumstances, the Trustee may have recourse to Commonwealth Bank either for breach of a representation and warranty (see Section 6.5) or for breach of its obligations as Servicer (see Section 11.11(h)(iii)).

3.12 Consumer Credit Code

Some of the housing loans and related mortgages and guarantees are regulated by the Consumer Credit Code. Under that legislation, a debtor, guarantor or mortgagor may have a right to apply to a court to:

(a) in the case of a debtor, vary the terms of a housing loan on the grounds of hardship;

(b) vary the terms of a housing loan and related mortgage or guarantee or a change to such documents, that are unjust, and reopen the transaction that gave rise to the housing loan and any related mortgage or guarantee;

(c) in the case of a debtor or guarantor, reduce or cancel any interest rate payable on the housing loan arising from a change to that rate which is unconscionable;

(d) have certain provisions of the housing loan or a related mortgage or guarantee which are in breach of the legislation declared void or unenforceable;

(e) obtain restitution or compensation from the credit provider in relation to any breaches of the Consumer Credit Code in relation to the housing loan or a related mortgage or guarantee;

(f) obtain an order for a civil penalty against Commonwealth Bank or any other seller, as applicable, the amount of which may be set off against any amount payable by the borrower under the applicable housing loan; or

(g) seek various remedies for other breaches of the Consumer Credit Code.

Any such order may affect the timing or amount of interest or principal payments under the relevant housing loan (which might in turn affect the timing or amount of interest or principal payments under the notes).

Breaches of the Consumer Credit Code may also lead to civil penalties or criminal fines being imposed on either Commonwealth Bank or Homepath, for so long as it holds legal title to the housing loans and the mortgages. If the Trustee acquires legal title, it will then become primarily responsible for compliance with the Consumer Credit Code. It will take this legal title subject to any breaches of the Consumer Credit Code by either Commonwealth Bank or Homepath. In particular, once the Trustee acquires legal title it may become liable to orders of the type referred to in 3.12(e) and (f) above in relation to breaches of the Consumer Credit Code. Any order under the Consumer Credit Code may affect the timing or amount of interest or principal payments or repayments under the relevant housing loan, which might in turn affect the timing or amount of interest or principal payments or repayments on the notes. The Servicer will indemnify the Trustee against any liability under the Consumer Credit Code where the events giving rise to that liability occur before the Trustee acquires legal title to the housing loans and against any such liability where the events giving rise to that liability occur after the Trustee acquires legal title to the housing loans to the extent that they arise from a Servicer Default or a failure of the servicer to comply with its obligations under any Transaction Document.

The Trustee will be indemnified out of the Assets of the Series Trust for liabilities it incurs under the Consumer Credit Code. Where the Trustee is held liable for breaches of the Consumer Credit Code, the Trustee must seek relief initially under any indemnities provided to it by the Manager, the Servicer or Commonwealth Bank before exercising its rights to recover against any Assets of the Series Trust.

Commonwealth Bank (for itself and on behalf of Homepath) will give certain representations and warranties that the mortgages relating to the housing loans complied in all material respects with all applicable laws when those mortgages were entered into. The Servicer has also undertaken to comply with the Consumer Credit Code in carrying out its obligations under the Transaction Documents. In certain circumstances the Trustee may have the right to claim damages from Commonwealth Bank or the Servicer, as the case may be, where the Trustee suffers loss in connection with a breach of the Consumer Credit Code which is caused by a breach of a relevant representation or undertaking.

3.13 Priority of Principal on the redraw bonds

If redraw bonds are issued they will rank ahead of notes with respect to payment of principal prior to enforcement of the charge under the Security Trust Deed, and noteholders may not receive full repayment of principal on the notes.

3.14 Class B notes provide only limited protection

The amount of credit enhancement providing through the subordination of the Class B notes to the Class A notes and redraw bonds is limited and could be depleted prior to the payment in full of the Class A notes and redraw bonds. If the principal amount of the Class B notes is reduced to zero, Class A noteholders may suffer losses on the Class A notes.

3.15 Termination of Swaps

(a) The Trustee will exchange the interest payments from the fixed rate housing loans for variable rate payments based upon the three month Bank Bill Rate. If the fixed rate swap is terminated or the Fixed Rate Swap Provider fails to perform its obligations, noteholders will be exposed to the risk that the floating rate of interest payable on the notes will be greater than the discretionary fixed rate set by the Servicer on the fixed rate housing loans, which may lead to losses to noteholders.

(b) The Trustee will exchange the interest payments from the variable rate housing loans for variable rate payments based upon the three month Bank Bill Rate. If the

basis swap is terminated, the Manager will direct the Servicer to, subject to applicable laws, set the rates at which interest set-off benefits are calculated under the mortgage interest saver accounts at a rate low enough to cover the payments owed by the Series Trust or to zero, and if that does not produce sufficient income, to set the interest rate on the variable rate housing loans at a rate high enough to cover the payments owed by the Series Trust. If the rates on the variable rate housing loans are set above the market interest rate for similar variable rate housing loans, the affected borrowers will have an incentive to refinance their loans with another institution, which may lead to higher rates of principal prepayment than noteholders initially expected, which will affect the yield on the notes.

(c) The Trustee will receive payments from the borrowers and the Fixed Rate Swap Provider and the Basis Swap Provider on the housing loans in Australian dollars calculated, in the case of the swap providers, by reference to the Bank Bill Rate, and make payments to Class A-1 noteholders in US dollars calculated, in the case of interest, by reference to LIBOR, and payments to Class A-3 noteholders in Euro calculated, in the case of interest, by reference to EURIBOR. Under the Class A-1 currency swap, the Currency Swap Provider will exchange Australian dollar obligations for US dollars, and in the case of interest, amounts calculated by reference to the Bank Bill Rate for amounts calculated by reference to LIBOR. Under the Class A-3 currency swap, the Currency Swap Provider will exchange Australian dollar obligations for Euro, and in the case of interest, amounts calculated by reference to the Bank Bill Rate for amounts calculated by reference to EURIBOR. If the Currency Swap Provider fails to perform its obligations under either currency swap or if a currency swap is terminated, the Trustee might be required to exchange its Australian dollars for US dollars or Euro (as applicable) and its Bank Bill Rate obligations for LIBOR or EURIBOR obligations (as applicable) at rates that do not provide sufficient Australian dollars to make payments to Class A-2 noteholders and Class B noteholders in full. On enforcement of the charge under the Security Trust Deed, the order of priority of payments under the Security Trust Deed will mitigate this currency risk for Class A-2 noteholders but may not be sufficient to totally mitigate such risk.

(d) If the Trustee is required to make a termination payment to the Currency Swap Provider or a Fixed Rate Swap Provider upon the termination of the fixed rate swap or a currency swap, respectively, the Trustee will make the termination payment from the Assets of the Series Trust and, prior to enforcement of the Security Trust Deed, in priority to payments on the notes. Thus, if the Trustee makes a termination payment, there may not be sufficient funds remaining to pay interest on the notes on the next Distribution Date, and the principal on the notes may not be repaid in full.

3.16 Early Redemption of Notes

If the Manager directs the Trustee to redeem the notes early as described in Section 9.19 or Section 9.21 and principal charge-offs have occurred, noteholders and redraw bondholders owning at least 75% of the aggregate outstanding amount of the notes and redraw bonds may consent to receiving an amount equal to the outstanding principal amount of the notes, less unreimbursed principal charges-offs, plus accrued interest. As a result, all noteholders may not fully recover their investment. In addition, the early retirement of the notes will shorten their average lives and potentially lower the yield on the notes.

4. The Trustee, Commonwealth Bank and the Manager

4.1 The Trustee

The Trustee was incorporated on September 28, 1886 as Perpetual Trustee Company (Limited) under the Companies Statute of New South Wales as a public company. The name of the Trustee was changed to Perpetual Trustee Company Limited on December 14, 1971 and the Trustee now operates as a limited liability public company under the Corporations Act. The Trustee is registered in New South Wales and its registered office is at Level 7, 39 Hunter Street, Sydney.

The Trustee has 4,000,000 ordinary shares issued with a paid amount of A$1.00 per share. The shares are held by Perpetual Trustees Australia Limited.

The principal activities of the Trustee are the provision of trustee and other commercial services. The Trustee is an authorised trustee corporation. Perpetual Trustees Australia Ltd and its subsidiaries provide a range of services including custodial and administrative arrangements to the funds management, superannuation, property, infrastructure and capital markets. Perpetual Trustees Australia Ltd and its subsidiaries are leading trustee companies in Australia with in excess of A$95 billion under administration.

The directors of the Trustee are as follows:

Name	Business Address	Principal Activities
Phillip Andrew Vernon	Level 7, 39 Hunter Street Sydney NSW 2000	Director
Andrew John McKee	Level 7, 39 Hunter Street Sydney NSW 2000	Director
David Michael Deverall	Level 7, 39 Hunter Street Sydney NSW 2000	Director
Jane Lachlan Couchman	Level 7, 39 Hunter Street Sydney NSW 2000	Director

4.2 Commonwealth Bank

The Commonwealth Bank of Australia was established in 1911 by an Act of Australia's Commonwealth Parliament as a government owned enterprise to conduct commercial and savings banking business. For a period it also operated as Australia's central bank until this function was transferred to the Reserve Bank of Australia in 1959. The process of privatisation of the Commonwealth Bank was commenced by Australia's Commonwealth Government in 1990 and was completed in July 1996. The Commonwealth Bank is now a public company listed on the Australian Stock Exchange Limited. Its registered office is at Level 7, 48 Martin Place, Sydney, New South Wales, Australia.

Commonwealth Bank has a long term credit rating of AA from Fitch, Aa3 from Moody's and AA- from Standard & Poor's and a short term credit rating of A-1+ from Standard & Poor's, F1+ from Fitch and P-1 from Moody's.

As at 31 December 2003, Commonwealth Bank and its subsidiaries, on a consolidated basis, had total assets of A$285.9 billion, deposits of A$158.9 billion and total regulatory capital of A$14.9 billion. Operating profit after tax and outside equity interests for the 6 months to 31 December 2003 was A$1,243 million.

Commonwealth Bank currently files periodic reports with the Securities and Exchange

Commission pursuant to the Exchange Act.

The Australian banking activities of Commonwealth Bank come under the regulatory supervision of the Australian Prudential Regulation Authority. For a further description of the business operations of Commonwealth Bank, see Section 12.

4.3 Homepath

Homepath Pty Limited was established on 16 March 1998 as a provider of home loans and property related information services via the internet. Homepath is a wholly owned, but not guaranteed, subsidiary of Commonwealth Bank. Its registered office is at Level 7, 48 Martin Place, Sydney New South Wales, Australia.

Homepath is consolidated within the Annual Report of the Commonwealth Bank group.

4.4 The Manager

The Manager, Securitisation Advisory Services Pty. Limited, is a wholly owned subsidiary of Commonwealth Bank. Its principal business activity is the management of securitisation trusts established under Commonwealth Bank's Medallion Trust Programme and the management of other securitisation programmes established by Commonwealth Bank or its customers. The Manager's registered office is Level 7, 48 Martin Place, Sydney, New South Wales, Australia.

5. Description of the Trust

5.1 Commonwealth Bank Securitisation Trust Programme

Commonwealth Bank established its Medallion Trust Programme pursuant to the Master Trust Deed for the purpose of enabling Perpetual Trustee Company Limited, as trustee of each trust established pursuant to the Medallion Trust Programme, to invest in pools of assets originated by or purchased from time to time from Commonwealth Bank, its subsidiaries and/or other persons. The Master Trust Deed provides for the creation of an unlimited number of trusts and may be varied or amended by a Series Supplement in respect of that series trust. The Master Trust Deed establishes the general framework under which trusts may be established from time to time. The Series Trust is established by the Master Trust Deed and the Series Supplement. The Series Trust is separate and distinct from any other trust established under the Master Trust Deed. The Assets of the Series 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 Series Trust.

5.2 Series Trust

The detailed terms of the Series Trust are set out in the Master Trust Deed and the Series Supplement.

The Series Supplement, which supplements the general framework under the Master Trust Deed with respect to the Series Trust, does the following:

(a) specifies the details of the notes, other than for the Offshore notes which are contained in the Offshore Note Trust Deed and the Offshore Note Terms and Conditions annexed to the Offshore notes;

(b) establishes the cash flow allocation;

(c) sets out the mechanism for the acquisition from Commonwealth Bank and Homepath of the pool of housing loans by the Series Trust and contains various representations and warranties by Commonwealth Bank in relation to the housing loans;

(d) contains Commonwealth Bank's appointment as initial Servicer of the housing loans and the various powers, discretions, rights, obligations and protections of Commonwealth Bank in this role;

(e) provides for the beneficial ownership of the Series Trust by the unitholders; and

(f) specifies a number of ancillary matters associated with the operation of the Series Trust and the housing pool such as the arrangements regarding the operation of the collections account, the custody of the title documents in relation to the housing loans, the fees payable to the Trustee, the Manager and the Servicer, the perfection of the Trustee's title to the housing loans, the termination of the Series Trust and the limitation on the Trustee's liability.

5.3 Transfer of assets between Trusts

The Master Trust Deed provides for the transfer of some or all of the assets of one trust (the **"Disposing Trust"**) to another trust (the **"Acquiring Trust"**) subject to the requirements of the Master Trust Deed and the series supplements for both the Disposing Trust and the Acquiring Trust.

Under the Master Trust Deed, if the Trustee as trustee of a Disposing Trust has received:

(a) a Transfer Proposal in accordance with the Master Trust Deed;

(b) the Transfer Amount in respect of that Transfer Proposal; and

(c) a direction from the Manager to accept that Transfer Proposal,

then, subject to the requirements of the Master Trust Deed and the series supplements for both the Disposing Trust and the Acquiring Trust, the Trustee will hold the Assigned Assets in respect of that Transfer Proposal as trustee of the Acquiring Trust in accordance with the terms of the series supplement in relation to the Acquiring Trust.

To ensure that the Disposing Trust has the benefit of any receipts (other than receipts in the nature of principal), and bears the cost of any outgoings, in respect of the Assigned Assets for the period up to (but excluding) the Assignment Date and the Acquiring Trust has the benefit of such receipts and bears such costs for the period after (and including) that Assignment Date, the Manager will direct the Trustee as trustee of the Acquiring Trust to pay the Adjustment Advance to the Disposing Trust on the Assignment Date.

5.4 Other Trusts

In addition to the Series Trust, two other trusts are established in relation to the issue of the notes as follows:

(a) **Offshore Trust**

The Offshore Note Trustee acts as trustee of the Offshore Trust under the Offshore Note Trust Deed for the benefit of Offshore noteholders. Under the terms of the Offshore Note Trust Deed the Offshore Note Trustee is able to enforce obligations of the Trustee for the benefit of Offshore noteholders and will vote on behalf of the Offshore noteholders, based on their directions, at meetings held under the terms of the Master Trust Deed or the Security Trust Deed, including upon an Event of Default and enforcement under the Security Trust Deed.

(b) **Security Trust**

The Security Trustee acts as trustee of the Security Trust for the benefit of noteholders, redraw bondholders and all other Secured Creditors under the terms of the Security Trust Deed. The Security Trustee holds the charge over the Assets of the Series Trust granted by the Trustee under the Security Trust Deed for the benefit of the Secured Creditors. If an Event of Default occurs under the Security Trust Deed and the charge is enforced, the Security Trustee, or a receiver appointed by it, will be responsible for realising the Assets of the Series Trust and the Security Trustee will be responsible for distributing the proceeds of realisation to Secured Creditors in the order prescribed under the Security Trust Deed. The Class A-2 noteholders and Class B noteholders are Secured Creditors.

6. Description of the assets of the Trust

6.1 Assets of the Trust

The Assets of the Series Trust will include the following:

(a) the pool of housing loans, including all:

(i) principal payments paid or payable on the housing loans at any time from and after the Cut-Off Date; and

(ii) interest payments and fees paid or payable on the housing loans before or after the Cut-Off Date (other than the Accrued Interest Adjustment which is to be paid on the first Distribution Date to Commonwealth Bank and Homepath as Sellers of the housing loans);

(b) rights under the mortgage insurance policies issued by GEMI, PMI and GEMICO and the individual property insurance policies covering the mortgaged properties relating to the housing loans;

(c) rights under the mortgages in relation to the housing loans;

(d) rights under collateral securities appearing on the records of Commonwealth Bank or Homepath as securing the housing loans;

(e) amounts on deposit in the accounts established in connection with the creation of the Series Trust and the issuance of the notes, including the collections account, and any instruments in which these amounts are invested; and

(f) the Trustee's rights under the Transaction Documents.

6.2 The Housing Loans

The housing loan pool consists of 23,209 housing loans that have an aggregate principal balance outstanding as of the 11 March 2004 of approximately A$3,436,411,027.

The housing loans are secured by registered first ranking mortgages on properties located in Australia. The housing loans are from Commonwealth Bank's or Homepath's general residential mortgage product pool and have been originated by either Commonwealth Bank or Homepath in the ordinary course of its business. Each housing loan will be one of the types of products described in Section 7.3. Each housing loan may have some or all of the features described in Section 7.4. The housing loans are either fixed rate or variable rate loans. The mortgaged properties consist of owner-occupied properties and non-owner occupied properties, but do not include mobile homes which are not permanently affixed to the ground, commercial properties or unimproved land.

6.3 Transfer and Assignment of the Housing Loans

The housing loans assigned to the Series Trust on the Closing Date will be specified in a sale notice from each Seller to the Trustee.

Each Seller will equitably assign the housing loans, the mortgages and any collateral securities from time to time appearing in its records as securing those housing loans, any mortgage insurance policies in relation to the housing loans and its interest in any insurance policies on the mortgaged properties relating to those housing loans to the Trustee pursuant to the sale notice. After this assignment, the Trustee will be entitled to the collections, subject to certain exceptions, on the housing loans the subject of the sale notice.

If the Trustee is actually aware of the occurrence of a Perfection of Title Event which is subsisting then, unless each rating agency confirms that a failure to perfect the Trustee's title to the housing loans will not result in a reduction, qualification or withdrawal of the credit ratings assigned by them to the notes and redraw bonds, the Trustee must declare that a Perfection of Title Event has occurred and the Trustee and the Manager must as soon as practicable take steps to perfect the Trustee's legal title to the housing loans. These steps will include the lodgement of transfers of the mortgages securing the housing loans with the appropriate land titles office in each Australian State and Territory. The Trustee will hold at the Closing Date irrevocable powers of attorney from each Seller to enable it to execute such mortgage transfers.

Each Seller may in some instances equitably assign to the Trustee a housing loan secured by an "all moneys" mortgage, which may also secure other financial indebtedness. Each Seller will also assign these other loans to the Trustee which will hold these by way of a separate trust for Commonwealth Bank and Homepath, as appropriate, established under the Series Supplement and known as the CBA Trust. The other loans are not Assets of the Series Trust. The Trustee will hold the proceeds of enforcement of the related mortgage, to the extent they exceed the amount required to repay the housing loan, as trustee for the CBA Trust, in relation to that other loan. The mortgage will secure the housing loan equitably assigned to the Series Trust in priority to that other loan.

Because each Seller's standard security documentation may secure all moneys owing by the provider of the security to the Seller, it is possible that a security held by that Seller in relation to other facilities provided by it could also secure a housing loan, even though in that Seller's records the particular security was not taken for this purpose. Commonwealth Bank and Homepath will only assign to the Trustee in its capacity as trustee of the Series Trust those securities that appear in its records as intended to secure the housing loans. Other securities which by their terms technically secure a housing loan but which were not taken for that purpose, will not be assigned for the benefit of the noteholders or redraw bondholders.

6.4 Representations, Warranties and Eligibility Criteria

Commonwealth Bank will make various representations and warranties to the Trustee as of the Cut-Off Date with respect to each housing loan being equitably assigned to the Trustee, including in respect of each Seller that:

(a) at the time the Seller of the housing loan entered into the related mortgage, the mortgage complied in all material respects with applicable laws;

(b) at the time the Seller of the housing loan entered into the housing loan, it did so in good faith;

(c) at the time the Seller of the housing loan entered into the housing loan, the housing loan was originated in the ordinary course of that Seller's business and since then that Seller has dealt with the housing loan in accordance with its servicing procedures and servicing standards;

(d) at the time the Seller of the housing loan entered into the housing loan, all necessary steps were taken to ensure that the related mortgage complied with the legal requirements applicable at that time to ensure that the mortgage was a first ranking mortgage, subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or not, and any other prior security interests which do not prevent the mortgage from being considered to be a first ranking mortgage in accordance with the servicing standards, secured over land, subject to stamping and registration in due course;

(e) where there is a second or other mortgage in respect of the land the subject of the

related mortgage and the Seller of the housing loan is not the mortgagee of that second or other mortgage, that Seller has ensured whether by a priority agreement or otherwise, that the mortgage ranks ahead in priority to the second or other mortgage on enforcement for at least the principal amount plus accrued but unpaid interest of the housing loan and such other amount determined in accordance with the servicing standards;

(f) at the time the housing loan was approved, the Seller of that housing loan had received no notice of the insolvency or bankruptcy of the relevant borrower or any notice that the relevant borrower did not have the legal capacity to enter into the relevant mortgage;

(g) the Seller of the housing loan is the sole legal and beneficial owner of that housing loan and the related securities assigned to the Trustee as trustee of the Series Trust and, to its knowledge, subject to the above paragraph in relation to second or other mortgages in respect of which that Seller is not the mortgagee, no prior ranking security interest exists in relation to its right, title and interest in the housing loan and related securities;

(h) each of the relevant mortgage documents, other than any property insurance policies, which is required to be stamped with stamp duty has been duly stamped;

(i) other than in respect of priorities granted by statute, the Seller of the housing loan has not received notice from any person that it claims to have a security interest ranking in priority to or equal with the security interest held by that Seller and constituted by the relevant mortgage;

(j) each housing loan is, or will on the Closing Date be, insured under a mortgage insurance policy;

(k) except in relation to fixed rate housing loans or those which can be converted to a fixed rate or a fixed margin relative to a benchmark and applicable laws, binding codes and competent authorities binding on the relevant Seller or as may be otherwise provided in the corresponding mortgage documents, there is no limitation affecting, or consent required from a borrower to effect, a change in the interest rate under the housing loan;

(l) the terms of the loan agreement in relation to each housing loan requires payments in respect of the housing loan to be made to the Seller of the housing loan, free of set-off unless prohibited by law; and

(m) as of the Cut-Off Date the housing loan satisfies the following eligibility criteria:

(i) it is from the Seller's general housing loan pool;

(ii) it is secured by a mortgage over land which has erected on or within it a residential dwelling or unit and the terms of that mortgage require that dwelling or unit to be insured under a general home owner's insurance policy;

(iii) it has a loan-to-value ratio based on the outstanding balance of the housing loan and the most recent valuation of the mortgaged property, at the commencement of business on the Cut-Off Date, less than or equal to 95%;

(iv) the amount outstanding, assuming all due payments have been made by the borrower, will not exceed A$750,000;

(v) the borrower is required to repay that loan within 30 years of the Cut-Off Date;

(vi) no payment from the borrower under the housing loan is in arrears for more than 30 consecutive days;

(vii) it is or has been fully drawn;

(viii) the borrower under the housing loan is not an employee of either Commonwealth Bank or Homepath who is paying a concessional rate of interest under the housing loan as a result of that employment; and

(ix) it was advanced, and is repayable, in Australian dollars.

The Trustee has not investigated or made any inquiries regarding the accuracy of these representations and warranties and has no obligation to do so. The Trustee is entitled to rely entirely upon the representations and warranties being correct, unless an officer of the Trustee involved in the day to day administration of the Series Trust has actual notice to the contrary.

6.5 Breach of Representations and Warranties

If Commonwealth Bank, Homepath, the Manager or the Trustee becomes actually aware that a representation or warranty from Commonwealth Bank relating to any housing loan or mortgage was incorrect when given, including that a housing loan not meeting the eligibility criteria has been included in the housing loan pool, it must notify the others within 5 Business Days, and provide to them sufficient details to identify the housing loan and the reasons for believing the representation or warranty is incorrect. None of Commonwealth Bank, Homepath, the Manager or the Trustee is under any ongoing obligation to determine whether any representation or warranty is incorrect when given.

If any representation or warranty is incorrect when given and notice of this is given not later than 5 Business Days prior to 120 days after the Closing Date, or such longer period as may be agreed between the Australian Prudential Regulation Authority, the Trustee, the relevant Seller and the Manager (the **"Prescribed Period"**), and Commonwealth Bank or Homepath does not remedy the breach to the satisfaction of the Trustee within 5 Business Days of the notice being given, the housing loan and its related securities will no longer form part of the Assets of the Series Trust. The Trustee will, however, retain all collections received in connection with that housing loan from the Cut-Off Date to the date of delivery of the notice. Commonwealth Bank must pay or procure payment to the Trustee the principal amount of, and interest accrued but unpaid under the housing loan as at the date of delivery of the relevant notice within 2 Business Days of that housing loan ceasing to form part of the Series Trust.

During the Prescribed Period, the Trustee's sole remedy for any of the representations or warranties being incorrect is the right to the above payment from Commonwealth Bank and neither Seller has any other liability for any loss or damage caused to the Trustee, any noteholders or any other person, for any of the representations or warranties being incorrect.

If the breach of a representation or warranty in relation to a housing loan is discovered after the last day for giving notices in the Prescribed Period, Commonwealth Bank must pay damages to the Trustee which will be limited to the principal amount outstanding and any accrued but unpaid interest and any outstanding fees in respect of the housing loans. The amount of the damages must be agreed between the Trustee and Commonwealth Bank or, failing this, be determined by Commonwealth Bank's external auditors.

6.6 Substitution of Housing Loan Securities

Under the Series Supplement, the Servicer is empowered in relation to each housing loan to,

amongst other things, substitute any corresponding mortgage, or collateral security appearing in the records of Commonwealth Bank or Homepath as intending to secure the housing loan, as long as this is done in accordance with the relevant mortgage insurance policy and the servicing guidelines.

6.7 Other Features of the Housing Loans

The housing loans have the following features.

(a) Interest is calculated daily and charged in arrears.

(b) In respect of Commonwealth Bank loans, payments can be on a monthly, bi-weekly or weekly basis. Payments are made by borrowers using a number of different methods, including cash payments at branches, cheques and in most cases automatic transfer.

(c) In respect of Homepath housing loans, scheduled repayments can only be made by direct debit to a nominated bank account. Payments in addition to scheduled payments can also be made via electronic funds transfer.

(d) They are governed by the laws of one of the following Australian States or Territories:

(i) New South Wales;

(ii) Victoria;

(iii) Western Australia;

(iv) Queensland;

(v) South Australia;

(vi) Northern Territory;

(vii) the Australian Capital Territory; or

(viii) Tasmania.

6.8 Details of the Housing Loan Pool

The information in the following tables sets forth in tabular format various details relating to the selection housing loan pool from which the housing loans proposed to be sold to the Series Trust on the Closing Date will be selected. The information is provided as of 6 March 2004. 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 Closing Date because a Seller may add additional eligible housing loans or remove housing loans but any changes to the pool will be minor, as set out below.

The Sellers will not add or remove any housing loans prior to the Closing Date if this would result in a change of more than 5% in any of the characteristics of the pool of housing loans described in the table in Section 2.8 other than a change in the Number of Housing Loans, the Housing Loan Pool Size or the Total Valuation of the Properties where the change is due to adding or removing housing loans due to a fluctuation in the A$/US$ exchange rate or the A$/€ exchange rate, unless a revised Information Memorandum is delivered to prospective investors.

Housing Loan Information

Pool Profile by Originator

Originator	No. of Loans	Total Loan Balance (A$)	% by Loan Balance	Weighted Average Interest Rate (%)	Weighted Average Current LTV (%)	Weighted Average Term to Maturity (in months)
Commonwealth Bank	22,675	3,329,123,415	96.88%	6.58%	68.08%	311
Homepath.....	534	107,287,612	3.12%	6.15%	67.05%	312
Total	23,209	3,436,411, 027	100.00%	6.57%	68.05%	311

Year of Origination (Quarterly)

Year of Origination	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV (%)	Average Loan Balance (A$)	% by Loan Balance
2000 Q2	158	27,489,750	16,648,614	63.38%	105,371	0.48%
2000 Q3	103	18,585,304	11,780,775	66.89%	114,376	0.34%
2000 Q4	140	27,304,286	16,288,841	64.45%	116,349	0.47%
2001 Q1	349	68,609,708	41,635,044	64.56%	119,298	1.21%
2001 Q2	1,166	231,076,581	141,235,603	65.69%	121,128	4.11%
2001 Q3	2,489	502,258,064	319,054,610	68.50%	128,186	9.28%
2001 Q4	3,402	702,880,950	449,198,491	69.39%	132,040	13.07%
2002 Q1	3,970	870,360,134	546,243,998	69.10%	137,593	15.90%
2002 Q2	3,423	806,062,381	504,890,302	69.21%	147,499	14.69%
2002 Q3	2,639	685,282,420	421,037,395	68.23%	159,544	12.25%
2002 Q4	1,961	559,907,607	340,823,680	67.43%	173,801	9.92%
2003 Q1	1,143	365,610,547	230,405,185	69.75%	201,579	6.70%
2003 Q2	1,396	449,685,257	257,552,636	64.82%	184,493	7.49%
2003 Q3	870	246,353,394	139,615,854	63.04%	160,478	4.06%
Total	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

Pool Profile by Geographic Distribution[(1)]

Region	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV (%)	Average Loan Balance (A$)	% by Loan Balance
Australian Capital Territory						
Metro	633	150,643,580	98,130,230	70.78%	155,024	2.86%
New South Wales						
Metro	4,870	1,771,433,603	1,087,679,364	68.44%	223,343	31.65%
Other	4,897	1,017,767,948	657,407,606	70.56%	134,247	19.13%
Queensland						
Metro	1,422	279,631,974	177,450,205	69.33%	124,789	5.16%
Non Metro—Gold Coast	516	110,532,192	67,261,326	67.10%	130,351	1.96%
Non Metro—Sunshine	266	58,854,662	33,125,412	61.92%	124,532	0.96%
Non Metro—Other	821	123,934,720	84,786,568	72.68%	103,272	2.47%
Victoria						
Metro	4,993	1,195,038,694	697,627,662	64.24%	139,721	20.30%
Other	1,295	209,457,292	131,624,878	67.73%	101,641	3.83%
Western Australia						
Metro	1,607	323,887,595	199,742,777	67.86%	124,295	5.81%
Other	225	37,944,426	25,501,005	71.29%	113,338	0.74%
South Australia						
Metro	824	153,562,376	93,241,169	66.07%	113,157	2.71%
Other	237	36,909,076	22,874,583	67.74%	96,517	0.67%
Northern Territory						
Metro	72	15,107,208	9,465,934	69.17%	131,471	0.28%
Other	32	6,844,700	4,606,087	74.15%	143,940	0.13%
Tasmania						
Metro	300	43,073,830	28,743,091	71.30%	95,810	0.84%
Other	199	26,842,507	17,143,133	69.16%	86,146	0.50%
Total for all Regions	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

(1) Geographic distributions are split by State or Territory and by metropolitan (metro) or country (other). Metro areas comprise the city and surrounding suburbs of the capital city of each State or Territory and Other comprises all other areas.

Pool Profile by Balance Outstanding

Current Loan Balance (A$)	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV (%)	Average Loan Balance (A$)	% by Loan Balance
50,001 to 100,000 ...	7,652	1,140,834,102	599,118,336	59.46%	78,296	17.43%
100,001 to 150,000 ...	6,837	1,398,148,736	846,656,158	66.80%	123,834	24.64%
150,001 to 200,000 ...	4,294	1,147,416,758	742,102,261	70.11%	172,823	21.60%
200,001 to 250,000 ...	2,087	695,205,055	464,152,476	72.15%	222,402	13.51%
250,001 to 300,000 ...	1,103	450,387,385	301,310,145	72.41%	273,173	8.77%
300,001 to 350,000 ...	536	254,644,506	172,284,933	72.70%	321,427	5.01%
350,001 to 400,000 ...	279	155,899,124	104,134,965	71.43%	373,244	3.03%
400,001 to 450,000 ...	165	109,021,260	70,061,683	69.61%	424,616	2.04%
450,001 to 500,000 ...	117	84,034,707	55,469,830	71.10%	474,101	1.61%
500,001 to 550,000 ...	48	39,298,000	25,087,331	67.54%	522,653	0.73%
550,001 to 600,000 ...	49	40,397,750	28,118,451	72.13%	573,846	0.82%
600,001 to 650,000 ...	17	17,035,500	10,547,536	65.18%	620,443	0.31%
650,001 to 700,000 ...	17	19,357,500	11,550,303	65.32%	679,430	0.34%
700,001 to 750,000 ...	8	9,786,000	5,816,618	65.76%	727,077	0.17%
Total	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

Pool Profile by Current Loan to Value Ratio (LTV)

Current LTV (%)	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV (%)	Average Loan Balance (A$)	% by Loan Balance
10.01 to 15.00	6	3,615,000	453,287	12.60%	75,548	0.01%
15.01 to 20.00	13	5,137,691	935,270	18.29%	71,944	0.03%
20.01 to 25.00	158	58,818,900	13,850,424	23.63%	87,661	0.40%
25.01 to 30.00	661	267,927,717	73,977,049	27.68%	111,917	2.15%
30.01 to 35.00	910	347,732,697	113,186,608	32.62%	124,381	3.29%
35.01 to 40.00	1,150	406,731,038	153,080,656	37.69%	133,114	4.45%
40.01 to 45.00	1,321	422,145,395	179,156,351	42.49%	135,622	5.21%
45.01 to 50.00	1,058	261,253,924	124,323,289	47.63%	117,508	3.62%
50.01 to 55.00	1,155	270,074,069	142,074,107	52.65%	123,008	4.13%
55.01 to 60.00	1,290	288,462,076	165,744,956	57.49%	128,484	4.82%
60.01 to 65.00	1,411	300,124,954	188,242,557	62.76%	133,411	5.48%
65.01 to 70.00	2,307	514,626,124	347,664,568	67.59%	150,700	10.12%
70.01 to 75.00	3,502	740,593,219	538,156,375	72.70%	153,671	15.66%
75.01 to 80.00	3,574	796,839,262	616,165,570	77.35%	172,402	17.93%
80.01 to 85.00	782	149,354,733	123,658,568	82.82%	158,131	3.60%
85.01 to 90.00	1,707	331,391,710	291,040,585	87.85%	170,498	8.47%
90.01 to 95.00	2,204	396,637,874	364,700,806	91.96%	165,472	10.61%
Total	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

Pool Profile by Year of Maturity

Maturity Year	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV (%)	Average Loan Balance (A$)	% by Loan Balance
2007	9	2,296,900	1,193,984	61.56%	132,665	0.03%
2008	4	1,409,500	582,078	47.97%	145,520	0.02%
2009	16	2,813,000	1,277,008	48.08%	79,813	0.04%
2010	15	3,181,000	1,280,672	43.77%	85,378	0.04%
2011	61	11,417,750	5,431,456	51.09%	89,040	0.16%
2012	116	22,914,500	10,425,031	50.05%	89,871	0.30%
2013	74	14,215,451	6,242,674	47.73%	84,360	0.18%
2014	79	13,902,182	6,777,598	52.60%	85,792	0.20%
2015	72	13,818,201	7,166,959	56.63%	99,541	0.21%
2016	235	42,554,000	22,173,877	56.96%	94,357	0.65%
2017	468	90,736,573	45,590,540	55.66%	97,416	1.33%
2018	245	51,256,222	25,327,884	55.55%	103,379	0.74%
2019	176	33,226,510	18,731,774	61.01%	106,431	0.55%
2020	208	39,613,548	22,454,666	61.17%	107,955	0.65%
2021	620	119,996,318	69,410,514	62.02%	111,952	2.02%
2022	1,139	244,425,353	129,765,101	59.15%	113,929	3.78%
2023	488	111,347,075	58,786,075	59.04%	120,463	1.71%
2024	267	58,247,212	32,517,676	61.72%	121,789	0.95%
2025	321	65,686,346	38,853,794	64.28%	121,040	1.13%
2026	978	198,069,170	120,376,902	65.14%	123,085	3.50%
2027	1,891	431,507,436	259,974,818	65.90%	137,480	7.57%
2028	699	186,602,140	109,249,037	64.45%	156,293	3.18%
2029	286	60,140,691	37,203,981	66.65%	130,084	1.08%
2030	464	96,729,276	59,959,268	66.94%	129,223	1.74%
2031	3,246	656,934,871	438,375,876	71.51%	135,051	12.76%
2032	8,023	1,987,209,143	1,290,199,914	71.21%	160,813	37.54%
2033	3,009	1,001,216,015	617,081,869	68.63%	205,079	17.96%
Total	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

Pool Profile by Ownership Type

Loan Purpose	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV (%)	Average Loan Balance (A$)	% by Loan Balance
Owner Occupied	18,763	4,151,478,152	2,601,801,392	68.97%	138,667	75.71%
Investment	4,446	1,409,988,231	834,609,635	65.19%	187,721	24.29%
Total	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

Pool Profile by Amortization

Payment Type	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV (%)	Average Loan Balance (A$)	% by Loan Balance
Principal and Interest	21,700	4,942,157,893	3,072,956,009	68.34%	141,611	89.42%
Interest Only	1,509	619,308,490	363,455,018	65.59%	240,858	10.58%
Total	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

Mortgage Insurer Distribution

Mortgage Insurer	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV(%)	Average Loan Balance (A$)	% By Loan Balance
PMI	17,623	4,479,698,164	2,529,933,717	61.71%	143,559	73.62%
GEMICO (LMI)	5,558	1,077,893,769	903,343,313	85.75%	162,530	26.29%
GEMI	28	3,874,450	3,133,996	81.80%	111,928	0.09%
Total	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

Pool Profile by Product

Loan Type	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV (%)	Average Loan Balance (A$)	% by Loan Balance
Standard Variable Rate Loans and Homepath Loans	11,042	2,617,122,413	1,587,975,700	66.96%	143,811	46.21%
Fixed Rate Loans						
1 yr fixed	567	136,206,446	88,778,548	70.58%	156,576	2.58%
2 yr fixed	856	195,651,723	127,953,453	70.71%	149,478	3.72%
3 yr fixed	3,616	866,145,591	525,581,319	67.23%	145,349	15.29%
4 yr fixed	177	38,631,136	22,848,678	65.89%	129,089	0.66%
5 yr fixed	1,429	324,962,513	195,380,522	66.41%	136,725	5.69%
Economiser and Rate Saver Loans	5,522	1,382,746,561	887,910,806	70.26%	160,795	25.84%
Total	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

Distribution by Current Interest Rates

Current Rate (%)	No. of Loans	Total Security Valuations (A$)	Total Loan Balance (A$)	Weighted Average LTV (%)	Average Loan Balance (A$)	% by Loan Balance
5.01 to 5.50	248	106,012,016	65,941,112	69.76%	265,892	1.92%
5.51 to 6.00	2,081	565,874,694	342,546,215	67.24%	164,607	9.97%
6.01 to 6.50	5,538	1,500,213,231	951,927,350	69.85%	171,890	27.70%
6.51 to 7.00	6,691	1,620,646,177	989,862,475	67.15%	147,939	28.81%
7.01 to 7.50	8,605	1,760,447,494	1,080,849,592	67.45%	125,607	31.45%
7.51 to 8.00	42	7,767,271	4,987,589	67.81%	118,752	0.15%
8.01 to 8.50	4	505,500	296,694	60.96%	74,174	0.01%
Total	23,209	5,561,466,383	3,436,411,027	68.05%	148,064	100.00%

7. Commonwealth Bank and Homepath Residential Loan Program

7.1 Origination Process

The housing loans to be assigned to the Series Trust by Commonwealth Bank comprise a portfolio of variable and fixed rate loans which were originated by Commonwealth Bank through loan applications from new and existing customers. All Commonwealth Bank housing loan applications are sourced from Commonwealth Bank's branch network, its mobile sales force, its telephone sales operation, approved mortgage brokers and through the internet from Commonwealth Bank's website at "www.commbank.com.au".

All housing loans to be assigned to the Series Trust by Homepath comprise of variable rate loans. All Homepath housing applications are sourced through the internet from Homepath's website at "www.homepath.com.au". When a housing loan application is received it is processed by Commonwealth Bank as Servicer for Homepath in accordance with the same process described in Section 7.2.

7.2 Approval and Underwriting Process

When a housing loan application is received it is processed in accordance with Commonwealth Bank's approval policies. These policies are monitored and are subject to continuous review by Commonwealth Bank which, 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 their residential housing loans. In certain situations discounted interest rates are provided to retain existing borrowers or to attract certain high income individuals. All borrowers must satisfy the appropriate Seller's approval criteria described in this section.

The approval process includes verifying the borrower's application details, assessing their ability to repay the housing loan and determining the valuation of the mortgaged property.

(a) **Verification of application details**

The verification process involves borrowers providing proof of identity, evidence of income and evidence of savings. For an employed applicant, it includes confirming employment and income levels by way of recent payslips, tax assessments or letter from the employer. For a self-employed or business applicant it includes checking annual accounts and tax assessments. Where applicants are refinancing debts from another financial institution, a check of recent statements of the existing loan is made to determine the regularity of debt payments. The credit history of any existing borrowings from Commonwealth Bank is also checked. Where applicants are sourced through Commonwealth Bank's approved mortgage brokers, a credit history search of the borrower is provided by Baycorp Advantage Ltd, formerly known as Credit Advantage Ltd.

(b) **Assessing ability to repay**

Based upon the application, once verified, an assessment is made of the applicant's ability to repay the housing loan. This is primarily based on the applicant's debt servicing to income commitment ratio along with any risk factors identified in verifying the applicant's income, savings or credit history. The credit decision is made using one of the following processes.

(i) ***Credit scorecard***

A credit scorecard system automatically and consistently applies Commonwealth Bank's credit assessment rules without relying on the credit experience of the inputting officer. The credit scorecard returns a decision to approve, reject or refer an application. An application is referred by the system if certain risk factors, such as loan size or a high commitment level, are present which require the application to be assessed by an experienced loan officer. The credit score determined by this system is based on historical performance data of Commonwealth Bank's housing loan portfolio.

(ii) ***Credit approval authorities***

Housing loan applications which are not credit scored and those which are referred by the credit scorecard are assessed by a loan officer. Each loan officer is allocated a credit approval authority based on their level of experience and past performance. Loans which have certain risk characteristics, such as loan size or a high commitment level, are assessed by more experienced loan officers. Commonwealth Bank monitors the quality of lending decisions and conducts regular audits of approvals.

Borrowers in respect of housing loans may be natural persons, corporations or trusts. Housing loans to corporations and trusts may be secured, if deemed necessary, by guarantees from directors. Guarantees may also be obtained in other circumstances.

(c) **Valuation of mortgaged property**

For applications which successfully pass the credit decision process, the maximum allowable loan-to-value ratio, being the ratio of the housing loan amount to the value of the mortgaged property, is calculated and an offer for finance is made conditional upon a satisfactory valuation of the mortgaged property and any other outstanding conditions being satisfied. The amount of the housing loan that will be approved for a successful applicant is based on an assessment of the applicant's ability to service the proposed housing loan and the loan-to-value ratio. For the purposes of calculating the loan-to-value ratio, the value of a mortgaged property in relation to housing loans to be assigned to the Series Trust has been determined at origination by a qualified professional valuer or, subject to certain risk criteria, an externally provided database value or an acceptable source document such as a contract for the purchase of the mortgaged property or rates notice. The risk criteria includes limits on the loan amount and the value and geographical location of the security property.

The maximum loan-to-value ratio that is permitted for any loan is determined according to Commonwealth Bank's credit policy and is dependent on the size of the proposed loan, the nature and location of the proposed mortgaged property and other relevant factors. Where more than one mortgaged property is offered as security for a housing loan, the sum of the valuations for each mortgaged property is assessed against the housing loan amount sought.

Once Commonwealth Bank's formal loan offer has been accepted by the applicant, one of Commonwealth Bank's loan processing centres prepares the loan security documentation and dispatches it to the borrower for execution. After execution, the documentation, together with signed acknowledgement that all non-documentary conditions of approval have been met, is returned by the business unit to the loan

processing centre authorizing settlement and funding of the housing loan to proceed. In certain circumstances, settlement and funding are completed at the business unit level.

One of the conditions of settlement is that the borrower establish and maintain full replacement general home owner's insurance on the mortgaged property. Some of the housing loans have home owner's insurance provided by Commonwealth Insurance Limited, a subsidiary of Commonwealth Bank. However, there is no ongoing monitoring of the level of home owner's insurance maintained by borrowers.

7.3 Commonwealth Bank's and Homepath's Product Types

Set out below is a summary of Commonwealth Bank's housing loan product types.

(a) **Commonwealth Bank's Standard Variable Rate Loan and Fixed Rate Loan**

These types of loan are Commonwealth Bank's traditional standard mortgage products which consists of standard variable rate and fixed rate options. The standard variable rate product is not linked to any other variable rates in the market. However, it may fluctuate with market conditions. Borrowers may switch to a fixed interest rate at any time upon payment of a switching fee as described below in "Switching Interest Rates." Some of the housing loans will be subject to fixed rates for differing periods.

In addition, some of these loans have an interest rate which is discounted by a fixed percentage to the standard variable rate or fixed rate. These discounts are offered to members of certain professional groups, other high income individuals and borrowers who meet certain loan size requirements.

(b) **Commonwealth Bank's Economiser Home Loan and Rate Saver Home Loan**

These types of loans have a variable interest rate which is not linked to the standard variable rate product and which may fluctuate independently of this and other standard variable rates in the market. These types of loans were introduced by Commonwealth Bank to allow borrowers who did not require a full range of product features to reduce their interest rate. The interest rate for the Economiser Home Loan and Rate Saver Home Loan historically has been less than that for the standard variable rate product. Of the features described below, at present only those headed "Redraw and Further Advances," "Payment Holiday", "Early Repayment" and "Interest Only Periods" are currently available. However, any such borrowers availing themselves of the product feature "Interest Only Periods" will currently cease to be eligible for the product feature "Redraws and Further Advances". To take advantage of other features borrowers must, with the agreement of Commonwealth Bank and upon payment of a fee, switch their housing loan to a Standard Variable Rate Loan or Fixed Rate Loan product. However, these or other features may in the future be offered to borrowers.

(c) **Homepath Loans**

Homepath only offers a variable rate home loan product, the "Homepath Loan". Homepath Loans have a variable interest rate which is not linked to the variable rate of Commonwealth Bank products and which may fluctuate independently of other standard variable rates in the market. The interest rate for the Homepath Loan historically has been less than that for the Commonwealth Bank standard variable rate product. Of the features described in Section 7.4, at present only those headed "Substitution of Security", "Redraws and Further Advances", "Payment Holiday",

"Early Repayment" and "Interest Only Periods" are available for Homepath Loans. Homepath may from time to time offer additional features in relation to a housing loan or may cease to offer features that have been previously offered and may add, remove or vary any fees or other conditions applicable to such features.

7.4 Special Features of the Housing Loans

Each housing loan may have some or all of the features described in this section. In addition, during the term of any housing loan, Commonwealth Bank or Homepath, as appropriate, may agree to change any of the terms of that housing loan from time to time at the request of the borrower.

(a) **Switching Interest Rates**

Borrowers may elect for a fixed rate, as determined by Commonwealth Bank to apply to their housing loan for a period of up to 15 years. These housing loans convert to the standard variable interest rate at the end of the agreed fixed rate period unless the borrower elects to fix the interest rate for a further period.

Any variable rate housing loan of the Series Trust converting to a fixed rate product will automatically be matched by an increase in the fixed rate swaps to hedge the fixed rate exposure.

(b) **Substitution of Security**

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

(i) substitute a different mortgaged property in place of the existing mortgaged property securing a housing loan; or

(ii) release a mortgaged property from a mortgage.

If the Servicer's credit criteria are satisfied and another property is substituted for the existing security for the housing loan, the mortgage which secures the existing housing loan may be discharged without the borrower being required to repay the housing loan. The Servicer must obtain the consent of any relevant mortgage insurer to the substitution of security or a release of a mortgage where this is required by the terms of a mortgage insurance policy.

(c) **Redraws and Further Advances**

Each of the variable rate housing loans allows the borrower to redraw 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. Borrowers may request a redraw at any time subject to meeting certain credit criteria at that time. The borrower may be required to pay a fee to Commonwealth Bank or Homepath, as appropriate, in connection with a redraw. Currently, Commonwealth Bank does not permit redraws on fixed rate housing loans. A redraw will not result in the related housing loan being removed from the Series Trust.

In addition, Commonwealth Bank or Homepath may agree to make a further advance to a borrower under the terms of a housing loan subject to a credit assessment. Where a further advance does not result in the previous scheduled principal balance of the housing loan being exceeded by more than one scheduled monthly instalment, the further advance will not result in the housing loan being removed from the Series Trust. Where a further advance does result in the previous scheduled principal balance of the housing loan being exceeded by more than one

scheduled monthly instalment, Commonwealth Bank or Homepath must pay to the Series Trust the principal balance of the housing loan and accrued and unpaid interest and fees on the housing loan. If this occurs the housing loan will be treated as being repaid and will cease to be an Asset of the Series Trust.

A further advance to a borrower may also be made under the terms of another loan or as a new loan. These loans may share the same security as a housing loan assigned to the Series Trust but will be subordinated upon the enforcement of that security to the housing loan.

(d) **Payment Holiday**

A borrower is allowed a payment holiday where the borrower has prepaid principal, creating a difference between the outstanding principal balance of the loan and the scheduled amortised principal balance of the housing loan. The borrower is not required to make any payments, including payments of interest, until the outstanding principal balance of the housing loan plus unpaid interest equals the scheduled amortised principal balance. The failure by the borrower to make payments during a payment holiday will not cause the related housing loan to be considered delinquent.

(e) **Early Repayment**

A borrower will not incur break fees if an early repayment or partial prepayment of principal occurs under a variable rate housing loan contract.

A borrower may incur break fees or receive break benefits if an early repayment or partial prepayment of principal occurs on a fixed rate housing loan. However, at present fixed rate loans allow for early repayment by the borrower of up to A$10,000 in any 12 month period without any break fees or break benefits being applicable.

(f) **Combination or "Split" Housing Loans**

A borrower may elect to split a housing 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.

(g) **Interest Offset**

Commonwealth Bank offers borrowers an interest offset product known as a mortgage interest saver account under which the interest accrued on the borrower's deposit account is offset against interest on the borrower's housing loan. Commonwealth Bank does not actually pay interest to the borrower on the loan offset account, but simply reduce the amount of interest which is payable by the borrower under its housing loan. The borrower continues to make its scheduled mortgage payment with the result that the portion allocated to principal is increased by the amount of interest offset. Commonwealth Bank will pay to the Series Trust the aggregate of all interest amounts offset in respect of the housing loans for which it is the Seller. These amounts will constitute Finance Charge Collections for the relevant period.

If, following a Perfection of Title Event, the Series Trust obtains legal title to a housing loan, Commonwealth Bank will no longer be able to offer an interest offset arrangement for that housing loan.

(h) **Interest Only Periods**

A borrower may also request to make payments of interest only on his or her housing loan. If Commonwealth Bank or Homepath agrees to such a request it does so conditional upon higher principal repayments or a bulk reduction of principal applying upon expiry of the interest only period so that the housing loan is repaid within its original term.

(i) **Special Introductory Rates**

Commonwealth Bank may offer borrowers introductory rates for periods of up to three years during which period the rate is either variable, capped or fixed. On the expiry of the introductory offer, these home loans automatically convert to the standard or base variable interest rate.

7.5 Additional Features

Commonwealth Bank or Homepath may from time to time offer additional features in relation to a housing loan which are not described in the preceding section or may cease to offer features that have been previously offered and may add, remove or vary any fees or other conditions applicable to such features.

8. The Mortgage Insurance Policies

8.1 General

The mortgage insurance policies consist of:

(a) a high LTV master mortgage insurance policy in relation to housing loans which generally had a loan-to-value ratio of greater than around 80% at the time that they were originated; and

(b) a master mortgage insurance policy to provide mortgage insurance in relation to the balance of the housing loans.

8.2 The High LTV Master Mortgage Insurance Policy

The high LTV master mortgage insurance policy represents a liability of GEMI, and GEMICO.

The high LTV master mortgage insurance policy insures the Trustee against losses in respect of housing loans insured under it, which generally had a loan-to-value ratio of greater than around 80% at the time of origination. Each Seller will equitably assign their rights under the high LTV master mortgage insurance policy to the Trustee on the Closing Date. Each borrower paid a single upfront premium for their respective housing loan to be insured under the high LTV master mortgage insurance policy and no further premium is payable by the Sellers or the Trustee.

(a) **Period of Cover**

The Trustee has the benefit of the high LTV master mortgage insurance policy in respect of each housing loan insured under it generally from the latest of:

(i) the date monies are first advanced under the housing loan;

(ii) the date the mortgage securing the housing loan is granted to or acquired by the insured; or

(iii) the date the premium in respect of the housing loan is paid,

until the earliest of:

(iv) midnight on the day immediately preceding the date the housing loan or the mortgage securing the housing loan is beneficially assigned;

(v) the date the housing loan or the mortgage securing the housing loan is assigned, transferred or mortgaged to a person other than a person who is or becomes entitled to the benefit of the policy;

(vi) the date the housing loan is repaid in full;

(vii) the date the housing loan ceases to be secured by the relevant mortgage (other than where the mortgage is discharged by the operation of a compulsory acquisition or sale by a government for public purpose);

(viii) the expiry date set out in the certificate of insurance issued by the mortgage insurer in relation to the housing loan or as extended with the written consent of the mortgage insurer or as varied by a court under the Consumer Credit Code; or

(ix) the date the high LTV master mortgage insurance policy is cancelled in respect of the housing Loan in accordance with the terms of the high LTV master mortgage insurance policy.

(b) **Cover for Losses**

If a loss date occurs in respect of a housing loan insured under the high LTV master mortgage insurance policy, the mortgage insurer will pay to the Trustee the loss in respect of that housing loan.

A loss date means:

(i) if a default occurs under the housing loan and the mortgaged property is sold pursuant to enforcement proceedings, the date on which the sale is completed;

(ii) if a default occurs under the housing loan and the Trustee or a prior approved mortgagee becomes the absolute owner by foreclosure of the mortgaged property, the date on which this occurs;

(iii) if a default occurs under the housing loan and the mortgagor sells the mortgaged property with the prior approval of the Trustee and the mortgage insurer, the date on which the sale is completed;

(iv) if the mortgaged property is compulsorily acquired or sold by a government for public purposes and there is a default under the housing loan (or where the mortgage has been discharged by the operation of the compulsory acquisition or sale and there is a failure in repayment of the housing loan which would have been a default but for the occurrence of that event), the later of the date of the completion of the acquisition or sale or 28 days after the date of the default; or

(v) where the mortgage insurer has agreed to pay a claim under the high LTV master mortgage insurance policy, the date specified in that agreement.

A "default" in respect of an insured housing loan means any event which triggers the Trustee's power of sale in relation to the mortgaged property.

The loss payable by the mortgage insurer to the Trustee in respect of an insured loan is the amount outstanding, less the deductions referred to below, in relation to the housing loan, in each case calculated as at the loss date.

The amount outstanding under a housing loan is the aggregate of the following:

(vi) the principal amount outstanding together with any additional advance approved by the mortgage insurer or loan redraw, and any interest, fees or charges outstanding as at the loss date;

(vii) fees and charges paid or incurred by the Trustee; and

(viii) other amounts, including fines or penalties, approved by the mortgage insurer,

which the Trustee is entitled to recover under the housing loan or a related guarantee.

The mortgage insurer may make the following deductions:

(ix) where the mortgaged property is sold, the sale price, or where the mortgaged property is compulsorily acquired, the amount of compensation, less, in either case, any amount required to discharge any approved prior mortgage;

(x) where foreclosure action occurs, the value of the Trustee's interest in the mortgaged property, including the interest of any unapproved prior mortgagee;

(xi) any amount received by the Trustee under any collateral security;

(xii) any amounts paid to the Trustee by way of rents, profits or proceeds in relation to the mortgaged property or under any insurance policy relating to the mortgaged property and not applied in restoration or repair;

(xiii) any interest that exceeds interest at the non-default interest rate payable in relation to the housing loan, unless the Consumer Credit Code applies;

(xiv) any fees or charges other than:

A. premiums for general insurance policies, levies and other charges payable to a body corporate under the Australian strata titles system, rates, taxes and other statutory charges;

B. reasonable and necessary legal and other fees and disbursements of enforcing or protecting the Trustee's rights under the housing loan, up to a maximum of A$2,000, unless otherwise approved in writing by the mortgage insurer;

C. repair, maintenance and protection of the mortgaged property, up to a maximum amount of A$1,000, unless otherwise approved in writing by the mortgage insurer;

D. reasonable costs of the sale of the mortgaged property up to a maximum amount of A$1,000 plus the selling agent's commission, unless otherwise approved in writing by the mortgage insurer.

In addition, any fees and charges exceeding those recoverable under the Consumer Credit Code, less any amount that must be accounted for to the borrower or the relevant mortgagor, will be excluded);

(xv) losses arising out of damage to the mortgaged property other than:

A. fair wear and tear; or

B. losses recovered and applied in the restoration or repair of the mortgaged property or losses recovered under a general insurance policy and applied to reduce the amount outstanding under the housing loan; and

(xvi) any amounts by which a claim may be reduced under the high LTV master mortgage insurance policy.

(c) **Refusal or Reduction in Claim**

The mortgage insurer may refuse or reduce the amount of a claim with respect to a housing loan in certain circumstances, including where:

(i) the mortgaged property is not insured under a general home owner's insurance policy;

(ii) there is not a servicer approved by the mortgage insurer;

(iii) the housing loan has not been duly registered with the land titles office in the relevant jurisdiction;

(iv) the Trustee does not comply with the obligation to seek the mortgage insurer's consent under certain circumstances;

(v) the Trustee does not comply with certain reporting obligations;

(vi) the Trustee has failed to comply with a condition, provision or requirement of the high LTV master mortgage insurance policy which has prejudiced the mortgage insurer's interests; or

(vii) the Trustee does not lodge a claim within 28 days after the loss date under the high LTV master mortgage insurance policy, and the mortgage insurer suffers loss from such a failure to lodge the claim within 28 days.

(d) **Exclusions**

The high LTV master mortgage insurance policy does not cover any loss arising from:

(i) any war or warlike activities;

(ii) the use, existence or escape of nuclear weapons or nuclear contamination;

(iii) the existence or escape of any pollution or environmentally hazardous material;

(iv) the fact that the housing loan or any collateral security is void or unenforceable; or

(v) any failure of the housing loan mortgagor guarantee or collateral security to comply with the requirements of the Consumer Credit Code.

8.3 The Master Mortgage Insurance Policy

(a) **Cover**

The master mortgage insurance policy is provided by PMI Mortgage Insurance Ltd. The master mortgage insurance policy insures the Trustee against losses in respect of housing loans which are not insured under the high LTV master mortgage insurance policy. Commonwealth Bank and Homepath will prior to the Closing Date pay a single upfront premium for the master mortgage insurance policy. No further premium is payable by a Seller or the Trustee.

(b) **Period of Cover**

The insurance under the mortgage insurance policy in respect of the housing loans terminates on the earliest of the following:

(i) repayment in full of the housing loan;

(ii) the expiry date of the mortgage insurance policy, however if before 14 days after the expiry date of the mortgage insurance policy notice is given of default under the housing loan, the mortgage insurance policy will continue solely for the purposes of a claim on that default;

(iii) the date of payment of a claim for loss under the mortgage insurance policy; or

(iv) cancellation of the mortgage insurance policy in accordance with the Insurance Contracts Act 1984 of the Commonwealth of Australia.

(c) **Cover for Losses**

Subject to the exclusions outlined below, PMI Mortgage Insurance Ltd must pay the insured's loss in respect of a housing loan being the aggregate of the following amounts owed to the insured:

(i) the balance of the loan account (being the total of the relevant loan amount and interest on the loan amount outstanding under the insured housing loan) at the settlement date (being the day the sale of the relevant mortgaged property is completed);

(ii) interest on the balance of the loan account from the settlement date to the date of claim to a maximum of 30 days;

(iii) costs incurred on sale of the mortgaged property which include:

A. costs properly incurred for insurance premiums, rates, land tax (calculated on a single holding basis) and other statutory charges on the mortgaged property and in respect of amounts payable to a body corporate, service company or equivalent in relation to the mortgaged property.

B. reasonable and necessary legal fees and disbursements incurred in enforcing or protecting rights under the insured mortgage including reasonable costs of the servicer's internal legal department;

C. reasonable agent's commission, advertising costs, valuation costs and other costs relating to the sale of the mortgaged property;

D. reasonable and necessary costs incurred in maintaining (but not restoring) the mortgaged property, provided that amounts exceeding A$1,500 will only be included if incurred by the insured with the prior written consent of PMI Mortgage Insurance Ltd;

E. any goods and services tax incurred by the insured on the sale or transfer of the mortgaged property to a third party in or towards the satisfaction of any debt that the borrower owes the insured under the loan account, including the amount of any goods and services tax included in such costs, fees, disbursements or commissions specifically identified under this Section 8.3(c)(iii)(E); and

F. any amounts applied with the prior written consent of PMI

Mortgage Insurance Ltd to discharge a security interest having priority over the insured mortgage,

less the following deductions:

(iv) the gross proceeds of sale of the mortgaged property; and

(v) the following amounts to the extent they have not already been applied to the credit of the loan account:

A. compensation received for any part of the mortgaged property or any collateral security that has been resumed or compulsorily acquired;

B. all rents collected and other profits received relating to the mortgaged property or any collateral security;

C. any sums received under any insurance policy relating to the mortgaged property not applied to restoration of the mortgaged property following damage or destruction;

D. all amounts recovered from exercising rights relating to any collateral security;

E. any other amount received relating to the insured mortgage or any collateral security including any amounts received from the borrower, any guarantor or prior mortgagee; and

F. the amount of any input tax credit to which the insured is entitled in respect of an acquisition which relates to any costs, fees, disbursements or commissions specifically identified under Section 8.3(c)(iii)(E).

Amounts owed to the insured for the purposes of the above calculations do not include the following amounts:

(vi) interest charged in advance;

(vii) default rate interest;

(viii) early repayment fees;

(ix) break funding costs;

(x) any higher interest rate payable because of failure to make prompt payment;

(xi) fines, fees or charges debited to the loan account (except for the monthly account-keeping fee, switching fee or loan establishment fee);

(xii) costs of restoration following damage to or destruction of the mortgaged property;

(xiii) costs or removal, clean up and restoration arising from contamination of the mortgaged property;

(xiv) additional funds advanced to the borrower without PMI Mortgage Insurance Ltd's written consent (except where permitted);

(xv) amounts paid by the insured in addition to the loan amount to complete improvements;

(xvi) cost overruns; and

(xvii) any civil or criminal penalties imposed on the insured under legislation including the Consumer Credit Code.

(d) **Reduction in a Claim**

The amount of a claim under the mortgage insurance policy may be reduced by the amount by which the insured's loss is increased due to the insured making a false or misleading statement, assurance or representation to the borrower or any guarantor, or the insured consenting to, without the written approval of PMI Mortgage Insurance Ltd:

(i) the creation of any lease, licence, easement, restriction or other notification affecting the mortgaged property; or

(ii) an increase in or acceleration of the payment obligation of the borrower under any security interest having priority over the insured mortgage.

Under the master mortgage insurance policy, the amount of a claim may also be reduced in other circumstances including, and where Commonwealth Bank or Homepath (as appropriate), the Servicer, the Manager or the Trustee do not comply with their duties of disclosure or the requirements of the master mortgage insurance policy.

The master mortgage insurance policy does not cover losses resulting from a credit tribunal or court re-opening an unjust insured mortgage, collateral security or loan account under section 70 of the Consumer Credit Code or annulling or reducing any unconscionable interest rate change, fee or charge under section 72 of the Consumer Credit Code.

(e) **Submission for Payment of Claims**

The insured must submit a claim for loss providing all documents and information reasonably required by PMI Mortgage Insurance Ltd within 30 days of:

(i) settlement of the sale of the corresponding mortgaged property; or

(ii) notification by PMI Mortgage Insurance Ltd to submit a claim for loss.

8.4 Description of the Mortgage Insurers

(a) **Description of GE Mortgage Insurance Pty Ltd and GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd**

GE Mortgage Insurance Pty Ltd, ABN 61 071 466 334, is Australia's leading mortgage insurer and is an indirect wholly owned subsidiary of General Electric Company.

GE Mortgage Insurance Pty Ltd currently has a claims paying ability rating of AA by Standard & Poor's and Fitch and Aa2 by Moody's.

As at December 31, 2003, GE Mortgage Insurance Pty Ltd had total assets of A$329,407,000 and shareholder's equity of A$287,712,000.

GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd, ABN 52 081 488 440 commenced operations in March 1998. GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd currently has a claims paying ability rating of AA by Standard & Poor's and Fitch and Aa2 by Moody's. As at December 31, 2003 GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd had total assets of A$851,425,000 and shareholder's equity of A$276,952,000.

GE Mortgage Insurance Pty Ltd and GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd's ultimate parent, General Electric Company, is a diversified industrial and financial services company with operations in over 100 countries. General Electric Company is rated AAA by Standard & Poor's and Fitch and Aaa by Moody's. General Electric Company is the indirect owner of lenders mortgage insurance businesses in the United States, United Kingdom, Canada, New Zealand and Australia

The business address of GE Mortgage Insurance Pty Ltd and GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd is Level 23, AAP Centre, 259 George Street, Sydney, 2000, NSW, Australia.

(b) **Description of PMI Mortgage Insurance Ltd**

PMI Mortgage Insurance Ltd (ABN 70 000 511 071) has been providing lenders' mortgage insurance 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 currently having an insurer financial strength rating of AA+ by Standard & Poor's and Fitch and Aa2 by Moody's.

As of May 1, 2003, Standard & Poor's has revised its outlook on The PMI Group Inc. and its rated subsidiaries, including PMI Mortgage Insurance Ltd, from "stable" to "negative". No assurances are given regarding any future outlook or the future levels of the credit ratings of each of The PMI Group Inc. and PMI Mortgage Insurance Ltd by any of Standard & Poor's, Moody's or Fitch.

As of December 31, 2002, the audited financial statements of PMI Mortgage Insurance Ltd had total assets of A$535 million and shareholder's equity of A$287 million. PMI Mortgage Insurance Ltd currently has a claims paying ability rating by Standard & Poor's of AA, by Fitch of AA and by Moody's of Aa3.

The business address of PMI Mortgage Insurance Ltd is Level 23, 50 Bridge Street, Sydney, New South Wales, Australia 2000.

9. Description of the notes

9.1 General

The Trustee will issue the notes on the Closing Date pursuant to a direction from the Manager to the Trustee to issue the notes and the terms of the Master Trust Deed, the Series Supplement, the Offshore Note Trust Deed and the Dealer Agreement. The notes will be governed by the laws of New South Wales. The following summary describes the material terms of the notes. The summary does not purport to be complete and is subject to the terms and conditions of the notes and to the terms and conditions of the Master Trust Deed and the other Transaction Documents. Noteholders are bound by, and deemed to have notice of, all the provisions of the Transaction Documents.

9.2 Form of the Class A-2 Notes and the Class B Notes

(a) **Security Certificates**

No global definitive certificate or other instrument will be issued to evidence a person's title to Class A-2 notes and Class B notes. Instead, each Class A-2 noteholder and Class B noteholder will be issued with a **"Security Certificate"** under which the Trustee acknowledges that the Class A-2 noteholder or Class B noteholder has been entered in the register in respect of the Class A-2 notes or Class B notes, as applicable, referred to therein. A Security Certificate is not a certificate of title as to the relevant notes. It cannot, therefore, be pledged or deposited as security nor can the Class A-2 notes and Class B notes be transferred by delivery of only a Security Certificate to a proposed transferee.

If a Security Certificate becomes worn out or defaced, then upon production of it to the Trustee, a replacement will be issued. If a Security Certificate is lost or destroyed, and upon proof of this to the satisfaction of the Trustee and the provision of such indemnity as the Trustee considers adequate, a replacement Security Certificate will be issued. A fee not exceeding $10 may be charged by the Trustee for a new Security Certificate.

(b) **The Register of Class A-2 Noteholders and Class B Noteholders**

The Trustee will maintain the register at its principal office in Sydney.

The register will include the names and addresses of the Class A-2 noteholders and Class B noteholders and a record of each payment made in respect of the Class A-2 notes and Class B notes.

The register is conclusive evidence of the title of a person recorded in it as the holder of a Class A-2 note or Class B note, as applicable.

The Trustee may from time to time close the register for a period not exceeding 35 Business Days in aggregate in any calendar year (or such greater period as may be permitted by the Corporations Act).

In addition to the above period, the register will be closed by the Trustee at 3.30 pm (Sydney time) on the Business Day prior to the payment of entitlements to investors (or on such other Business Day as the Trustee notifies the Class A-2 noteholders and Class B noteholders) for the purpose of calculating entitlements to interest and principal on the Class A-2 notes and Class B notes. The register will re-open at the commencement of business on the Business Day immediately following the day on which such calculation is made. On each Distribution Date, principal and interest

on the Class A-2 notes and Class B notes will be paid to those Class A-2 noteholders and Class B noteholders whose names appear in the register when the register is closed prior to the Distribution Date.

The register may be inspected by a Class A-2 noteholder or Class B noteholder during normal business hours in respect of information relating to that noteholder only. Copies of the register may not be taken.

(c) **Transfer of Class A-2 notes and Class B notes**

Subject to the following conditions, a Class A-2 noteholder or Class B noteholder is entitled to transfer any of its Class A-2 notes or Class B notes if:

(i) the offer for sale or invitation to purchase to the proposed transferee by the Class A-2 noteholder or Class B noteholder:

A. does not require disclosure to investors under Part 6D.2 of the Corporations Act;

B. is not made to a Retail Client; and

C. complies with any other applicable laws in all jurisdictions in which the offer or invitation is made; and

(ii) the relevant offer or invitation is in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act (see Section 15 for more details).

Unless lodged with Austraclear as explained in Section 9.2(e), all transfers of Class A-2 notes and Class B notes must be effected by a Security Transfer. Security Transfers are available from the Trustee's registry office. Every Security Transfer must be duly completed, duly stamped (if applicable), executed by the transferor and the transferee and lodged for registration with the Trustee accompanied by the Security Certificate to which it relates.

For the purposes of accepting a Security Transfer, the Trustee is entitled to assume that it is genuine and signed by the transferor and transferee with appropriate authority.

The Trustee is authorised to refuse to register any Security Transfer which is not duly executed or which would result in a contravention of or a failure to observe:

(iii) the terms of the Master Trust Deed or the Series Supplement; or

(iv) a law of the Commonwealth of Australia or of a State or Territory of the Commonwealth of Australia.

The Trustee is not bound to give any reason for refusing to register any Security Transfer and its decision is final, conclusive and binding.

A Security Transfer will be regarded as received by the Trustee on the Business Day that the Security Transfer is actually received by the Trustee at the place at which the register is kept. However, if a Security Transfer is actually received by the Trustee after 3.30 pm on a Business Day at which the register is kept, it will be regarded as having been received by the Trustee on the next Business Day. If a

Security Transfer is received by the Trustee during any period when the register is closed for any purpose, or on a non-Business Day, the Security Transfer will be regarded as having been received by the Trustee on the first Business Day thereafter on which the register is open.

The Trustee must register the transferee in the register upon receipt (as set out above). The registration in the register of a Security Transfer will constitute passing of title in the Security to the transferee.

For the purpose of making payments of interest or principal on the Class A-2 notes and Class B notes the Trustee will refer to the register on the Business Day before the Determination Date immediately preceding the relevant Distribution Date (thus if a Security Transfer is received on or after a Determination Date, payments on the immediately following Distribution Date will be made to the transferor).

Upon registration of a Security Transfer, the Trustee will within 10 Business Days of registration issue a Security Certificate to the transferee in respect of the relevant notes and, where applicable, issue to the transferor a Security Certificate for the balance of the Class A-2 and Class B notes retained by the transferor.

(d) **Marked Security Transfer**

A Class B noteholder may request the Trustee to provide a marked Security Transfer in relation to its Class A-2 notes or Class B notes. Once a Security Transfer has been marked by the Trustee, for a period of 90 days thereafter (or such other period as is determined by the Manager) the Trustee will not register any transfer of the Class A-2 notes or Class B notes described in the Security Transfer other than that marked Security Transfer.

(e) **Lodgement of the Class A-2 Notes and Class B Notes in Austraclear**

It is intended that the Class A-2 notes and Class B notes will be lodged in Austraclear after issue. It is also intended that the Class A-2 notes and Class B notes will be lodged with Austraclear on the basis that they will not be uplifted.

Once the Class A-2 notes and Class B notes are lodged into the Austraclear system, Austraclear will become the registered holder of those Class A-2 notes and Class B notes in the register to be maintained by the Trustee. While those Class A-2 notes and Class B notes remain in the Austraclear system:

(i) all payments and notices required of the Trustee and the Manager in relation to those Class A-2 notes and Class B notes will be directed to Austraclear; and

(ii) all dealings and payments in relation to those Class A-2 notes and Class B notes within the Austraclear system will be governed by the Austraclear Regulations.

(f) **Notices to Class A-2 Noteholders and Class B Noteholders**

Notices, requests and other communications by the Trustee or the Manager to Class A-2 noteholders and Class B noteholders may be made by:

(i) advertisement placed on a Business Day in The Australian Financial Review (or other nationally delivered newspaper); or

(ii) mail, postage prepaid, to the address of the Class A-2 noteholders and

Class B noteholders as shown in the register. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the Class A-2 noteholders and Class B noteholders actually receive the notice.

(g) **Joint Class A-2 Noteholders and Class B Noteholders**

Where Class A-2 notes or Class B notes are held jointly, only the person whose name appears first in the register will be entitled to be:

(i) issued the relevant Security Certificate and, if applicable, a marked Security Transfer;

(ii) given any notices; and

(iii) paid any moneys due in respect of the Class A-2 notes or Class B notes except that in the case of payment by cheque, the cheque will be payable to the joint Class B noteholders.

(h) **Method of Payment**

Any amounts payable by the Trustee to a Class A-2 noteholder or Class B Noteholder will be paid in Australian dollars and will be paid:

(i) by crossed "not negotiable" cheque sent through the post to the registered address of the payee (or in the case of joint noteholders, the noteholder whose name stands first in the register);

(ii) by electronic transfer through Austraclear;

(iii) by payment to a bank account in Australia of the payee nominated by the payee; or

(iv) any other manner specified by the noteholder and agreed to by the Manager and the Trustee

9.3 Distributions on the Notes

Collections in respect of interest and principal will be received during each Collection Period. Collections include the following:

(a) payments of interest, principal, fees and other amounts under the housing loans, excluding any insurance premiums and related charges payable to Commonwealth Bank or Homepath;

(b) proceeds from the enforcement of the housing loans and mortgages and other securities relating to those housing loans;

(c) amounts received under mortgage insurance policies;

(d) amounts received from Commonwealth Bank or Homepath for breaches of representations or undertakings; and

(e) interest on amounts in the collections account, other than certain excluded amounts, and income received on Authorised Short-Term Investments of the Series Trust, other than certain excluded amounts.

The Trustee will make its payments on a quarterly basis on each Distribution Date, including

payments to noteholders and redraw bondholders, from collections received during the preceding Collection Period and from amounts received under Support Facilities on or prior to the Distribution Date. Certain amounts received by the Trustee are not distributed on a Distribution Date. These amounts include cash collateral lodged with the Trustee by a Support Facility Provider and interest on that cash collateral.

9.4 Key Dates and Periods

The following are the relevant dates and periods for the allocation of cashflows and their payments.

Accrual Period means each period commencing on, and including a Distribution Date and ending on but excluding the next Distribution Date. However, the first and last Accrual Periods are as follows:

(a) first: the period from and including the Closing Date to but excluding the first Distribution Date; and

(b) last: the period from and including the Distribution Date immediately preceding the date upon which the relevant notes or bonds are redeemed to but excluding the date upon which the relevant notes or bonds are redeemed.

Collection Period means, with respect to each Determination Date, the period commencing on and including the previous Determination Date and ending on but excluding that Determination Date. However, the first Collection Period is the period from and including the Cut-Off Date to but excluding the first Determination Date.

Determination Date The first day of each calendar month in which each Distribution Date occurs. The first Determination Date is 1 May 2004.

Distribution Date The 25th day of February, May, August and November or if the 25th day is not a Business Day, then the next Business Day. The first Distribution Date is 25 May 2004.

Example Calendar

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

Collection Period:	1 May to 31 July
Determination Date:	1 August
Accrual Period:	25 May to 24 August
Distribution Date:	25 August

9.5 Calculation of Available Income Amount

Payments of interest, fees and amounts otherwise of an income nature, including payments of

interest on the notes and redraw bonds, are made from the Available Income Amount.

The **"Available Income Amount"** for a Determination Date and the following Distribution Date means the aggregate of:

(a) the **"Finance Charge Collections"** for the preceding Collection Period which are the following amounts received by or on behalf of the Trustee during that Collection Period:

(i) all amounts received in respect of interest, fees, government charges and other amounts due under the housing loans but not including principal and any insurance premiums and related charges payable to Commonwealth Bank or Homepath;

(ii) all amounts of interest in respect of the housing loans to the extent that the obligation to pay is discharged by a right of set-off or right to combine accounts; and

(iii) break costs but only to the extent that these are not paid to the Fixed Rate Swap Provider under the fixed rate swap;

(b) the **"Mortgage Insurance Income Proceeds"** for that Determination Date. These are amounts received by the Trustee under a mortgage insurance policy which the Manager determines should be accounted for on that Determination Date in respect of a loss of interest, fees, charges and certain property protection and enforcement expenses on a housing loan;

(c) **"Other Income"** for that Collection Period which means:

(i) certain damages or equivalent, including amounts paid by Commonwealth Bank in respect of breaches of representations or warranties in relation to the housing loans, in respect of interest or fees on the housing loans received from the Servicer, Commonwealth Bank or Homepath during the Collection Period;

(ii) other damages received by the Trustee during the Collection Period from the Servicer, Commonwealth Bank or Homepath or any other person and allocated by the Manager as Other Income;

(iii) amounts received upon a sale of the housing loans in respect of interest or fees if the Series Trust terminates as described under Section 10.1;

(iv) interest, if any, on the collections account, other than interest in respect of cash collateral lodged by a Support Facility Provider in the collections account, and amounts, if any, paid by the Servicer representing interest on collections retained by the Servicer for longer than 5 business days after receipt;

(v) income earned on Authorised Short-Term Investments received during the Collection Period other than interest in respect of cash collateral lodged by a Support Facility Provider in an account other than the collections account;

(vi) certain tax credits; and

(vii) other receipts in the nature of income, as determined by the Manager, received by the Determination Date;

(d) any advance under the liquidity facility due to be made on that Distribution Date in order to meet a gross income shortfall;

(e) any Principal Draws due to be made on that Distribution Date in order to meet a net income shortfall; and

(f) any other amounts received from a Support Facility Provider on or prior to that Distribution Date which the Manager determines should be included in the Available Income Amount.

Based upon the margins payable by Commonwealth Bank on the basis swap and the fixed rate swap, and assuming that payments are made when due under the housing loans, it is expected that there will be sufficient Available Income Amount to cover all the known obligations of the Series Trust on each Distribution Date, including interest on the notes, plus a buffer.

9.6 Liquidity Facility Advance

If the Manager determines on any Determination Date that there is an income shortfall, the Manager must direct the Trustee to make a drawing under the liquidity facility in an amount equal to the lesser of the amount of the gross income shortfall and the unutilised portion of the liquidity limit, if any.

A gross income shortfall is the amount by which the payments to be made from the Available Income Amount, other than reimbursement of principal draws or principal charge-offs, or payment of the Manager's arranging fee or to the income unitholder, exceeds the aggregate of the Finance Charge Collections, the Mortgage Insurance Income Proceeds and Other Income in relation to that Determination Date.

9.7 Principal Draw

If the Manager determines on any Determination Date that there is a net income shortfall, the Manager must direct the issuer trustee to apply a portion of the Available Principal Amount, to the extent that funds are available as described in Section 9.11 to cover such net income shortfall in an amount equal to the lesser of the net income shortfall and the funds available from Available Principal Amount for this purpose.

A net income shortfall is the amount by which the drawing, if any, available to be made under the liquidity facility on the following Distribution Date is insufficient to meet the gross income shortfall.

Any application of the Available Principal Amount to cover a net income shortfall, a **"Principal Draw"**, will be reimbursed out of any Available Income Amount available for this purpose on subsequent Distribution Dates as described in Section 9.8.

9.8 Distribution of the Available Income Amount

Subject to the following, on each Distribution Date, the Available Income Amount for that Distribution Date is allocated in the following order of priority:

(a) first, to payment of any taxes in relation to the Series Trust including government charges paid by the Servicer for the Trustee;

(b) second, payment of the Trustee's fee;

(c) third, payment of the Security Trustee's fee;

(d) fourth, payment to the Manager of the management fee;

(e) fifth, payment of the Servicer's fee;

(f) sixth, payment of the commitment fee payable under the liquidity facility;

(g) seventh, rateably towards payment of any amounts due to a Support Facility Provider under a Support Facility, including interest due on advances outstanding under the liquidity facility and payments under the fixed rate swap and the basis swap, but not including any payments under Support Facilities detailed above or below or which are properly payable from the Available Principal Amount;

(h) eighth, payment of all costs, charges and expenses incurred by the Trustee in administering the Series Trust, other than as detailed above or below or which are payable from the Available Principal Amount;

(i) ninth, payment of the commitment fee payable under the standby redraw facility;

(j) tenth, repayment of any liquidity facility advance made on or prior to the previous Distribution Date and then outstanding;

(k) eleventh, while the currency swaps remain in place for the Offshore notes and payments are being made under them by the Trustee, rateably between:

(i) payment to the currency swap provider under the Class A-1 Currency Swap of the A$ Class A-1 Interest Amount in relation to that Distribution Date and any unpaid A$ Class A-1 Interest Amounts from prior Distribution Dates and interest on those unpaid amounts in return for which the currency swap provider will pay the principal paying agent for distribution to the Class A-1 noteholders as described in Section 9.16(c);

(ii) payment of interest in relation to the Class A-2 notes for the Accrual Period ending on that Distribution Date, including unpaid interest in relation to the Class A-2 notes from prior distribution dates and any interest on unpaid interest; and

(iii) payment to the currency swap provider under the Class A-3 currency swap of the A$ Class A-3 Interest Amount in relation to that Distribution Date and any unpaid A$ Class A-3 Interest Amounts from prior Distribution Dates and interest on those unpaid amounts in return for which the currency swap provider will pay the principal paying agent for distribution to the Class A-3 noteholders as described in Section 9.16(c);

(iv) payment of interest in relation to the redraw bonds for the Accrual Period ending on that Distribution Date and any unpaid interest in relation to the redraw bonds from prior Distribution Dates and interest on that unpaid interest; and

(v) payment of the interest due on the Distribution Date under the standby redraw facility and any interest remaining unpaid from prior Distribution Dates and interest on that unpaid interest;

(l) twelfth, while the currency swaps remain in place for the Offshore notes and payments are being made under them by the Trustee, payment of interest in relation to the Class B notes for the Accrual Period ending on that Distribution Date, including unpaid interest in relation to the Class B notes from prior Distribution Dates and interest on any unpaid interest;

(m) thirteenth, while the currency swaps remain in place for the Offshore notes and payments are being made under them by the Trustee, to reimburse any unreimbursed Principal Draws as an allocation to the Available Principal Amount on that Distribution Date;

(n) fourteenth, while the currency swaps remain in place for the Offshore notes and payments are being made under them by the Trustee, to reimburse any principal charge-offs as an allocation to the Available Principal Amount on that Distribution Date;

(o) fifteenth, while the currency swaps remain in place for the Offshore notes and payments are being made under them by the Trustee, payment to the Manager of the arranging fee and any unpaid arranging fee from prior distribution dates; and

(p) sixteenth, while the currency swaps remain in place for the Offshore notes and payments are being made under them by the Trustee, to the income unitholder.

The Trustee shall only make a payment as above to the extent that any Available Income Amount remains from which to make the payment after amounts with priority to that payment have been distributed or provided for in the collections account.

On the first Distribution Date, prior to any allocation or payment described above, the Trustee will first apply the Available Income Amount to pay each of Commonwealth Bank and Homepath its Accrued Interest Adjustment.

9.9 Interest on the Notes

(a) **Calculation of interest payable on the notes**

The period that any notes or redraw bonds accrue interest is divided into Accrual Periods. The first Accrual Period in respect of the notes commences on and includes the Closing Date and ends on but excludes the first Distribution Date. Each subsequent Accrual Period commences on and includes a Distribution Date and ends on but excludes the following Distribution Date.

Each Class A-2 Note, Class B note and redraw bond accrues interest from and including the Closing Date, and in the case of a redraw bond its issue date, to but excluding the day upon which the final Accrual Period ends. The final Accrual Period in relation to a Class A-2 Note, Class B note or a redraw bond will end on, but exclude, the earlier of:

(i) the date upon which the Stated Amount of the Class A-2 Note, the Class B note or the redraw bond (as the case may be) is reduced to zero and all accrued interest in respect of the Class A-2 Note, the Class B note or the redraw bond, (as the case may be) is paid in full; and

(ii) the date upon which the Class A-2 Note, the Class B note or the redraw bond (as the case may be) are deemed to be redeemed and repaid in full.

Up to, but excluding, the first Distribution Date after the Distribution Date on which the total principal outstanding on the housing loans is less than 10% of the total principal outstanding on the housing loans at the commencement of business on 11 March 2004 (the **"Step-Up Date"**):

(i) the interest rate for the Class A-1 notes for each Accrual Period will be equal to LIBOR for that Accrual Period plus 0.13%. If the Trustee has not redeemed or attempted to redeem all of the notes and redraw bonds

by the Step-Up Date, then subject to the following, the interest rate for the Class A-1 notes for each Accrual Period commencing on or after that date will be equal to LIBOR for that Accrual Period plus 0.26%;

(ii) the interest rate for the Class A-2 notes for each Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus 0.22%. If the Trustee has not redeemed or attempted to redeem all of the notes and redraw bonds by the Step-Up Date, then subject to the following, the interest rate for the Class A-2 notes for each Accrual Period commencing on or after that date will be equal to the Bank Bill Rate for that Accrual Period plus 0.44%; and

(iii) the interest rate for the Class A-3 notes for each Accrual Period will be equal to EURIBOR for that Accrual Period plus 0.14%. If the Trustee has not redeemed or attempted to redeem all of the notes and redraw bonds by the Step-Up Date, then subject to the following, the interest rate for the Class A-3 notes for each Accrual Period commencing on or after that date will be equal to EURIBOR for that Accrual Period plus 0.28%.

If the Trustee, at the direction of the Manager, proposes to exercise its option to redeem the notes and redraw bonds on a Distribution Date on or after the date on which the total principal outstanding on the housing loans is less than 10% of the total principal outstanding on the housing loans at the commencement of business on 11 March 2004 at their Stated Amount rather than their Invested Amount, as described in Section 9.20 below, but is unable to do so because, following a meeting of noteholders and redraw bondholders convened under the provisions of the Security Trust Deed by the Manager for this purpose, the noteholders and redraw bondholders have not approved by an Extraordinary Resolution the redemption of the notes and redraw bonds at their Stated Amounts, then:

(i) the interest rate for the Class A-1 notes for each Accrual Period commencing on or after that Distribution Date will be equal to LIBOR for that Accrual Period plus 0.13%;

(ii) the interest rate for the Class A-2 notes for each Accrual Period commencing on or after that Distribution Date will be equal to the Bank Bill Rate for that Accrual Period plus 0.22%; and

(iii) the interest rate for the Class A-3 notes for each Accrual Period commencing on or after that Distribution Date will be equal to EURIBOR for that Accrual Period plus 0.14%.

The interest rate for a Class B note for an Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus the margin applicable to that Class B note.

The margin for the Class B notes is 0.55%.

If redraw bonds are issued the interest rate applicable to them will be equal to the relevant Bank Bill Rate plus a margin determined at the time of their issue. Different issues of redraw bonds may have different margins.

The interest rates for the Class B notes and the redraw bonds, if any, for each Accrual Period are calculated by the Manager.

With respect to any Distribution Date, interest on a note or any redraw bond will be calculated as the product of:

(i) the Invested Amount of that note or redraw bond as of the first day of that Accrual Period, after giving effect to any payments of principal made with respect to such note or redraw bond on such day;

(ii) the interest rate for such note or redraw bond for that Accrual Period; and

(iii) a fraction, the numerator of which is the actual number of days in the Accrual Period and the denominator of which is 360 days for the Offshore notes, or 365 days for the Class A-2 notes, the Class B notes and any redraw bonds.

Interest will accrue on any unpaid interest in relation to a note or redraw bond at the interest rate that applies from time to time to that note or redraw bond until that unpaid interest is paid.

(b) **Calculation of LIBOR, EURIBOR and Bank Bill Rate**

(i) On the second business day in London and New York before the beginning of each Accrual Period, the Agent Bank for the Offshore notes will determine LIBOR for the next Accrual Period.

(ii) On the second TARGET Settlement Date before the beginning of each Accrual Period, the Agent Bank for the Offshore Notes will determine EURIBOR for the next Accrual period.

(iii) On the first day of each Accrual Period, the Manager will determine the Bank Bill Rate for that Accrual Period.

9.10 Determination of the Available Principal Amount

Payments of principal, including repayment of principal on the notes and redraw bonds, are made from the Available Principal Amount. The Available Principal Amount for a Determination Date and the following Distribution Date means the aggregate of:

(a) **"Principal Collections"** for the preceding Collection Period which are all amounts received during the Collection Period in respect of principal on the housing loans, except as described below, and includes principal to the extent that an obligation to pay principal on a housing loan is discharged by a right of set-off or right to combine accounts;

(b) **"Mortgage Insurance Principal Proceeds"** for the Determination Date which are all amounts received by the Trustee under a mortgage insurance policy which the Manager determines should be accounted for on the Determination Date in respect of a loss of principal and certain property restoration expenses on a housing loan;

(c) **"Other Principal Amounts"** which are amounts received in respect of principal on the housing loans including:

(i) proceeds of the liquidation of a housing loan following enforcement, other than amounts included in Finance Charge Collections, received during the Collection Period;

(ii) principal prepayments under the housing loans received during the Collection Period;

(iii) certain damages or equivalent, including amounts paid by

Commonwealth Bank in respect of breaches of representations or warranties in relation to the housing loans, in respect of principal received from the Servicer or Commonwealth Bank or Homepath during the Collection Period;

(iv) other damages received by the Trustee during the Collection Period from the Servicer, a Seller or any other person and allocated by the Manager as Other Principal Amounts;

(v) amounts received upon a sale of the housing loans in respect of principal if the Series Trust terminates as described under Section 10.1;

(vi) in relation to the first Determination Date, the amount, if any, by which subscription proceeds of the notes exceed the aggregate of the principal outstanding on the housing loans as at the Cut-Off Date;

(vii) any amount rounded down on payments of principal on the previous Distribution Date; and

(viii) any other receipts in the nature of principal as determined by the Manager which have been received by the Determination Date;

(d) **"Principal Charge-off Reimbursement"** which is the excess of the Available Income Amount for the Determination Date available to be applied towards unreimbursed principal charge-offs;

(e) **"Principal Draw Reimbursement"** which is the amount of the Available Income Amount for the Determination Date available to be applied towards unreimbursed principal draws;

(f) **"Standby Redraw Facility Advance"** which is any advance to be made under the standby redraw facility on that Distribution Date; and

(g) **"Redraw Bond Amount"** which is the total subscription proceeds of redraw bonds issued on the Determination Date or during the Collection Period, but after the immediately preceding Determination Date.

9.11 Distribution of the Available Principal Amount

On each Distribution Date, the Available Principal Amount for that Distribution Date is allocated in the following order of priority:

(a) first, repayment to Commonwealth Bank and Homepath of any redraws and further advances under the housing loans, other than further advances which cause the related housing loan to be removed from the Series Trust, made during or prior to the Collection Period then ended and which are then outstanding;

(b) second, to be allocated to the Available Income Amount as a Principal Draw to meet any net income shortfall;

(c) third, repayment to the Standby Redraw Facility Provider of the principal outstanding under the standby redraw facility as reduced by any principal charge-offs or increased by any reimbursement of principal charge-offs on or prior to that Distribution Date;

(d) fourth, equally amongst the redraw bonds in order of their issue until their Stated Amounts are reduced to zero on the basis that a redraw bond receives no principal

repayment until the Stated Amount of all earlier issued redraw bonds has been reduced to zero;

(e) fifth, while the currency swaps remain in place for the Offshore notes and payments are being made under them by the Trustee to the Currency Swap Provider under the Class A-1 currency swap in respect of principal repayments on the Class A-1 notes, amongst the Class A-2 notes in respect of principal repayments on the Class A-2 notes, to the Currency Swap Provider under the Class A-3 currency swap in respect of principal repayments on the Class A-3 notes and amongst the Class B notes in respect of principal repayments on the Class B notes in the manner described below in Section 9.12; and

(f) sixth, while the currency swaps remain in place for the Offshore notes and payments are being made under them by the Trustee, firstly to the Class A Capital Unitholder (up to a maximum amount of $1,000 for all such distributions) and secondly to the Class B Capital Unitholder.

The Trustee shall only make a payment as above to the extent that any Available Principal Amount remains from which to make the payment after amounts with priority to that payment have been distributed.

9.12 Allocation of Principal to Class A Notes and Class B Notes

That part of the Available Principal Amount which is available on a Distribution Date for repayment of the Stated Amount of the Class A and Class B notes (see Section 9.11(e)) is applied as follows.

The amount available for repayment of the Stated Amount of the notes, as described in Section 9.11(e), is divided between Net Principal Collections and Net Unscheduled Principal. The **"Net Principal Collections"** are the remaining Principal Collections available after prior applications as described in Sections 9.11(a), (b), (c) and (d) and the **"Net Unscheduled Principal"** is the remaining Mortgage Insurance Principal Proceeds, Other Principal Amounts, Principal Charge-off Reimbursement, Standby Redraw Facility Advance, Redraw Bond Amount and Principal Draw Reimbursement after prior applications as described in Sections 9.11(a), (b), (c) and (d). This is determined on the basis that in applying the Available Principal Amount the Trustee first applies the Mortgage Insurance Principal Proceeds, the Other Principal Amounts, the Principal Charge-off Reimbursement, the Standby Redraw Facility Advance, the Redraw Bond Amount and the Principal Draw Reimbursement and then, only after these have been applied in full, applies the Principal Collections.

The amount to be applied towards repayment of the Stated Amount of the Class A notes on a Distribution Date is determined as follows:

The amount to be applied to repayment is:

$$\left((NPC + NUP) \times \frac{SACAN}{SAN} \right) + \left(NUP \times \frac{SACBN}{SAN} \times SP \right)$$

where:

(a) NPC is the Net Principal Collections;

(b) NUP is the Net Unscheduled Principal;

(c) SACAN is the aggregate of:

(i) the aggregate Stated Amount of the Class A-1 notes on the preceding

Determination Date, converted to Australian dollars at the US$ Exchange Rate;

(ii) the aggregate Stated Amount of the Class A-2 notes on the preceding Determination Date; and

(iii) the aggregate Stated Amount of the Class A-3 notes on the preceding determination date, converted to Australian dollars at the Euro Exchange Rate;

(d) SACBN is the aggregate Stated Amount of the Class B notes on the preceding Determination Date;

(e) SAN is the aggregate Stated Amount of all notes on the preceding Determination Date, converted in the case of the Class A-1 notes, to Australian dollars at the US$ Exchange Rate, and in the case of the Class A-3 notes, to Australian dollars at the Euro Exchange Rate; and

(f) SP is the Stepdown Percentage.

The effect of the above calculation is that Class A noteholders are allocated their proportional share of the Net Principal Collections and the Net Unscheduled Principal (based upon the Stated Amounts of the notes and are also allocated the Stepdown Percentage (which may vary between 0% and 100%) of the Class B noteholders' proportional share of the Net Unscheduled Principal.

The amount to be applied towards the repayment of the Stated Amount of the Class A notes on the Distribution Date is allocated rateably:

(a) to the Currency Swap Provider under the Class A-1 currency swap in respect of a repayment of the Stated Amount of the Class A-1 Notes;

(b) towards repayment equally amongst the Class A-2 notes in repayment of the Stated Amount of the Class A-2 notes;

(c) to the Currency Swap Provider under the Class A-3 currency swap in respect of a repayment of the Stated Amount of the Class A-3 Notes;

until the Stated Amount of the Class A notes is reduced to zero.

The balance of the Net Principal Collections and the Net Unscheduled Principal is applied on that Distribution Date equally amongst the Class B notes in reduction of the Stated Amount of the Class B notes until the Stated Amount of the Class B notes is reduced to zero.

9.13 Redraws and Further Advances

Commonwealth Bank and Homepath may each make redraws and further advances to borrowers under the housing loans. Commonwealth Bank and Homepath are entitled to be reimbursed by the Trustee for redraws and further advances which exceed the scheduled principal balance of the housing loan by no more than one scheduled monthly instalment on the housing loan. Commonwealth Bank and Homepath, as applicable, will be reimbursed from the Available Principal Amount including proceeds of advances under the standby redraw facility and proceeds from the issue of redraw bonds.

Where Commonwealth Bank or Homepath makes further advances which exceed the scheduled principal balance of a housing loan by more than one scheduled monthly instalment, then Commonwealth Bank or Homepath, as applicable, will repurchase the housing loan from

the pool.

(a) **Standby Redraw Facility**

If the Manager determines that there is a redraw shortfall on a Determination Date, the Manager may direct the Trustee in writing to make a drawing under the standby redraw facility on the corresponding Distribution Date equal to the lesser of the redraw shortfall and the unutilised portion of the redraw limit, if any.

A redraw shortfall is the amount by which the redraws and further advances to be repaid to Commonwealth Bank or Homepath on that Distribution Date exceed the aggregate of the Principal Collections, the Mortgage Insurance Principal Proceeds, the Other Principal Amounts, the Principal Charge-off Reimbursement and the Principal Draw Reimbursement in relation to that Distribution Date less the amount of any Principal Draw on that Distribution Date.

(b) **Issue of Redraw Bonds**

If prior to a Determination Date the Manager considers that the aggregate of the Principal Collections, the Mortgage Insurance Principal Proceeds, the Other Principal Amounts, the Principal Charge-off Reimbursement and the Principal Draw Reimbursement in relation to the Determination Date, less the amount of any Principal Draw on the following Distribution Date, and the Standby Redraw Facility Advance that will be available to be made with respect to that Distribution Date are likely to be insufficient to pay in full the Manager's estimate of:

(i) the redraws and further advances to be repaid to Commonwealth Bank or Homepath on that Distribution Date; and

(ii) the outstanding principal under the standby redraw facility as reduced by any principal charge-offs or increased by any reimbursement of principal charge-offs prior to that Distribution Date,

the Manager may direct the Trustee to issue redraw bonds. The Manager must not direct the Trustee to issue redraw bonds unless it considers that on the following Distribution Date, taking into account that issue of redraw bonds and any repayments of principal and principal charge-offs or reimbursement of principal charge-offs on the redraw bonds expected on that Distribution Date, the aggregate Stated Amount of all redraw bonds will not exceed on that Distribution Date A$50,000,000 or such other amount agreed between the Manager and the rating agencies and notified to the Trustee.

Before issuing any redraw bonds, the Trustee must receive written confirmation from each rating agency that the proposed issue of redraw bonds will not result in a reduction, qualification or withdrawal of any credit rating assigned by that rating agency to a note or redraw bond. The redraw bonds will be denominated in Australian dollars and issued only in Australia.

9.14 Principal Charge-offs

In certain circumstances, amounts which are unrecoverable under a housing loan will be absorbed by reducing the Stated Amount of a note or redraw bond or by reducing the principal outstanding in respect of the standby redraw facility. That reduction of the Stated Amount of a note or redraw bond or the principal outstanding of the standby redraw facility is referred to as a principal charge-off.

(a) **Application of Principal Charge-offs**

If on a Determination Date preceding a Distribution Date the Manager determines that a principal loss should be accounted for in respect of a housing loan, after taking into account proceeds of enforcement of that housing loan and its securities, any relevant payments under a mortgage insurance policy or damages from the Servicer, Commonwealth Bank or Homepath, that principal loss will be allocated in the following order:

(i) first, equally amongst the Class B notes until the Stated Amount of the Class B notes is reduced to zero; and

(ii) secondly, rateably as follows amongst the following according to, in the case of the notes or redraw bonds, their Stated Amount, converted, in the case of the Class A-1 notes, to Australian dollars at the US$ Exchange Rate, and in the case of the Class A-3 notes, to Australian dollars at the Euro Exchange Rate:

A. the Class A notes;

B. the redraw bonds; and

C. the principal outstanding of the standby redraw facility,

until the Stated Amount of the Class A notes and the redraw bonds and the principal outstanding of the standby redraw facility is reduced to zero.

To the extent allocated, the principal loss will reduce the Stated Amount of the notes and redraw bonds and will reduce the principal outstanding of the standby redraw facility as from the following Distribution Date. The principal loss allocated is an Australian dollar amount. Where this is allocated to an Offshore note, the Stated Amount of the Offshore note is reduced by an equivalent U.S. dollar amount converted at the US$ Exchange Rate, in the case of the Class A-1 notes, or an equivalent Euro amount converted at the Euro Exchange Rate, in the case of the Class A-3 Notes.

(b) **Reimbursements of Principal Charge-Offs**

Principal charge-offs may be reimbursed on a subsequent Distribution Date where there is excess available income after payment of all fees and expenses of the Series Trust and interest on that Distribution Date and reimbursement of any unreimbursed Principal Draws. Reimbursement of principal charge-offs will only occur to the extent that there are unreimbursed principal charge-offs and will be allocated in the following order:

(i) first, rateably amongst the following according to their unreimbursed principal charge-offs converted, in the case of the Class A-1 notes, to Australian dollars at the US$ Exchange Rate, and in the case of the Class A-3 notes, to Australian dollars at the Euro Exchange Rate:

A. the Class A notes;

B. the redraw bonds; and

C. the principal outstanding of the standby redraw facility,

in reduction of their unreimbursed charge-offs until these are reduced to zero; and

(ii) second, equally amongst the Class B notes until the unreimbursed charge-offs of the Class B notes are reduced to zero.

A reimbursement of a principal charge-off on a note or redraw bond will increase the Stated Amount of that note or redraw bond and a reimbursement of a principal charge-off on the standby redraw facility will increase the principal outstanding of the standby redraw facility but the actual funds allocated in respect of the reimbursement will be distributed as described in Section 9.11 above.

The amounts allocated for reimbursement of principal charge-offs are Australian dollar amounts. Where such an amount is allocated to an Offshore note, the Stated Amount of the Offshore note is increased by an equivalent U.S. dollar amount converted at the US$ Exchange Rate, in the case of the Class A-1 notes, or an equivalent Euro amount converted at the Euro Exchange Rate, in the case of the Class A-3 Notes.

9.15 The Interest Rate Swaps

(a) **Purpose of the Interest Rate Swaps**

Collections in respect of interest on the variable rate housing loans will be calculated based on Commonwealth Bank and Homepath's (as appropriate) administered variable rates. Collections in respect of interest on the fixed rate housing loans will be calculated based on the relevant fixed rates. However, the payment obligations of the Trustee on the Class A-2 notes, the Class B notes and under the currency swaps are calculated by reference to the Bank Bill Rate. To hedge these interest rate exposures, the Trustee will enter into a basis swap with the Basis Swap Provider and a fixed rate swap with the Fixed Rate Swap provider. The basis swap and the fixed rate swap will be governed by a standard form ISDA Master Agreement, as amended by a supplementary schedule and confirmed by written confirmations in relation to each swap. The initial Basis Swap Provider and Fixed Rate Swap provider will be Commonwealth Bank of Australia, Level 6, 48 Martin Place, Sydney NSW 2000, Australia.

(b) **Basis Swap**

On each Distribution Date the Trustee will pay to the Basis Swap Provider an amount calculated by reference to the interest payable by borrowers on the variable rate housing loans during the relevant preceding Collection Period and the income earned by the Series Trust on the collections account and any Authorised Short-Term Investments during that Collection Period.

In return the Basis Swap Provider will pay to the Trustee on each Distribution Date an amount calculated by reference to the aggregate principal amount outstanding of the relevant proportion of the variable rate housing loans as at the last day of the Collection Period preceding the previous Distribution Date and the Bank Bill Rate plus a margin.

The basis swap will terminate if the interest rates on the Class A notes increase following the Step-Up Date provided that the weighted average of the variable rates charged on the housing loans is sufficient, assuming that all relevant parties comply with their obligations under the housing loans and the Transaction Documents, to ensure that the Trustee has sufficient funds to comply with its obligations under the Transaction Documents as they fall due. See Section 11.11(d) in relation to the Servicer's obligations with respect to interest rates on the variable rate housing loans if the basis swap is terminated.

(c) **Fixed Rate Swaps**

On each Distribution Date the Trustee will pay to the Fixed Rate Swap Provider an amount calculated by reference to the interest payable by borrowers on the fixed rate housing loans, other than housing loans in relation to which the Trustee has entered into an individual fixed rate swap as described below, during the relevant preceding Collection Period and the income earned by the Series Trust on the collections account and any Authorised Short-Term Investments during that Collection Period.

In return the Fixed Rate Swap Provider will pay to the Trustee on each Distribution Date an amount calculated by reference to the aggregate principal amount outstanding of the fixed rate housing loans as at the last day of the Collection Period preceding the previous Distribution Date and the Bank Bill Rate plus a margin.

In addition, if a borrower prepays a loan subject to a fixed rate of interest, or otherwise terminates a fixed rate period under a housing loan, the Trustee will normally be entitled to receive from the borrower a break cost or the Trustee will be required to pay to the borrower a break benefit.

A break cost is currently payable by the borrower to the Trustee where the terminated fixed rate under the housing loan is greater than the current equivalent fixed rate product offered by Commonwealth Bank for the remaining term of the housing loan. Under Commonwealth Bank's current policies and procedures, prepayments of up to $10,000 in any 12 month period may be made by a borrower without incurring break costs, see Section 7.4(e). A break benefit may be payable by the Trustee to the borrower where the terminated fixed rate under the housing loan is less than the equivalent fixed rate product offered by Commonwealth Bank for the remaining term of the housing loan unless, under that Seller's current policies and procedures, the prepayments are less than or equal to $10,000 in any 12 month period. If the break period is not a whole year an interpolated rate is used.

While the fixed rate swap is operating the net difference between break costs and break benefits for all housing loans for a Collection Period is either paid by the Fixed Rate Swap Provider, where the difference is a negative number, or paid to the Fixed Rate Swap Provider, where the difference is a positive number, on each Distribution Date. While the fixed rate swaps are operating, break costs are not included within the Available Income Amount and break benefits are not considered to be expenses of the Series Trust.

The method for calculation of break costs and break benefits may change from time to time according to the business judgment of the Servicer.

(d) **Other Swaps**

The Trustee and the Fixed Rate Swap Provider may agree to enter into separate fixed rate swaps in relation to one or more of the housing loans under which, on each Distribution Date the Trustee will pay to the Fixed Rate Swap Provider an amount calculated by reference to the fixed interest payable by borrowers on housing loans. In return the Fixed Rate Swap Provider will pay to the Trustee an amount calculated by reference to the Bank Bill Rate plus a margin.

In addition, if the Servicer offers interest rate cap products to borrowers, the Trustee and the Fixed Rate Swap Provider will enter into swaps to hedge the Trustee's risks in relation to such interest rate caps.

(e) **Termination by the Basis Swap and Fixed Rate Swap Providers**

The Basis Swap Provider and Fixed Rate Swap Provider will each have the right to terminate the basis swap and the fixed rate swap, respectively, in the following circumstances:

(i) if the Trustee fails to make a payment under a swap within 10 days after notice of failure is given to the Trustee;

(ii) if due to a change in law it becomes illegal for either party to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of the basis swap or the fixed rate swap. However, only a swap affected by the illegality may be terminated and each party affected by the illegality must make efforts to transfer its rights and obligations to avoid this illegality; or

(iii) in the case of the basis swap only, at any time at the election of the basis swap provider provided that at the date of termination the weighted average of the variable rates charged on the housing loans is sufficient, assuming that all relevant parties comply with their obligations under the housing loans and the Transaction Documents, to ensure that the Trustee has sufficient funds to comply with its obligations under the Transaction Documents as they fall due.

(f) **Termination by the Trustee**

The Trustee will have the right to terminate the basis swap or the fixed rate swap in the following circumstances:

(i) if the Swap Provider fails to make a payment within 10 days after notice of failure is given to the Swap Provider; or

(ii) if due to a change in law it becomes illegal for either party to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of the basis swap or the fixed rate swap. However, only a swap affected by the illegality may be terminated and each party affected by the illegality must make certain efforts to transfer its rights and obligations to avoid this illegality.

(g) **Fixed Rate Swap Provider Downgrade**

If, as a result of the withdrawal or downgrade of its credit rating by any rating agency, on any Determination Date the Fixed Rate Swap Provider does not have:

(i) either a short term credit rating of at least A-1 or a long term credit rating of A by Standard & Poor's; and

(ii) either a short term credit rating of at least P-1 or a long term credit rating of at least A-2 by Moody's,

that Fixed Rate Swap Provider must:

(iii) where it ceases to have either a short term credit rating of at least P-1 or a long term credit rating of at least A-2 by Moody's:

A. enter into an agreement novating its rights and obligations under the fixed rate swap to a replacement counterparty acceptable to the Manager and which each rating agency confirms will not result in a reduction or withdrawal of any

credit rating assigned by it to the notes or redraw bonds;

B. lodge cash collateral in an amount determined by the relevant rating agencies or, in certain circumstances, determined under the fixed rate swap; or

C. enter into other arrangements satisfactory to the Manager which each rating agency confirms will not result in a reduction, qualification or withdrawal of any credit rating assigned by it to the notes or redraw bonds; and

(iv) where it ceases to have either a short term credit rating of at least A-1 or a long term credit rating of A from Standard & Poor's:

A. immediately seek to enter into, and enter into by no later than 60 days after the fixed rate swap provider ceases to have the relevant rating from Standard & Poor's, an agreement novating its rights and obligations under the fixed rate swap agreement in respect of the fixed rate swap to a replacement counterparty which holds the relevant ratings and, if a transfer has not occurred within 30 days, lodge cash collateral in an amount determined in accordance with the fixed rate swap; or

B. (if the Fixed Rate Swap Provider is unable to effect a transfer in accordance with Section 9.15(g)(v)(A) within 60 days or if the fixed rate swap provider so elects) enter into such other arrangements in respect of the fixed rate swap which are satisfactory to the manager and which each rating agency confirms will not result in a reduction, qualification or withdrawal of any credit rating assigned by it to the notes or redraw bonds.

The Fixed Rate Swap Provider may satisfy its obligations following a withdrawal or downgrade of a credit rating in any of the above manners as it elects from time to time.

(h) **Basis Swap Provider Downgrade**

If, as a result of the withdrawal or downgrade of its credit rating by any rating agency, on any Determination Date the Basis Swap Provider Does not have:

(i) either a short term credit rating of at least A-1 or a long term credit rating of A by Standard & Poor's; and

(ii) a short term credit rating of at least P-1 by Moody's,

the Basis Swap Provider must:

(iii) prepay the amount that is expected to be due, as determined by the Manager, from the Basis Swap Provider to the Trustee on the next Distribution Date; or

(iv) enter into other arrangements satisfactory to the Trustee and the Manager which each rating agency confirms will not result in a reduction, qualification or withdrawal of any credit rating assigned by it to the notes or redraw bonds.

The Basis Swap Provider may satisfy its obligations following a withdrawal or downgrade of a credit rating in either of the above manners as it elects from time to time.

(i) **Termination Payments**

Upon termination of the fixed rate swap, a termination payment will be due from the Trustee to the Fixed Rate Swap Provider or from the Fixed Rate Swap Provider to the Trustee.

The termination payment in respect of the fixed rate swap will be determined, if possible, on the basis of quotations from leading dealers in the relevant market 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 fixed rate swap.

No termination payment will be payable in respect of the termination of the basis swap.

If the basis swap terminates then, unless and until the Trustee has entered into a replacement basis swap or other arrangements which the rating agencies have confirmed will not result in a reduction, qualification or withdrawal of the credit ratings assigned to the notes or redraw bonds, the Servicer must adjust the rates of interest on the mortgage interest saver accounts and, if necessary, the housing loans as described in Section 11.11(d).

9.16 The Currency Swaps

(a) **Purpose of the Currency Swaps**

Collections on the housing loans and receipts under the basis swap and the fixed rate swap will be denominated in Australian dollars. However, the payment obligations of the Trustee on the Class A-1 notes are denominated in United States dollars and the payment obligations of the Trustee on the Class A-3 notes are denominated in Euro. In addition, receipts by the Trustee under the basis swap and the fixed rate swap are calculated by reference to the Bank Bill Rate but the interest obligations of the Trustee with respect to the Class A-1 notes are calculated by reference to LIBOR and the interest obligations of the Trustee with respect to the Class A-3 notes are calculated by reference to EURIBOR. To hedge these currency and interest rate exposures, the Trustee will enter into a currency swap in respect of the Class A-1 notes (the **"Class A-1 currency swap"**) and a currency swap in respect of the Class A-3 notes (the **"Class A-3 currency swap"**) with the Currency Swap Provider. The Class A-1 currency swap and the Class A-3 currency swap will be governed by a standard form ISDA Master Agreement, as amended by a supplementary schedule and a credit support annex, which together act as a separate agreement in respect of each series trust established under the Master Trust Deed, and will each be confirmed by a written confirmation.

(b) **Principal Payments under the Class A-1 Currency Swap**

On the Closing Date, the Trustee will pay the Currency Swap Provider the U.S. dollar proceeds of issue of the Class A-1 notes. In return, the Currency Swap Provider will pay to the Trustee under the Class A-1 currency swap the Australian dollar equivalent of the proceeds of issue of the Class A-1 notes converted at the US$ Exchange Rate.

On each Distribution Date, the Trustee will pay to the Currency Swap Provider the

Australian dollar amount available to be applied towards repayment of the Stated Amount of the Class A-1 notes. In return, the Currency Swap Provider will pay to the Principal Paying Agent for the Class A-1 notes on behalf of the Trustee the U.S. dollar equivalent of that amount converted at the US$ Exchange Rate for distribution to the Class A-1 noteholders in accordance with the Agency Agreement in reduction of the Stated Amount of the Class A-1 notes.

(c) **Principal Payments under the Class A-3 Currency Swap**

On the Closing Date, the Trustee will pay the Currency Swap Provider under the Class A-3 currency swap the Euro proceeds of issue of the Class A-3 notes. In return, the Currency Swap Provider will pay to the Trustee under the Class A-3 currency swap the Australian dollar equivalent of the proceeds of issue of the Class A-3 notes converted at the Euro Exchange Rate.

On each Distribution Date, the Trustee will pay to the Currency Swap Provider under the Class A-3 currency swap the Australian dollar amount available to be applied towards repayment of the Stated Amount of the Class A-3 notes. In return, the Currency Swap Provider will pay to the Principal Paying Agent for the Class A-3 notes on behalf of the Trustee the Euro equivalent of that amount converted at the Euro Exchange Rate for distribution to the Class A-3 noteholders in accordance with the Agency Agreement in reduction of the Stated Amount of the Class A-3 notes.

(d) **Interest Payments under the Class A-1 Currency Swap**

On each Distribution Date, the Trustee will pay to the Currency Swap Provider under the Class A-1 Currency Swap an aggregate amount, (the **"A$ Class A-1 Interest Amount"**), calculated by reference to the Australian dollar equivalent of the aggregate Invested Amount of the Class A-1 notes as at the preceding Distribution Date converted at the US$ Exchange Rate and the Bank Bill Rate plus a margin.

In return, the Currency Swap Provider will pay to the Principal Paying Agent on behalf of the Trustee amounts in aggregate equal to the interest due in respect of the Class A-1 notes on that Distribution Date for distribution to Class A-1 noteholders in accordance with the Agency Agreement.

If the Trustee does not have sufficient funds under the Series Supplement to pay the full amount owing to the Currency Swap Provider under the Class A-1 Currency Swap in respect of the above payment the Currency Swap Provider is not required to make the corresponding payments to the Principal Paying Agent for the Class A-1 notes and, after the applicable grace period, the Currency Swap Provider may terminate the Class A-1 currency swap. The manner of determining whether the Trustee will have sufficient funds to pay the Currency Swap Provider under the Class A-1 Currency Swap that amount on a Distribution Date is described in Section 9.8 above. A failure of the Trustee to pay an amount owing under the Class A-1 currency swap, if not remedied within the applicable grace period, will be an Event of Default under the Security Trust Deed.

(e) **Interest Payments under the Class A-3 Currency Swap**

On each Distribution Date, the Trustee will pay to the Currency Swap Provider under the Class A-3 currency swap an aggregate amount, (the **"A$ Class A-3 Interest Amount"**), calculated by reference to the Australian dollar equivalent of the aggregate Invested Amount of the Class A-3 notes as at the preceding Distribution Date converted at the Euro Exchange Rate and the Bank Bill Rate plus

a margin.

In return, the Currency Swap Provider will pay to the Principal Paying Agent on behalf of the Trustee amounts in aggregate equal to the interest due in respect of the Class A-3 notes on that Distribution Date for distribution to Class A-3 noteholders in accordance with the Agency Agreement.

If the Trustee does not have sufficient funds under the Series Supplement to pay the full amount owing to the Currency Swap Provider under the Class A-3 currency swap in respect of the above payment the Currency Swap Provider is not required to make the corresponding payments to the Principal Paying Agent for the Class A-3 notes and, after the applicable grace period, the Currency Swap Provider may terminate the Class A-3 currency swap. The manner of determining whether the Trustee will have sufficient funds to pay the Currency Swap Provider that amount on a Distribution Date is described in Section 9.8 above. A failure of the Trustee to pay an amount owing under the Class A-3 currency swap, if not remedied within the applicable grace period, will be an Event of Default under the Security Trust Deed.

(f) **Termination by the Currency Swap Provider**

The Currency Swap Provider will have the right to terminate the relevant currency swap in the following circumstances:

(i) if the Trustee fails to make a payment under the currency swap within 10 days after notice of failure is given to the Trustee;

(ii) if due to a change in or a change in interpretation of law it becomes illegal other than as a result of the introduction of certain exchange controls by an Australian governmental body for either party to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of the currency swap. However, if the Currency Swap Provider is the party affected by the illegality, it must make efforts to transfer its rights and obligations to avoid this illegality;

(iii) if due to any action taken by a taxation authority or a change in tax law the Currency Swap Provider is required to receive payments from which amounts have been withheld or deducted on account of tax. However, the Currency Swap Provider will only have the right to terminate a currency swap if the Offshore Note Trustee is satisfied that all amounts owing to Offshore noteholders will be paid in full on the date on which the Offshore notes are to be redeemed. In addition, whether or not the Currency Swap Provider can terminate the currency swaps, following the occurrence of such an event, the Currency Swap Provider may transfer the currency swaps to another counterparty provided that each rating agency has confirmed that this will not result in there being a reduction, qualification or withdrawal of any credit rating assigned by it to the Offshore notes;

(iv) if certain bankruptcy related events occur in relation to the Trustee; and

(v) if an Event of Default occurs under the Security Trust Deed and the Security Trustee has declared the Offshore notes immediately due and payable.

(g) **Termination by the Trustee**

The Trustee will have the right to terminate the currency swap in the following circumstances:

(i) if the Currency Swap Provider fails to make a payment under the currency swap within 10 days after notice of failure is given to the Currency Swap Provider;

(ii) if certain bankruptcy related events occur in relation to the Currency Swap Provider;

(iii) if the Currency Swap Provider merges with, or otherwise transfers all or substantially all of its assets to, another entity and the new entity does not assume all of the obligations of the Currency Swap Provider under the currency swaps;

(iv) if due to a change in or a change in interpretation of law it becomes illegal other than as a result of the introduction of certain exchange controls by an Australian governmental body for either party to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of a currency swap. However, if the Trustee is the party affected by the illegality, it must make efforts to transfer its rights and obligations to avoid this illegality;

(v) if due to any action taken by a taxation authority or a change in tax law the Trustee is required to receive payments from which amounts have been withheld or deducted on account of tax;

(vi) if as a result of the Currency Swap Provider merging with, or otherwise transferring all or substantially all of its assets to another entity, the Trustee is required to receive payments from which a deduction or withholding has been made on account of a non-resident withholding tax liability and no entitlement to a corresponding gross-up arises other than as a result of its failure to perform certain tax covenants, or, in certain circumstances, a breach of its tax representations;

(vii) if the Currency Swap Provider fails to comply with its obligations described in Section 9.16(g) below following a downgrade of its credit ratings, and that failure is not remedied within 10 Business Days of notice of the failure being given to the Currency Swap Provider or such longer period as the Trustee and the Manager agree and the rating agencies confirm will not result in a reduction, qualification or withdrawal of the credit ratings assigned by them to the Offshore notes; and

(viii) if an Event of Default occurs under the Security Trust Deed and the Security Trustee has declared the Offshore notes immediately due and payable.

The Trustee may only terminate the currency swaps with the prior written consent of the Offshore Note Trustee.

(h) **Termination by the Offshore Note Trustee**

If following an event that allows the Trustee to terminate the currency swaps the Trustee does not terminate the currency swaps, the Offshore Note Trustee may terminate the currency swaps.

(i) **Currency Swap Provider Downgrade**

If, as a result of the withdrawal or downgrade of the Currency Swap Provider's credit rating by any rating agency, the Currency Swap Provider does not have:

(i) either a long term joint credit rating of at least AA- by Standard & Poor's or a short term joint credit rating of at least A-1+ by Standard & Poor's; and

(ii) both a long term joint credit rating of at least A2 by Moody's and a short term joint credit rating of at least P-1 by Moody's,

the Currency Swap Provider must within:

(iii) 30 Business Days, if the Currency Swap Provider still has a long term joint credit rating of at least A- by Standard & Poor's and a short term joint credit rating of at least A-1 by Standard & Poor's and a long term joint credit rating of at least A3 by Moody's and a short term joint credit rating of at least P-2 by Moody's; or

(iv) 5 Business Days, in any other case,

or, in either case, such greater period as is agreed to in writing by the relevant rating agency, at their cost and at their election:

(v) if the short term credit rating by Standard & Poor's is greater than or equal to A-1 or the long term credit rating by Standard & Poor's is greater than or equal to A-, lodge collateral as determined under the currency swaps and the credit support annex;

(vi) enter into an agreement novating the currency swap to a replacement counterparty acceptable to the Manager and which each rating agency has confirmed will not result in there being a reduction, qualification or withdrawal of any credit rating assigned by it to the Offshore notes; or

(vii) enter into other arrangements which each rating agency has confirmed will not result in there being a reduction, qualification or withdrawal of any credit rating assigned by it to the Offshore notes.

The Currency Swap Provider may satisfy its obligations following a withdrawal or downgrade of a credit rating in any of the above manners as it elects from time to time.

If the Currency Swap Provider lodges cash collateral with the Trustee, any interest or income on that cash collateral will be paid to the Currency Swap Provider.

(j) **Termination Payments**

Upon termination of the currency swaps, a termination payment will be due from the Trustee to the Currency Swap Provider or from the Currency Swap Provider to the Trustee in respect of each currency swap.

The termination payment in respect of each currency swap will be determined, if possible, on the basis of quotations from leading dealers in the relevant market 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 applicable currency swap.

If termination payments are due from the Currency Swap provider to the Trustee, they will be denominated in US dollars, in respect of the Class A-1 currency swap, and in Euro, in respect of the Class A-3 currency swap.

(k) **Replacement of the Currency Swaps**

If the currency swaps are terminated prior to their scheduled termination date, the Trustee may, at the direction of the Manager, enter into replacement currency swaps on terms and with a counterparty which the rating agencies confirm will not result in a reduction, qualification or withdrawal of the credit ratings assigned by them to the Offshore notes. Any termination payments received by the Trustee upon termination of the currency swaps may be applied towards a premium payable to enter into replacement currency swaps and any premium received by the Trustee upon entering into a new currency swap may be applied towards a termination payment in respect of the terminated currency swaps.

(l) **Currency Swap Provider**

The Currency Swap Provider will be Commonwealth Bank of Australia.

(m) **Commonwealth Bank**

Commonwealth Bank is described above in Section 4.2. Commonwealth Bank has a long term credit rating of AA from Fitch, Aa3 from Moody's and AA- from Standard & Poor's and a short term credit rating of A-1 + from Standard & Poor's, F1+ from Fitch and P-1 from Moody's.

9.17 Partial Redemption of the Class A Notes on Distribution Dates

On each Distribution Date until the Stated Amount of the Class A notes is reduced to zero the Trustee must:

(a) in respect of the Class A-1 notes:

(i) pay to the Currency Swap Provider under the Class A-1 currency swap, in accordance with the directions of the Manager, the Australian dollar amount allocated to repayment on that Distribution Date of principal on the Class A-1 notes as described in Section 9.11;

(ii) direct the Currency Swap Provider under the Class A-1 currency swap to pay on that Distribution Date the U.S. dollar equivalent of that Australian dollar amount, converted at the US$ Exchange Rate, to the Principal Paying Agent for the Offshore notes; and

(iii) direct the Principal Paying Agent for the Offshore notes to pay that amount received from the Currency Swap Provider under the Class A-1 currency swap rateably to the Class A-1 noteholders towards repayment of the Stated Amounts of the Class A-1 notes in accordance with the Agency Agreement and the terms and conditions of the Offshore notes.

(b) in respect of the Class A-2 notes, pay equally between the Class A-2 notes, the amount allocated to repayment on that Distribution Date of principal on the Class A-2 notes as described in Section 9.11; and

(c) in respect of the Class A-3 notes:

(i) pay to the Currency Swap Provider under the Class A-3 currency swap,

in accordance with the directions of the Manager, the Australian dollar amount allocated to repayment on that Distribution Date of principal on the Class A-3 notes as described in Section 9.11;

(ii) direct the Currency Swap Provider under the Class A-3 currency swap to pay on that Distribution Date the Euro equivalent of that Australian dollar amount, converted at the Euro Exchange Rate, to the Principal Paying Agent for the Offshore notes; and

(iii) direct the Principal Paying Agent for the Offshore notes to pay that amount received from the Currency Swap Provider under the Class A-3 currency swap rateably to the Class A-3 noteholders towards repayment of the Stated Amounts of the Class A-3 notes in accordance with the Agency Agreement and the terms and conditions of the Offshore notes.

9.18 Withholding or Tax Deductions

All payments in respect of the Offshore notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature unless the Trustee or any Paying Agent for the Offshore notes is required by applicable law to make such a withholding or deduction. In that event the Trustee or the Paying Agent for the Offshore notes, as the case may be, must account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Trustee nor any Paying Agent for the Offshore notes nor the Offshore Note Trustee will be obliged to make any additional payments to holders of the Offshore notes with respect to that withholding or deduction. Immediately after becoming aware that such a withholding or deduction is or will be required, the Trustee will notify the Offshore Note Trustee, the Principal Paying Agent for the Offshore notes and the Offshore noteholders.

The Class A-2 noteholders and Class B noteholders will derive interest income from their Class A-2 notes and Class B notes. Under the terms of the Class A-2 notes and Class B notes the interest income will accrue on a quarterly basis. The Class A-2 noteholders and Class B noteholders will, if Australian residents or non-residents who hold the notes in connection with a business carried on at or through a permanent establishment in Australia, and subject to any applicable double tax treaty, be assessable on this interest income for tax purposes. Whether this interest income will be recognised on a cash receipts or accruals basis for tax purposes will depend upon the tax status of the particular noteholder.

Withholding tax will be deducted on payments of interest on the Class A-2 notes and Class B notes to resident and non-resident Class A-2 noteholders and Class B noteholders, who hold notes in connection with a business carried on at or through a permanent establishment outside of Australia.

Tax will also be deducted on payments to an Australian resident Class A-2 noteholder or Class B noteholder, or non-resident holding such notes in connection with a business carried on at or through a permanent establishment carried on in Australia, who does not provide the Trustee with a tax file number or Australian Business Number (where applicable) unless an exemption applies to relation to that noteholder.

9.19 Redemption of the Notes for Taxation or Other Reasons

If the Manager satisfies the Trustee and the Offshore Note Trustee, immediately before giving the notice to the Offshore noteholders as described in this section, that because of a change of law in Australia or any other jurisdiction to which the Trustee becomes subject either:

(a) on the next Distribution Date the Trustee would be required to deduct or withhold from any payment of principal or interest in respect of any class of notes or redraw

bonds 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 a government or authority of Australia or such other jurisdiction; or

(b) the total amount payable in respect of interest in relation to the housing loans for a Collection Period ceases to be receivable, whether or not actually received, by the Trustee during such Collection Period by reason of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a government or authority of Australia or such other jurisdiction,

and in each case such obligation cannot be avoided by the Trustee taking reasonable measures available to it, then the Trustee must, when so directed by the Manager, at the Manager's option, redeem all, but not some, of the notes and redraw bonds on any subsequent Distribution Date at their then Invested Amounts subject to the following, together with accrued but unpaid interest to but excluding the date of redemption. The Trustee may redeem the notes and redraw bonds at their Stated Amounts, instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption, if so approved by an Extraordinary Resolution of noteholders and redraw bondholders together.

However, the Trustee will not redeem the notes or redraw bonds unless it is in a position on the relevant Distribution Date to repay the then Invested Amounts or the Stated Amounts, as required, of the notes and the redraw bonds together with all accrued but unpaid interest to but excluding the date of redemption and to discharge all its liabilities in respect of amounts which are required under the Security Trust Deed to be paid in priority to or equally with the notes or redraw bonds if the charge under the Security Trust Deed were enforced.

Offshore noteholders must be given notice of a redemption not more than 60 nor less than 45 days prior to the date of redemption.

If a tax, duty or other amount described above applies only to the Offshore notes and the Trustee gives notice that it proposes to redeem the notes and the redraw bonds, the holders of 75% of the aggregate Invested Amount of the Offshore notes may elect, in accordance with the terms of the Offshore Note Trust Deed, that they do not require the Trustee to redeem the Offshore notes. Upon being notified of such an election at least 21 days before the Distribution Date upon which redemption was to occur the Trustee must not redeem the notes or redraw bonds.

9.20 Redemption of the Notes upon an Event of Default

If an Event of Default occurs under the Security Trust Deed the Security Trustee must, upon becoming aware of the Event of Default and subject to certain conditions, in accordance with an Extraordinary Resolution of Voting Secured Creditors and the provisions of the Security Trust Deed, enforce the security created by the Security Trust Deed. That enforcement can include the sale of some or all of the housing loans. Any proceeds from the enforcement of the security will be applied in accordance with the order of priority of payments as set out in the Security Trust Deed.

9.21 Optional Redemption of the Notes

The Trustee must, when directed by the Manager, at the Manager's option, redeem all of the notes and the redraw bonds at their then Invested Amounts together with accrued but unpaid interest to, but excluding, the date of redemption, on any Distribution Date falling on or after the date on which the total principal outstanding on the housing loans is less than 10% of the total principal outstanding on the housing loans at the commencement of business on 11 March

2004.

The Trustee may redeem the notes and redraw bonds at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption, if so approved by an Extraordinary Resolution of noteholders and redraw bondholders together. However, the Trustee will not redeem the notes or redraw bonds unless it is in a position on the relevant Distribution Date to repay the then Invested Amounts or the Stated Amounts, as required, of the notes and the redraw bonds together with all accrued but unpaid interest to but excluding the date of redemption and to discharge all its liabilities in respect of amounts which are required under the Security Trust Deed to be paid in priority to or equally with the notes or redraw bonds if the charge under the Security Trust Deed were enforced.

If the Trustee, at the direction of the Manager, proposes to exercise its option to redeem the notes and redraw bonds on a Distribution Date on or after the date on which the total principal outstanding on the housing loans is less than 10% of the total principal outstanding on the housing loans at the commencement of business on 11 March 2004 at their Stated Amounts rather than their Invested Amounts, as described above, but is unable to do so because, following a meeting of noteholders and redraw bondholders convened under the provisions of the Security Trust Deed by the Manager for this purpose, the noteholders and redraw bondholders have not approved by an Extraordinary Resolution the redemption of the notes and redraw bonds at their Stated Amounts, then the margin for the Class A notes for each Accrual Period commencing on or after that Distribution Date will remain at, or if that Distribution Date is after the Step-Up Date revert to, the margin applying at the Closing Date.

All noteholders must be given notice of a redemption not more than 60 nor less than 45 days prior to the date of redemption.

9.22 Final Maturity Date

Unless previously redeemed, the Trustee must redeem the notes and redraw bonds by paying the Stated Amount, together with all accrued and unpaid interest, in relation to each note and redraw bond on or by the Distribution Date falling in May 2035. The failure of the Trustee to pay the Stated Amount, together with all accrued and unpaid interest, within 10 days of the due date for payment, other than amounts due to the Class B noteholders, will be an event of default under the Security Trust Deed.

9.23 Redemption upon Final Payment

Upon final distribution being made in respect of any notes or redraw bonds following termination of the Series Trust or enforcement of the charge under the Security Trust Deed, those notes or redraw bonds will be deemed to be redeemed and discharged in full and any obligation to pay any accrued but unpaid interest, the Stated Amount or the Invested Amount in relation to the notes or redraw bonds will be extinguished in full.

9.24 No Payments of Principal in Excess of Stated Amount

Subject to the options to redeem described in Sections 9.18 and 9.20, no amount of principal will be repaid in respect of a note or redraw bond in excess of its Stated Amount or, in the case of an optional redemption or redemption for taxation reasons, and where applicable, its Invested Amount.

10. Termination of the Trust

10.1 Termination of the Trust

(a) **Termination of Trust**

Following the issue of the notes, the Series Trust may only terminate prior to the redemption of the notes if a Potential Termination Event occurs and:

(i) the Trustee determines that the Potential Termination Event has or will have an Adverse Effect, upon which it must promptly notify the Manager, the Servicer, the Security Trustee and the Offshore Note Trustee;

(ii) the Servicer, the Trustee and the Manager consult and use their reasonable endeavours, in consultation with the Security Trustee, the Offshore Note Trustee, and, if necessary, the unitholders, to amend or vary the terms of the Series Supplement, any other relevant Transaction Documents and the notes and redraw bonds in such a way so as to cure the Potential Termination Event or its Adverse Effect; and

(iii) such consultations do not result in the cure of the Potential Termination Event or its Adverse Effect, with the consent of the Servicer, the Trustee, the Manager, the Security Trustee and the Offshore Note Trustee, within 60 days of notice being given by the Trustee as described above.

If this occurs then the Trustee, in consultation with the Manager, must proceed to liquidate the Assets of the Series Trust in accordance with the Series Supplement.

(b) **Sale of Housing Loans Upon Termination**

Upon termination of the Series Trust, the Trustee in consultation with the Manager must sell and realise the Assets of the Series Trust within 180 days of the termination date. During this period the Trustee is not entitled to sell the housing loans and their related securities, mortgage insurance policies and other rights for less than the aggregate Fair Market Value of the housing loans. The Trustee is only entitled to sell the housing loans and their related securities, mortgage insurance policies and other rights to a person other than Commonwealth Bank if Commonwealth Bank (for itself and on behalf of Homepath) does not exercise its right of first refusal. The Trustee must not conclude a sale to a person other than Commonwealth Bank unless, among other things, any housing loans and their related securities, mortgage insurance policies and other rights are assigned in equity only, except if the Trustee already has legal title, and the sale is expressly subject to the Servicer's right to be retained as Servicer and subject to the rights of the CBA Trust and to the rights of Commonwealth Bank and Homepath as beneficiaries of the CBA Trust in respect of those housing loans and their related securities, mortgage insurance policies and other rights, as described in Section 6.3.

If the Trustee is unable to sell the housing loans and their related securities and mortgage insurance policies for Fair Market Value and on those terms during the 180 day period, it may then sell them free of the restrictions and may perfect its legal title if necessary to obtain Fair Market Value for the housing loans. However upon such a sale the Trustee must use reasonable endeavours to include as a condition of the sale that a purchaser will agree to Commonwealth Bank or Homepath (as appropriate) taking second mortgages in order to retain second ranking security for the other loans secured by the mortgage and to entering into a

priority agreement to give Commonwealth Bank or Homepath (as appropriate) second priority for its second mortgage and to use reasonable endeavours to obtain the consent of the relevant borrowers and security providers to Commonwealth Bank's or Homepath's (as appropriate) second mortgage.

(c) **Seller's First Right of Refusal**

On the termination date of the Series Trust, the Trustee is deemed to offer to sell the housing loans and their related securities, mortgage insurance policies and other rights to Commonwealth Bank (for itself and on behalf of Homepath) for at least the aggregate Fair Market Value of the housing loans.

The Trustee must not sell the housing loans and their related securities, mortgage insurance policies and other rights unless Commonwealth Bank has failed to accept that offer within 90 days of the termination date of the Series Trust or has failed to pay the purchase price within 180 days of the termination date of the Series Trust.

(d) **Distributions**

The Trustee must deposit the proceeds of realisation of the Assets of the Series Trust into the collections account and, following the realisation of all the Assets of the Trust, must distribute them on a Distribution Date in accordance with the order of priority described in Sections 9.8 and 9.11. Upon final distribution being made, the notes will be deemed to be redeemed and discharged in full and the obligations of the Trustee with respect to the payment of principal, interest or any other amount on the notes will be extinguished.

11. Description of the Transaction Documents

The following summary describes the material terms of the Transaction Documents other than the Underwriting Agreement for the Offshore notes and the Dealer Agreement for the Class A-2 notes and Class B notes and except as already described above. The summary does not purport to be complete and is subject to the provisions of the Transaction Documents. The Transaction Documents, other than the Underwriting Agreement for the Offshore notes and the credit support annex to the Currency Swap Agreement are governed by the laws of New South Wales, Australia.

11.1 Collections Account and Authorised Short-Term Investments

The Trustee will establish and maintain the collections account with an Eligible Depository. The collections account will initially be established with Commonwealth Bank. which is described in Section 4.2. The collections account shall be opened by the Trustee in its name and in its capacity as trustee of the Series Trust. The collections account will not be used for any purpose other than for the Series Trust. The account will be an interest bearing account.

If the financial institution with which the collections account is held ceases to be an Eligible Depository the Trustee must establish a new account with an Eligible Depository as a replacement collections account. In addition, if the Eligible Depository has a short term credit rating of no higher than A-1 from Standard & Poor's the sum of the balance of the collections account and the value of Authorised Short-Term Investments with a short term rating of A-1 by Standard & Poor's must not exceed 20% of the aggregate Invested Amount of all notes.

The Manager has the discretion to propose to the Trustee, in writing, the manner in which any moneys forming part of the Series Trust may be invested in Authorised Short-Term Investments and what purchases, sales, transfers, exchanges, realisations or other dealings with Assets of the Series Trust shall be effected and when and how they should be effected. Provided that they meet certain requirements, the Trustee must give effect to the Manager's proposals. Each investment of moneys required for the payment of liabilities of the Series Trust shall be in Authorised Short-Term Investments that will mature on or before the due date for payment of those liabilities.

11.2 Amendments to Offshore Notes and Offshore Note Trust Deed

The Trustee, the Manager and the Offshore Note Trustee, may alter, add to or revoke any provision of the Offshore Note Trust Deed or the Offshore notes, without the consent or sanction of any Offshore noteholder, subject to the limitations described below, if the alteration, addition or revocation is not a Payment Modification and, in the opinion of the Offshore Note Trustee:

(a) is made to correct a manifest error or ambiguity or is of a formal, technical or administrative nature only;

(b) is necessary or expedient to comply with the provisions of any statute or regulation or with the requirements of any governmental agency;

(c) is appropriate or expedient as a consequence of an amendment to any statute or regulation or altered requirements of any governmental agency or any decision of any court including an alteration, addition or modification which (in the opinion of the Offshore Note Trustee) is appropriate or expedient as a consequence of the enactment of a statue or regulation or an amendment to any statute or regulation or ruling by the Commissioner or Deputy Commissioner of Taxation or any governmental announcement or statement or any decision of any court, in any case which has or may have the effect of altering the manner or basis of taxation of trusts

generally or of trusts similar to the Series Trust or to the trust under the Offshore Note Trust Deed; or

(d) and in the opinion of the Trustee is otherwise desirable for any reason and:

(i) is not in the opinion of the Offshore Note Trustee likely, upon coming into effect, to be materially prejudicial to the interests of the Offshore noteholders; or

(ii) if it is in the opinion of the Offshore Note Trustee likely, upon coming into effect, to be materially prejudicial to the interests of the Offshore noteholders, the consent is obtained of Offshore noteholders owning 75% of the aggregate Invested Amount of the Offshore notes, excluding notes beneficially owned by the Trustee or the Manager or any person controlling or controlled by or under common control with the Trustee or the Manager.

Any alteration, addition or revocation must be notified to the rating agencies 5 Business Days in advance.

The Offshore Note Trustee will be entitled to assume that any proposed alteration, addition or revocation, other than a Payment Modification, will not be materially prejudicial to the interests of Offshore noteholders if each of the rating agencies confirms in writing that the alteration, addition or revocation, if effected, will not lead to a reduction, qualification or withdrawal of the rating given to the Offshore notes by that rating agency.

The Trustee, the Manager and the Offshore Note Trustee may make or effect any Payment Modification to the Offshore Note Trust Deed or the Offshore notes only if the consent has first been obtained of each Offshore noteholder to the Payment Modification.

"Payment Modification" means any alteration, addition or revocation of any provision of the Offshore Note Trust Deed, the Offshore notes, the Master Trust Deed so far as it applies to the Series Trust, the Series Supplement or the Security Trust Deed which modifies:

(a) the amount, timing, currency or manner of payment of principal or interest in respect of the Offshore notes including, without limitation, any modification to the Stated Amount, Invested Amount, interest rate or the Final Maturity Date of the Offshore notes or the orders of payment of the proceeds of the Assets of the Series Trust under the Series Supplement, the Offshore notes or the Security Trust Deed or which would impair rights of Offshore noteholders to institute suit for enforcement of such payment;

(b) the manner of determining whether Offshore noteholders owning 75% of the aggregate Invested Amount of the Offshore notes have provided a consent or direction or the circumstances in which such a consent or direction is required or to reduce the percentage of the aggregate Invested Amount of the Class A notes required for such a consent or direction;

(c) the provision of the Security Trust Deed that prohibits the Trustee from creating or permitting to exist any security interest, other than the Prior Interest, over the Assets of the Series Trust; or

(d) the requirements for altering, adding to or revoking any provision of the Offshore Note Trust Deed and the Offshore notes (including the Offshore Note Conditions).

The Trustee must distribute to all Offshore noteholders a copy of any amendment made as soon as reasonably practicable after the amendment has been made.

11.3 Modifications of the Master Trust Deed and Series Supplement

The Trustee and the Manager, with respect to the Master Trust Deed, and the Trustee, the Manager, the Sellers and the Servicer, with respect to the Series Supplement, may amend, add to or revoke any provision of the Master Trust Deed or the Series Supplement, subject to the limitations described below, if the amendment, addition or revocation:

(a) in the opinion of the Trustee is necessary to correct a manifest error or is of a formal, technical or administrative nature only;

(b) in the opinion of the Trustee, or of a lawyer instructed by the Trustee, is necessary or expedient to comply with the provisions of any law or regulation or with the requirements of any statutory authority;

(c) in the opinion of the Trustee is required by, a consequence of, consistent with or appropriate or expedient as a consequence of an amendment to any law or regulation or altered requirements of the government of any jurisdiction or any governmental agency, including, an amendment, addition or revocation which in the opinion of the Trustee is appropriate or expedient as a result of an amendment to Australia's tax laws or any ruling by the Australian Commissioner or Deputy Commissioner of Taxation or any governmental announcement or statement, in any case which has or may have the effect of altering the manner or basis of taxation of trusts generally or of trusts similar to any of the Medallion Trust Programme trusts;

(d) in the case of the Master Trust Deed, relates only to a Medallion Trust Programme trust not yet constituted;

(e) in the opinion of the Trustee, will enable the provisions of the Master Trust Deed or the Series Supplement to be more conveniently, advantageously, profitably or economically administered; or

(f) in the opinion of the Trustee is otherwise desirable for any reason.

Any amendment, addition or revocation referred to in the last two of the above paragraphs which in the opinion of the Trustee is likely to be prejudicial to the interests of:

(i) a unitholder, may only be effected with the consent of that unitholder;

(ii) a class of noteholders or redraw bondholders, may only be effected if those noteholders or redraw bondholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all such noteholders or redraw bondholders sign a resolution approving the amendment, addition or revocation, subject to the following paragraph; or

(iii) all noteholders and redraw bondholders, may only be effected if the noteholders and redraw bondholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all noteholders and redraw bondholders sign a resolution approving the amendment, addition or revocation. A separate resolution will not be required in relation to any class of noteholders or redraw bondholders.

The Manager must advise the rating agencies in respect of each Medallion Trust Programme trust affected by the amendment, addition or revocation no less than 10 Sydney business days prior to any amendment, addition or revocation of the Master Trust Deed or the Series Supplement and must certify to the Trustee that no rating agency has advised that the amendment, addition or revocation will cause a withdrawal, downgrading or qualification of the credit ratings assigned to the notes or redraw bonds before the amendment, addition, or

revocation is effected. The Trustee may not amend, add to or revoke any provision of the Master Trust Deed or the Series Supplement if the consent of a party is required under a Transaction Document unless that consent has been obtained.

Any amendment, addition or revocation to the Master Trust Deed or Series Supplement that effects a Payment Modification may only be made with the consent of each Offshore noteholder.

11.4 The Trustee

(a) **General Duties of Trustee**

The Trustee is appointed as trustee of the Series Trust on the terms set out in the Master Trust Deed and the Series Supplement.

Subject to the provisions of the Master Trust Deed, the Trustee has all the powers in respect of the Assets of the Series Trust which it could exercise if it were the absolute and beneficial owner of the Assets. The Trustee agrees to act in the interests of the unitholders, the noteholders and the redraw bondholders. If there is a conflict between the interests of the unitholders on the one hand and the noteholders and redraw bondholders on the other hand, the Trustee must act in the interests of the noteholders and the redraw bondholders.

The Trustee must act honestly and in good faith 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 and the Series Supplement in a proper and efficient manner and 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 noteholders, redraw bondholders and the unitholders.

The terms of the Master Trust Deed and Series Supplement provide, amongst other things, that:

(i) the obligations of the Trustee to the noteholders expressed in the Master Trust Deed or the Series Supplement are contractual obligations only and do not create any relationship of trustee or fiduciary between the Trustee and the noteholders;

(ii) the Trustee has no duty, and is under no obligation, to investigate whether a Manager Default, a Servicer Default or a Perfection of Title Event has occurred in relation to the Series Trust other than where it has actual notice;

(iii) unless actually aware to the contrary, the Trustee is entitled to rely conclusively on, and is not required to investigate the accuracy of any calculation by a Seller, the Servicer or the Manager under the Series Supplement, the amount or allocation of collections or the contents of any certificate provided to the Trustee by the Servicer or Manager under the Series Supplement;

(iv) the Trustee may obtain and act on the advice of experts, whether instructed by the Trustee or the Manager, which are necessary, usual or desirable for the purpose of enabling the Trustee to be fully and properly advised and informed and will not be liable for acting in good faith on such advice; and

(v) the Trustee will only be considered to have knowledge or awareness of, or notice of, a thing or grounds to believe anything by virtue of the officers of the Trustee who have day-to-day responsibility for the administration or management of the Trustee's obligations in relation to the Series Trust, having actual knowledge, actual awareness or actual notice of that thing, or grounds to believe that thing.

(b) **Annual Compliance Statement**

The Trustee in its capacity as trustee will not publish annual reports and accounts. The Trustee will deliver to the Offshore Note Trustee annually a written statement as to the fulfilment of the Trustee's obligations under the Offshore Note Trust Deed including compliance with its material obligations under the Transaction Documents, and whether an Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.

(c) **Delegation**

In exercising its powers and performing its obligations and duties under the Master Trust Deed, the Trustee may delegate any or all of the powers, discretions and authorities of the Trustee under the Master Trust Deed or otherwise in relation to the Series Trust, to a related company of the Trustee or otherwise in accordance with the Master Trust Deed or Series Supplement, including, in respect of its payment obligations in respect of the Offshore notes, to the Paying Agents for the Offshore notes under the Agency Agreement. The Trustee at all times remains liable for the acts or omissions of such related company when acting as delegate.

(d) **Trustee Fees and Expenses**

The Trustee is entitled to a fee payable in arrears on each Distribution Date. The Trustee's fee is calculated to cover the fees payable to the Offshore Note Trustee and the agents which are paid by the Trustee from its own personal funds.

The fee payable to the Trustee may be varied as agreed between the Trustee and the Manager provided that each rating agency must be given 3 Business Days' prior notice of any variation and the fee must not be varied if this would result in a reduction, qualification or withdrawal of the credit rating of any note or redraw bond.

If the Trustee becomes liable to remit to a governmental agency an additional amount of Australian goods and services tax or is otherwise disadvantaged by a change in the Australian goods and services tax legislation in connection with the Series Trust, the Trustee will not be entitled to any reimbursement from the Assets of the Series Trust. However, the fees payable to the Trustee may be adjusted, in accordance with the Series Supplement.

At any time within 12 months after the abolition of or a change in the goods and services tax laws becomes effective, the Trustee or the Manager may, by written notice to the other, require negotiations to commence to adjust the fees payable to the Trustee so that it is not economically advantaged or disadvantaged by the effect of the change in the goods and services tax. Any adjustment to fees will be subject to written confirmation from the rating agencies that the adjustment will not result in a reduction, qualification or withdrawal of the credit ratings then assigned to the notes.

The Trustee is entitled to be reimbursed out of the Assets of the Series Trust for costs, charges and expenses which it may incur in respect of and can attribute to the

Series Trust including, amongst other costs, disbursements in connection with the Assets of the Series Trust, the auditing of the Series Trust, taxes payable in respect of the Series Trust, legal costs and other amounts in connection with the exercise of any power or discretion or the performance of any obligation in relation to the Series Trust approved by the Manager which approval is not to be unreasonably withheld.

(e) **Removal of the Trustee**

The Trustee is required to retire as Trustee following a Trustee Default. If the Trustee refuses to retire following a Trustee Default the Manager may remove the Trustee immediately, or, if the Trustee Default relates only to a change in ownership or merger without assumption of the Trustee, upon 30 days' notice in writing.

The Manager must use reasonable endeavours to appoint a qualified substitute Trustee who is approved by the ratings agencies of all the Medallion Trust Programme trusts established under the Master Trust Deed within 30 days of the removal of the Trustee. Until a substitute Trustee is appointed, the Manager must act as Trustee and will be entitled to receive the Trustee's fee.

If after 30 days the Manager is unable to appoint a qualified substitute Trustee who is approved by the ratings agencies, it must convene a meeting of all debt security holders, including the noteholders and redraw bondholders, and all beneficiaries, including the unitholders, of all the Medallion Trust Programme trusts under the Master Trust Deed at which a substitute Trustee may be appointed by resolution of not less than 75% of the votes at that meeting or by a resolution in writing signed by all debt security holders and beneficiaries.

(f) **Voluntary Retirement of the Trustee**

The Trustee may resign on giving to the Manager not less than 3 months' notice in writing, or such lesser period as the Manager and the Trustee may agree, of its intention to do so.

Upon retirement, the Trustee must appoint a qualified substitute Trustee who is approved by the ratings agencies and the Manager. If the Trustee does not propose a substitute Trustee at least one month prior to its proposed retirement, the Manager may appoint a qualified substitute Trustee who is approved by the ratings agencies.

If a substitute Trustee has not been appointed upon the expiry of the 3 month notice period, the Manager will act as Trustee. If the Manager is unable to appoint a qualified substitute Trustee within a further 30 days, it must convene a meeting of all debt security holders, including the noteholders and redraw bondholders, and all beneficiaries, including the unitholders, of all the Medallion Trust Programme trusts under the Master Trust Deed at which a substitute Trustee may be appointed by resolution of not less than 75% of the votes at that meeting or by a resolution in writing signed by all debt security holders and beneficiaries.

The retiring Trustee must indemnify the Manager and the substitute Trustee in respect of all costs incurred as a result of its removal or retirement.

(g) **Limitation of the Trustee's Liability**

The Trustee acts as trustee and issues the notes only in its capacity as trustee of the Series Trust and in no other capacity. A liability incurred by the Trustee acting as trustee of the Series Trust under or in connection with the Transaction Documents,

except with respect to the following paragraph, is limited to and can be enforced against the Trustee only to the extent to which it can be satisfied out of the Assets of the Series Trust out of which the Trustee is actually indemnified for the liability. Except in the circumstances described in the following paragraph, this limitation of the Trustee's liability applies despite any other provisions of the Transaction Documents and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the notes, the redraw bonds, the Master Trust Deed, the Series Supplement or any other Transaction Document. Noteholders, redraw bondholders and the parties to the Transaction Documents may not sue the Trustee in respect of liabilities incurred by it acting as trustee of the Series Trust in any capacity other than as trustee of the Series Trust and may not seek to appoint a liquidator or administrator to the Trustee or to appoint a receiver to the Trustee, except in relation to the Assets of the Series Trust and may not prove in any liquidation, administration or arrangements of or affecting the Trustee, except in relation to the Assets of the Series Trust.

The limitation in the previous paragraph will not apply to any obligation or liability of the 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 Trustee's indemnification out of the Assets of the Series Trust as a result of the Trustee's fraud, negligence or wilful default or the fraud, negligence or wilful default of its officers, employees or agents or any person for whom the Trustee is liable under the terms of the Transaction Documents. For these purposes a wilful default does not include a default which arises as a result of a breach of a Transaction Document by any other person, other than any person for whom the Trustee is liable under the terms of the Transaction Documents, or which is required by law or a proper instruction or direction of a meeting of Secured Creditors of the Series Trust or noteholders, bondholders or other debt security holders or beneficiaries of a Medallion Trust Programme trust.

In addition, the Manager, the Servicer, the agents, the Offshore Note Trustee and other persons are responsible for performing a variety of obligations in relation to the Series Trust. An act or omission of the Trustee will not be considered to be fraudulent, negligent or a wilful default to the extent to which it was caused or contributed to by any failure by any such person to fulfil its obligations relating to the Series Trust or by any other act or omission of such a person.

(h) **Rights of Indemnity of Trustee**

The Trustee is indemnified out of the Assets of the Series Trust for any liability properly incurred by the Trustee in performing or exercising any of its powers or duties. This indemnity is in addition to any indemnity allowed to the Trustee by law, but does not extend to any liabilities arising from the Trustee's fraud, negligence or wilful default.

The Trustee is indemnified out of the Assets of the Series Trust against certain payments it may be liable to make under the Consumer Credit Code. The Servicer also indemnifies the Trustee in relation to such payments in certain circumstances and the Trustee is required to first call on the indemnity from the Servicer before calling on the indemnity from the Assets of the Series Trust.

11.5 The Manager

(a) **Powers**

The Manager's general duty is to manage the Assets of the Series Trust which are not serviced by the Servicer. In addition, the Manager has a number of specific responsibilities including making all necessary determinations to enable the Trustee to make the payments and allocations required on each Distribution Date in accordance with the Series Supplement, directing the Trustee to make those payments and allocations, keeping books of account and preparing the tax returns of the Series Trust and monitoring Support Facilities.

The Manager must act honestly and in good faith 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 and the other Transaction Documents in a proper and efficient manner and exercise such prudence as a prudent person of business would exercise in performing its express functions and in exercising its discretions under the Master Trust Deed and the other Transaction Documents having regard to the interests of noteholders, redraw bondholders and the unitholders.

(b) **Delegation**

The Manager may, in carrying out and performing its duties and obligations in relation to the Series Trust, appoint any person as attorney or agent of the Manager with such powers as the Manager thinks fit including the power to sub-delegate provided that the Manager may not delegate a material part of its duties and obligations in relation to the Series Trust. The Manager remains liable for the acts or omissions of such attorneys or agents to the extent that the Manager would itself be liable.

(c) **Manager's Fees, Expenses and Indemnification**

The Manager is entitled to a management fee and arranging fee payable in arrears on each Distribution Date.

The management fee payable to the Manager by the Trustee out of the Available Income Amount may be varied as agreed between the income unitholder and the Manager provided that each rating agency must be given 3 Business Days' prior notice of any variation and the fee must not be varied if this would result in a reduction, qualification or withdrawal of the credit rating of any note or redraw bond. The arranging fee payable to the Manager by the Trustee out of the Available Income Amount for the trust is agreed between the income unitholder and the Manager prior to the date of the Series Supplement.

The Manager will be indemnified out of the Assets of the Series Trust for any liability, cost or expense properly incurred by it in its capacity as Manager of the Series Trust.

(d) **Removal or Retirement of the Manager**

If the Trustee becomes aware that a Manager Default has occurred and is subsisting the Trustee must immediately terminate the appointment of the Manager and must appoint a substitute Manager in its place. The Manager indemnifies the Trustee in respect of all costs incurred as a result of its replacement by the Trustee.

The Manager may retire on giving to the Trustee 3 months', or such lesser period as

the Manager and the Trustee may agree, notice in writing of its intention to do so. Upon its retirement, the Manager may appoint another corporation approved by the Trustee as Manager in its place. If the Manager does not propose a replacement by the date one month prior to the date of its retirement the Trustee may appoint a replacement Manager as from the date of the Manager's retirement.

Until a substitute Manager is appointed, the Trustee must act as Manager and will be entitled to receive the fee payable to the Manager.

(e) **Limitation of Manager's Liability**

The Manager is not personally liable to indemnify the Trustee or to make any payments to any other person in relation to the Series Trust except where arising from any fraud, negligence, wilful default or breach of duty by it in its capacity as Manager of the Series Trust. A number of limitations on the Manager's liability are set out in full in the Master Trust Deed and the other Transaction Documents. These include the limitation that the Manager will not be liable for any loss, costs, liabilities or expenses:

(i) arising out of the exercise or non-exercise of its discretions under any Transaction Document or otherwise in relation to the Series Trust;

(ii) arising out of the exercise or non-exercise of a discretion on the part of the Trustee, a Seller or the Servicer or any act or omission of the Trustee, a Seller or the Servicer; or

(iii) caused by its failure to check any calculation, information, document, form or list supplied or purported to be supplied to it by the Trustee, a Seller, the Servicer or any other person,

except to the extent that they are caused by the Manager's own fraud, negligence or wilful default.

11.6 Limits on Rights of Noteholders and Redraw Bondholders

Apart from the security interest arising under the Security Trust Deed, the noteholders and redraw bondholders do not own and have no interest in the Series Trust or any of its Assets. In particular, no noteholder or redraw bondholder is entitled to:

(a) an interest in any particular part of the Series Trust or any Asset of the Series Trust;

(b) require the transfer to it of any Asset of the Series Trust;

(c) interfere with or question the exercise or non-exercise of the rights or powers of a Seller, the Servicer, the Manager or the Trustee in their dealings with the Series Trust or any Assets of the Series Trust;

(d) attend meetings or take part in or consent to any action concerning any property or corporation in which the Trustee has an interest;

(e) exercise any rights, powers or privileges in respect of any Asset of the Series Trust;

(f) lodge a caveat or other notice forbidding the registration of any person as transferee or proprietor of or any instrument affecting any Asset of the Series Trust or claiming any estate or interest in any Asset of the Series Trust;

(g) negotiate or communicate in any way with any borrower or security provider under

any housing loan assigned to the Trustee or with any person providing a Support Facility to the Trustee;

(h) seek to wind up or terminate the Series Trust;

(i) seek to remove the Servicer, Manager or Trustee;

(j) interfere in any way with the Series Trust;

(k) take proceedings against the Trustee, the Manager, the Sellers or the Servicer or in respect of the Series Trust or the Assets of the Series Trust. This will not limit the right of noteholders and redraw bondholders to compel the Trustee, the Manager and the Security Trustee to comply with their respective obligations under the Master Trust Deed, the Series Supplement, the Offshore Note Trust Deed and the Security Trust Deed, in the case of the Trustee and the Manager, and the Security Trust Deed, in the case of the Security Trustee;

(l) have any recourse to the Trustee or the Manager in their personal capacity, except to the extent of fraud, negligence or wilful default on the part of the Trustee or the Manager respectively; or

(m) have any recourse whatsoever to a Seller or to the Servicer in respect of a breach by a Seller or the Servicer of their respective obligations and duties under the Series Supplement.

11.7 The Offshore Note Trustee

(a) **Appointment of Offshore Note Trustee**

The Bank of New York will serve as the Offshore Note Trustee. The Bank of New York is a banking corporation duly organised and existing under the laws of New York. The corporate trust office of the Offshore Note Trustee responsible for the administration of the Offshore Note Trustee's obligations in relation to the Series Trust is located at 101 Barclay Street, 21W, New York, New York 10286.

(b) **Offshore Note Trustee's fees and expenses**

The Trustee must pay the Offshore Note Trustee's fees out of its personal funds, other than fees in respect of any additional duties outside the scope of the Offshore Note Trustee's normal duties under the Transaction Documents. The Offshore Note Trustee will be entitled to be indemnified for its fees with respect to any such additional duties from the assets of the Series Trust.

(c) **Delegation by Offshore Note Trustee**

The Offshore Note Trustee will be entitled to delegate its duties, powers, authorities, trusts and discretions under the Offshore Note Trust Deed to any related company of the Offshore Note Trustee or to any other person in accordance with the Offshore Note Trust Deed or as agreed by the Manager.

(d) **Indemnity of Offshore Note Trustee**

The Offshore Note Trustee will be entitled to be indemnified from the Assets of the Series Trust against all liabilities, expenses, costs, charges, taxes and stamp duties, other than general overhead costs and expenses, properly incurred by the Offshore Note Trustee, or its properly appointed agents or delegates, in the performance of its obligations under the Offshore Note Trust Deed or any other Transaction

Document.

However, the Offshore Note Trustee will not be entitled to be indemnified against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of fraud or wilful default of which it may be guilty in relation to its duties under the Offshore Note Trust Deed.

(e) **Qualifications of Offshore Note Trustee**

The Offshore Note Trustee is, and will at all times be, a corporation or association, organised and doing business under the laws of the United States of America, any individual state or the District of Columbia, authorised under those laws to exercise corporate trust powers, having a combined capital of US$50,000,000, as set forth in its most recent published annual report of condition, and subject to supervision or examination by federal or state authority. The Offshore Note Trustee may also, if permitted by the Securities and Exchange Commission, be organised under the laws of a jurisdiction other than the United States, provided that it is authorised under such laws to exercise corporate trust powers and is subject to examination by authority of such jurisdictions substantially equivalent to the supervision or examination applicable to a trustee in the United States.

(f) **Removal of Offshore Note Trustee**

The Offshore Note Trustee will retire as Offshore Note Trustee if:

(i) an Insolvency Event occurs in relation to the Note Trustee in its personal capacity or in respect of its personal assets and not in its capacity as trustee of any trust or in respect of any assets it holds as trustee;

(ii) it ceases to carry on business;

(iii) it ceases to be an Eligible Trust Corporation;

(iv) it is so directed by the Offshore noteholders holding no less than 75% of the aggregate Invested Amount of the Offshore notes;

(v) when required to do so by the Manager or the Trustee by notice in writing, it fails or neglects within 20 Business Days after receipt of such notice to carry out or satisfy any material duty imposed on it by the Offshore Note Trust Deed or any Transaction Document; or

(vi) there is a change in ownership of 50% or more of the issued equity share capital of the Offshore Note Trustee from the position as at the date of the Offshore Note Trust Deed or effective control of the Offshore Note Trustee alters from the position as at the date of the Offshore Note Trust Deed unless in either case approved by the Manager, whose approval must not be unreasonably withheld.

If any of these events occurs and the Offshore Note Trustee refuses to retire, the Manager may remove the Offshore Note Trustee from office immediately by notice in writing. On the retirement or removal of the Offshore Note Trustee:

(vii) the Manager must promptly notify the rating agencies; and

(viii) subject to any approval required by law, the Manager must use reasonable endeavours to appoint in writing some other Eligible Trust Corporation approved by the rating agencies to be the substitute Offshore

Note Trustee.

(g) **Offshore Note Trustee May Retire**

The Offshore Note Trustee may retire at any time on 3 months', or such lesser period as the Manager, the Trustee and the Offshore Note Trustee agree, notice in writing to the Trustee, the Manager and the rating agencies, without giving any reason and without being responsible for any liabilities incurred by reason of its retirement provided that the period of notice may not expire within 30 days before a Distribution Date. Upon retirement the Offshore Note Trustee, subject to any approval required by law, may appoint in writing any other Eligible Trust Corporation approved by the rating agencies and the Manager, which approval must not be unreasonably withheld by the Manager, as Offshore Note Trustee. If the Offshore Note Trustee does not propose a replacement at least one month prior to its proposed retirement, the Manager may appoint a substitute Offshore Note Trustee, which must be an Eligible Trust Corporation approved by the rating agencies.

(h) **Appointment by Offshore Noteholders**

No retirement or removal of the Offshore Note Trustee will be effective until a substitute Offshore Note Trustee has been appointed.

If a substitute Offshore Note Trustee has not been appointed at a time when the position of Offshore Note Trustee would, but for the foregoing requirement, become vacant, the Trustee must promptly advise the Offshore noteholders. A special majority of Offshore noteholders, being Offshore noteholders who hold not less than 75% of the aggregate Invested Amount of all Offshore notes, may appoint an Eligible Trust Corporation to act as Offshore Note Trustee.

11.8 The Security Trust Deed

(a) **General**

P.T. Limited of Level 7, 9 Castlereagh Street, Sydney, Australia is the Security Trustee. The Trustee will grant a floating charge, registered with the Australian Securities and Investments Commission, over all of the Series Trust Assets in favour of the Security Trustee. The floating charge will secure the Secured Moneys owing to the noteholders, the redraw bondholders, the Servicer, the Offshore Note Trustee in its personal capacity and for and on behalf of the Offshore noteholders, each Agent for the Offshore notes, the Sellers, the Liquidity Facility Provider, the Standby Redraw Facility Provider, the Basis Swap Provider, the Fixed Rate Swap Provider and the Currency Swap Provider. These secured parties are collectively known as the **"Secured Creditors"**.

(b) **Nature of the Charge**

A company may not deal with its Assets over which it has granted a fixed charge without the consent of the relevant chargee. Fixed charges are usually given over real property, marketable securities and other assets which will not be dealt with by the company.

A floating charge, like that created by the Security Trust Deed, does not attach to specific assets but instead "floats" over a class of assets which may change from time to time. The company granting the floating charge may deal with those assets and give third parties title to those assets free from any encumbrance, provided such dealings and transfers of title are in the ordinary course of the company's business.

The Trustee has agreed not to dispose of or create interests in the Assets of the Series Trust subject to the floating charge except in accordance with the Master Trust Deed, the Series Supplement or any other Transaction Document and the Manager has agreed not to direct the Trustee to take any such actions. If, however, the Trustee disposes of any of the Assets of the Series Trust, including any housing loan, other than in accordance with the Master Trust Deed, the Series Supplement or any other Transaction Document, the person acquiring the property may nevertheless take it free of the floating charge. The floating charge granted over the Assets of the Series Trust will crystallise, which means it becomes a fixed charge, upon the occurrence of an Event of Default or will become fixed over the affected Assets in the case of certain events of default. On crystallisation of the floating charge, the Trustee may still not deal with the Assets of the Series Trust unless permitted in accordance with the Master Trust Deed, the Series Supplement or any other Transaction Document and, as a result of the crystallisation of the charge, any attempt to do so in violation of the Transaction Documents will not generally be effective to create interests in the Assets of the Series Trust ranking in priority to the charge.

(c) **The Security Trustee**

The Security Trustee is appointed to act as trustee on behalf of the Secured Creditors and holds the benefit of the charge over the Assets of the Series Trust on trust for each Secured Creditor on the terms and conditions of the Security Trust Deed. If, in the Security Trustee's opinion, there is a conflict between the duties owed by the Security Trustee to any Secured Creditor or class of Secured Creditors and the interests of noteholders and redraw bondholders as a whole, the Security Trustee must give priority to the interests of the noteholders and redraw bondholders. In addition, the Security Trustee must give priority to the interests of the Class A noteholders and redraw bondholders if, in the Security Trustee's opinion, there is a conflict between the interests of Class A noteholders and redraw bondholders and the interests of the Class B noteholders or other persons entitled to the benefit of the charge.

(d) **Duties and Liabilities of the Security Trustee**

The Security Trustee's liability to the Secured Creditors is limited to the amount the Security Trustee is entitled to recover through its right of indemnity from the Assets held on trust by it under the Security Trust Deed. However, this limitation will not apply to the extent that the Security Trustee limits its right of indemnity as a result of its own fraud, negligence or wilful default.

The Security Trust Deed contains a range of other provisions regulating the scope of the Security Trustee's duties and liabilities. These include the following:

(i) the Security Trustee is not required to monitor whether an Event of Default has occurred or compliance by the Trustee or Manager with the Transaction Documents or their other activities;

(ii) the Security Trustee is not required to do anything unless its liability is limited in a manner satisfactory to it;

(iii) the Security Trustee is not responsible for the adequacy or enforceability of any Transaction Documents;

(iv) except as expressly stated in the Security Trust Deed, the Security Trustee need not give to the Secured Creditors information concerning the Trustee or the Series Trust which comes into the possession of the

Security Trustee;

(v) the Trustee gives wide ranging indemnities to the Security Trustee in relation to its role as Security Trustee; and

(vi) the Security Trustee may rely on documents and information provided by the Trustee or Manager.

(e) **Events of Default**

Each of the following is an Event of Default under the Security Trust Deed:

(i) the Trustee retires or is removed, or is required to retire or be removed, as trustee of the Series Trust and is not replaced within 30 days and the Manager fails within a further 20 days to convene a meeting of debt security holders and beneficiaries of the Medallion Trust Programme trusts established under the Master Trust Deed in accordance with the Master Trust Deed;

(ii) the Security Trustee has actual notice or is notified by the Manager or the Trustee that the Trustee is not entitled for any reason to fully exercise its right of indemnity against the Assets of the Series Trust to satisfy any liability to a Secured Creditor and the circumstances are not rectified to the reasonable satisfaction of the Security Trustee within 14 days of the Security Trustee requiring this;

(iii) the Series Trust is not properly constituted or is imperfectly constituted in a manner or to an extent that is regarded by the Security Trustee acting reasonably to be materially prejudicial to the interests of any class of Secured Creditor and is incapable of being, or is not within 30 days of the discovery thereof, remedied;

(iv) an Insolvency Event occurs in respect of the Trustee in its capacity as trustee of the Series Trust;

(v) distress or execution is levied or a judgment, order or encumbrance is enforced, or becomes enforceable, over any of the Assets of the Series Trust for an amount exceeding A$1,000,000, either individually or in aggregate, or can be rendered enforceable by the giving of notice, lapse of time or fulfilment of any condition;

(vi) the charge under the Security Trust Deed:

A. is or becomes wholly or partly void, voidable or unenforceable; or

B. loses its priority, subject only to the Prior Interest, as a first ranking charge, other than as mandatorily preferred by law or by an act or omission of the Security Trustee;

(vii) subject only to the Prior Interest, the Trustee attempts to create or allows to exist a security interest over the Assets of the Series Trust or transfers, assigns or otherwise disposes of, or creates or allows to exist, any other interest over the Assets of the Series Trust, otherwise than in accordance with the Master Trust Deed, the Series Supplement or the Security Trust Deed;

(viii) the Australian Commissioner of Taxation, or its delegate, determines to issue a notice (under any legislation that imposes a Tax) requiring any person obliged or authorised to pay money to the Trustee to instead pay such money to the Commissioner in respect of any Tax or any fines and costs imposed on the Trustee; and

(ix) any Secured Moneys are not paid within 10 days of when due, other than amounts due to the Class B noteholders so long as any Secured Moneys relating to the Class A Notes remain outstanding.

The Security Trustee may determine that any event that would otherwise be an Event of Default under the Security Trust Deed will not be treated as an Event of Default, where this will not in the opinion of the Security Trustee be materially prejudicial to the interests of the Secured Creditors. However, it must not do so in contravention of any prior directions in an Extraordinary Resolution of Voting Secured Creditors. Unless the Security Trustee has made such an election, and providing that the Security Trustee is actually aware of the occurrence of an Event of Default, the Security Trustee must promptly and, in any event, within 2 Business Days, convene a meeting of the Voting Secured Creditors at which it shall seek at directions from the Voting Secured Creditors by way of Extraordinary Resolution regarding the action it should take as a result of that Event of Default.

(f) **Meetings of Voting Secured Creditors**

The Security Trust Deed contains provisions for convening meetings of the Voting Secured Creditors to enable the Voting Secured Creditors to direct or consent to the Security Trustee taking or not taking certain actions under the Security Trust Deed, including directing the Security Trustee to enforce the Security Trust Deed. Meetings may also be held of a class or classes of Voting Secured Creditors under the Security Trust Deed.

(g) **Voting Procedures**

Every question submitted to a meeting of Voting Secured Creditors shall be decided in the first instance by a show of hands. If a show of hands results in a tie, the chairman shall both on a show of hands and on a poll have a casting vote. A representative is a person or body corporate appointed as a proxy for a Voting Secured Creditor or a representative of a corporate Voting Secured Creditor under the Corporations Act. On a show of hands, every person holding, or being a representative holding or representing other persons who hold, Secured Moneys shall have one vote. If at any meeting a poll is demanded, every person who is present shall have one vote for every A$10 of Secured Moneys owing to it, converted, in the case of the Class A-1 noteholders, to Australian dollars at either the US$ Exchange Rate or the spot rate used for the calculation of amounts payable on the early termination of the Class A-1 currency swap, and in the case of the Class A-3 noteholders, to Australian dollars at either the Euro Exchange Rate or the spot rate used for the calculation of amounts payable on the early termination of the Class A-3 currency swap, in each case, whichever produces the lowest amount in Australian dollars.

A resolution of all the Voting Secured Creditors, including an Extraordinary Resolution, may be passed, without any meeting or previous notice being required, by an instrument or notes in writing which have been signed by all of the Voting Secured Creditors.

(h) **Enforcement of the Charge**

Upon a vote at a meeting of Voting Secured Creditors called following an Event of Default under the Security Trust Deed, or by a resolution in writing signed by all Voting Secured Creditors, the Voting Secured Creditors may direct the Security Trustee by Extraordinary Resolution to do any or all of the following:

(i) declare all Secured Moneys immediately due and payable;

(ii) appoint a receiver over the Assets of the Series Trust and determine the remuneration to be paid to that receiver;

(iii) sell and realise the Assets of the Series Trust and otherwise enforce the charge; or

(iv) take any other action as the Voting Secured Creditors may specify in the terms of such Extraordinary Resolution.

Any enforcement action taken by the Security Trustee will only relate to the same rights in relation to the Assets of the Series Trust as are held by the Trustee. This means that even after an enforcement, the Security Trustee's interest in the Assets of the Series Trust will remain subject to the rights of Commonwealth Bank and Homepath arising under the Master Trust Deed and the Series Supplement.

No Secured Creditor 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, otherwise than in accordance with the Security Trust Deed.

(i) **The Offshore Note Trustee as Voting Secured Creditor**

If an Event of Default, or any event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, under the Security Trust Deed occurs and is continuing, the Offshore Note Trustee must deliver notice of that event to each Offshore noteholder within 10 days of becoming aware of that event provided that, except in the case of a default in payment of interest and principal on the Offshore notes, the Offshore Note Trustee may withhold such notice if it determines in good faith that withholding the notice is in the interests of the Offshore noteholders.

The rights, remedies and discretion of the Offshore noteholders under the Security Trust Deed, including all rights to vote or give instructions or consents to the Security Trustee and to enforce its undertakings and warranties, may only be exercised by the Offshore Note Trustee on behalf of the Offshore noteholders except in limited circumstances as specified in the Security Trust Deed. The Security Trustee may rely on any instructions or directions given to it by the Offshore Note Trustee as being given on behalf of the Offshore noteholders without inquiry about compliance with the Offshore Note Trust Deed.

If any of the Offshore notes remain outstanding and are due and payable otherwise than by reason of a default in payment of any amount due on the Offshore notes, the Offshore Note Trustee must not vote under the Security Trust Deed to dispose of the Assets of the Series Trust unless:

(i) a sufficient amount would be realised to discharge in full all amounts owing to the Offshore noteholders, and any other amounts payable by the Trustee ranking in priority to or equal with the Offshore notes;

(ii) the Offshore Note Trustee is of the opinion, reached after considering at any time and from time to time the advice of a investment bank or other financial adviser selected by the Offshore Note Trustee, that the cash flow receivable by the 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 Trustee, to discharge in full in due course all the amounts referred to in the preceding paragraph; or

(iii) the Offshore Note Trustee is so directed by the holders of 75% of the aggregate Invested Amount of the Class A notes.

(j) **Limitations of Actions by the Security 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 an Extraordinary Resolution of the Voting Secured Creditors in accordance with the Security Trust Deed, unless in the opinion of the Security Trustee the delay required to obtain such directions would be prejudicial to Secured Creditors as a class. The Security Trustee is not obligated to act unless it obtains an indemnity from the Voting Secured Creditors and funds have been deposited on behalf of the Security Trustee to the extent to which it may become liable for the relevant enforcement actions.

If the Security Trustee convenes a meeting of the Voting Secured Creditors, or is required by an Extraordinary Resolution to take any action under the Security Trust Deed, and advises the Voting Secured Creditors before or during the meeting that it will not act in relation to the enforcement of the Security Trust Deed unless it is personally indemnified by the Voting Secured Creditors to its reasonable satisfaction against all actions, proceedings, claims and demands to which it may render itself liable, and all costs, charges, damages and expenses which it may incur in relation to the enforcement of the Security Trust Deed and is put in funds to the extent to which it may become liable, including costs and expenses, and the Voting Secured Creditors refuse to grant the requested indemnity, and put the Security Trustee in funds, then the Security Trustee is not obliged to act in relation to that enforcement under the Security Trust Deed. In those circumstances, the Voting Secured Creditors may exercise such of those powers conferred on them by the Security Trust Deed as they determine by Extraordinary Resolution.

(k) **Priorities under the Security Trust Deed**

The proceeds from the enforcement of the charge are to be applied in the following order of priority, subject to any statutory or other priority which may be given priority by law and subject to the application of proceeds of the termination of the currency swap as described in the next paragraph:

(i) first, rateably to pay amounts owing or payable under the Security Trust Deed to indemnify the Security Trustee, the Manager, the Offshore Note Trustee and the receiver against all loss and liability incurred by such parties in acting under the Security Trust Deed, except the receiver's remuneration, and in payment of the Prior Interest;

(ii) second, to pay rateably any fees and any liabilities, losses, costs, claims, expenses, actions, damages, demands, charges, stamp duties and other Taxes due to the Security Trustee, the Offshore Note Trustee or any Agent for the Offshore notes and the receiver's remuneration;

(iii) third, to pay rateably other outgoings and liabilities that the receiver, the Security Trustee or the Offshore Note Trustee have incurred in acting under the Security Trust Deed, and, in the case of the Offshore Note Trustee, under the Offshore Note Trust Deed;

(iv) fourth, to pay any security interests over the Assets of the Series Trust of which the Security Trustee is aware having priority to the charge under the Security Trust Deed, other than the Prior Interest, in the order of their priority;

(v) fifth, to pay:

A. the Class A-1 noteholders the proceeds, if any, of any termination payment received from the Currency Swap Provider in respect of the Class A-1 currency swap toward satisfaction of any Secured Moneys owing in relation to the Class A-1 notes; and

B. the Class A-3 noteholders the proceeds, if any, of any termination payment received from the Currency Swap Provider in respect of the Class A-3 currency swap toward satisfaction of any Secured Moneys owing in relation to the Class A-3 notes;

(vi) sixth, to pay the Liquidity Facility Provider any unutilised cash collateral lodged with the Trustee by the Liquidity Facility Provider and any unpaid interest on that cash collateral;

(vii) seventh, to pay rateably:

A. the Sellers any unpaid Accrued Interest Adjustment; and

B. the Fixed Rate Swap Provider and Basis Swap Provider amounts in respect of collateral or prepayments owing under the fixed rate swap or basis swap;

(viii) eighth, to pay rateably:

A. the Class A noteholders and redraw bondholders all other Secured Moneys owing in relation to the Class A notes and redraw bonds. For this purpose, the Secured Moneys owing in respect of the Class A notes and redraw bonds will be calculated based on a principal component of their Stated Amount and in the case of the Class A-1 notes will be converted from U.S. dollars to Australian dollars at the US$ Exchange Rate or the spot exchange rate used for the calculation of any termination payment upon the termination of the Class A-1 currency swap, and in the case of the Class A-3 notes will be converted from Euro to Australian dollars at the Euro Exchange Rate or the spot exchange rate used for the calculation of any termination payment upon the termination of the Class A-3 currency swap, as determined by the Security Trustee in each case, which ever rate produces the lesser amount of Australian dollars. This will be applied:

1) first, rateably towards all unpaid interest on the Class A notes and redraw bonds; and

2) second, rateably to reduce the Stated Amount of the Class A notes and redraw bonds;

B. any other Secured Moneys owing to the Liquidity Facility Provider;

C. any Secured Moneys owing to the Standby Redraw Facility Provider provided that for this purpose Secured Moneys owing in respect of the principal component of the standby redraw facility will exclude unreimbursed principal charge-offs;

D. rateably all other Secured Moneys owing to each Swap Provider; and

E. all unpaid redraws and further advances owing to each Seller;

(ix) ninth, to pay rateably to the Class A noteholders, the redraw bondholders and the Standby Redraw Facility Provider all unreimbursed principal charge-offs constituting remaining Secured Moneys owing in respect of the Class A notes, the redraw bonds and the standby redraw facility. For this purpose, the Secured Moneys in respect of the Class A-1 notes will be converted from U.S. dollars to Australian dollars at the US$ Exchange Rate or the spot exchange rate used for the calculation of any termination payment upon the termination of the Class A-1 currency swap, and in the case of the Class A-3 notes will be converted from Euro to Australian dollars at the Euro Exchange Rate or the spot exchange rate used for the calculation of any termination payment upon the termination of the Class A-3 currency swap, as determined by the Security Trustee in each case, which ever rate produces the lesser amount of Australian dollars;

(x) tenth, if there are still Secured Moneys owing in respect of the Offshore notes, after the application of the preceding paragraphs, to pay the remaining Secured Moneys owing in relation to the Offshore notes;

(xi) eleventh, equally to the Class B noteholders;

(xii) twelfth, to pay rateably to each Secured Creditor any monetary liabilities owing to that Secured Creditor under any Transaction Document and not satisfied under the preceding paragraphs;

(xiii) thirteenth, to pay subsequent security interests over the Assets of the Series Trust of which the Security Trustee is aware, in the order of their priority; and

(xiv) fourteenth, to pay any surplus to the Trustee to be distributed in accordance with the terms of the Master Trust Deed and the Series Supplement. The surplus will not carry interest as against the Security Trustee.

Any proceeds from the termination of the currency swap must be applied first in accordance with the paragraph (v) above, with any remaining proceeds to be applied in accordance with the order of priority set out above.

Payments to Class A-1 noteholders will be effected in US$ obtained by the Security Trustee either from a $US termination payment received from the Currency Swap

Provider in respect of the Class A-1 currency swap or by converting the A$ available for such payments, based on the priority set out above, at the spot exchange rate. Payments to Class A-3 noteholders will be effected in Euro obtained by the Security Trustee either from a Euro termination payment received from the Currency Swap Provider in respect of the Class A-3 currency swap or by converting the A$ available for such payments, based on the priority set out above, at the spot exchange rate.

Upon enforcement of the security created by the Security Trust Deed, the net proceeds may be insufficient to pay all amounts due on redemption to the noteholders and redraw bondholders. Any claims of the noteholders and redraw bondholders remaining after realisation of the security and application of the proceeds shall be extinguished.

(l) **Security Trustee's Fees and Expenses**

The Trustee shall reimburse the Security Trustee for all costs and expenses of the Security Trustee incurred in performing its duties under the Security Trust Deed. The Security Trustee shall receive a fee in arrears on each Distribution Date in the amount agreed from time to time by the Trustee, the Security Trustee and the Manager provided that the rating agencies must be given prior notice of any variation of the fee and the fee may not be varied if this would result in a reduction, qualification or withdrawal of the credit rating of any note or redraw bond.

(m) **Retirement and Removal of the Security Trustee**

The Security Trustee must retire if:

(i) an Insolvency Event occurs with respect to it;

(ii) it ceases to carry on business;

(iii) the Trustee, where it is a related body corporate, retires or is removed from office and the Manager requires the Security Trustee by notice in writing to retire;

(iv) the Voting Secured Creditors require it to retire by an Extraordinary Resolution;

(v) it breaches a material duty and does not remedy the breach with 14 days notice from the Manager or the Trustee; or

(vi) there is a change in ownership or effective control of the Security Trustee without the consent of the Manager.

If the Security Trustee is removed, the Trustee, or failing it the Manager, may appoint a replacement Security Trustee which is an authorised trustee corporation under the Corporations Act with the approval of the rating agencies.

The Security Trustee may retire on 3 months' notice. If the Security Trustee retires, it may appoint an authorised trustee corporation to act in its place with the approval of the Manager, which must not be unreasonably withheld, and the rating agencies. If the Security Trustee does not propose a replacement by one month prior to the date of its retirement, the Manager is entitled to appoint a substitute Security Trustee which must be an authorised trustee corporation approved by the rating agencies.

If a substitute Security Trustee has not been appointed at a time when the position of Security Trustee becomes vacant, the Manager must act as Security Trustee and must promptly convene a meeting of Voting Secured Creditors who may by Extraordinary Resolution appoint a replacement Security Trustee. While the Manager acts as Security Trustee, it is entitled to the Security Trustee's fee.

(n) **Amendment**

The Trustee, the Manager, the Security Trustee and the Offshore Note Trustee, may alter, add to or revoke any provision of the Security Trust Deed, subject to the limitations described below, if the alteration, addition or revocation:

(i) in the opinion of the Security Trustee is made to correct a manifest error or is of a formal, technical or administrative nature only;

(ii) in the opinion of the Security Trustee, or of a lawyer instructed by the Security Trustee, is necessary or expedient to comply with the provisions of any law or regulation or with the requirements of any statutory authority;

(iii) in the opinion of the Security Trustee is appropriate or expedient as a consequence of an alteration to any law or regulation or altered requirements of the government of any jurisdiction or any governmental agency or any decision of any court including an alteration, addition or revocation which is appropriate or expedient as a result of an alteration to Australia's tax laws or any ruling by the Australian Commissioner or Deputy Commissioner of Taxation or any governmental announcement or statement or any decision of any court, which has or may have the effect of altering the manner or basis of taxation of trusts generally or of trusts similar to the Series Trust under the Security Trust Deed; or

(iv) in the opinion of the Security Trustee is otherwise desirable for any reason.

If any alteration, addition or revocation referred to in paragraph (n)(iv) above, in the opinion of the Offshore Note Trustee, affects the Offshore noteholders only or in a manner differently to Secured Creditors generally, alters the terms of the Offshore notes or is materially prejudicial to the interests of Offshore noteholders, the alteration, addition or revocation will not be effective unless the consent of Offshore noteholders owning 75% of the aggregate Invested Amount balance of the Offshore notes is obtained.

Any alteration, addition or revocation must be notified to the rating agencies 5 Business Days in advance.

The Offshore Note Trustee will be entitled to assume that any proposed alteration, addition or revocation will not be materially prejudicial to the interests of the Offshore noteholders if each of the rating agencies confirms in writing that if the alteration, addition or revocation is effected this will not lead to a reduction, qualification or withdrawal of the then rating given to the Offshore notes by the rating agency.

If any alteration, addition or revocation referred to above effects or purports to effect a Payment Modification it will not be effective as against a given Offshore noteholder unless consented to by that Offshore noteholder.

11.9 The Liquidity Facility

(a) **Advances and Facility Limit**

Under the Liquidity Facility Agreement, the Liquidity Facility Provider agrees to make advances to the Trustee for the purpose of meeting shortfalls between the Finance Charge Collections, Mortgage Insurance Income Proceeds and Other Income on a Distribution Date and the payments to be made from the Available Income Amount, other than reimbursements of Principal Draws, reimbursement of principal charge-offs, payments of the Manager's arranging fee or payments to the residual unitholder, on that Distribution Date.

The Liquidity Facility Provider agrees to make advances to the Trustee up to the liquidity limit. The liquidity limit is equal to the least of:

(i) A$35 million;

(ii) the Performing Housing Loans Amount at that time; and

(iii) the amount agreed by the Liquidity Facility Provider, the Manager and the rating agencies.

(b) **Conditions Precedent to Drawing**

The Liquidity Facility Provider is only obliged to make an advance if:

(i) no event of default under the liquidity facility exists or will result from the provision of the advance;

(ii) the representations and warranties by the Trustee and the Manager in any Transaction Document are true and correct as of the date of the drawdown notice and the drawdown; and

(iii) other than statutory priorities, the Liquidity Facility Provider has not received notice of any security interest ranking in priority to or equal with its security interest under the Security Trust Deed.

(c) **Interest and fees under the Liquidity Facility**

Interest accrues daily on the principal outstanding under the liquidity facility at the Bank Bill Rate plus a margin, calculated on the number of days elapsed and a 365 day year. Interest is payable in arrears on each Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement.

Unpaid interest will be capitalised and will accrue interest from the date not paid.

A commitment fee with respect to the unutilised portion of the liquidity limit accrues daily, calculated on the number of days elapsed and a 365 day year. The commitment fee is payable in arrears on each Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement.

The interest rate and the commitment fee under the liquidity facility may be varied by agreement between the Liquidity Facility Provider, the Trustee and the Manager. However, the rating agencies must be notified of any proposed variation and the interest rate and the commitment fee will not be varied if this would result in the reduction, qualification or withdrawal of any credit rating of a note or redraw bond.

(d) **Repayment of Liquidity Advances**

Advances under the liquidity facility are repayable on the following Distribution Date from the funds available for this purpose in accordance with the Series Supplement.

(e) **Downgrade of Liquidity Facility Provider**

If the Liquidity Facility Provider does not have short term credit ratings of at least A-1+ by Standard & Poor's and P-1 by Moody's it must within 5 Business Days, or longer if agreed by the rating agencies, deposit in the collections account an amount equal to the unutilised portion of the liquidity limit. Following this, all drawings under the liquidity facility will be made from that deposit. If the Liquidity Facility Provider regains the required credit ratings, the unutilised portion of that deposit will be repaid to it.

(f) **Events of Default under the Liquidity Facility Agreement**

The following are events of default under the liquidity facility:

(i) the Trustee fails to pay to the Liquidity Facility Provider any amount owing to it under the Liquidity Facility Agreement within 10 Business Days of its due date where funds are available for this purpose under the Series Supplement;

(ii) the Trustee alters the priority of payments under the Transaction Documents without the consent of the Liquidity Facility Provider; and

(iii) an Event of Default occurs under the Security Trust Deed and any enforcement action is taken under the Security Trust Deed.

(g) **Consequences of an Event of Default**

At any time after an event of default under the Liquidity Facility Agreement, the Liquidity Facility Provider may do all or any of the following:

(i) declare all moneys actually or contingently owing under the Liquidity Facility Agreement immediately due and payable; and

(ii) terminate the liquidity facility.

(h) **Termination**

The liquidity facility will terminate upon the earlier to occur of:

(i) the Distribution Date in May 2035;

(ii) the date on which the Liquidity Facility Provider declares the liquidity facility terminated following an Event of Default under the liquidity facility or where it becomes unlawful or impossible to maintain or give effect to its obligations under the liquidity facility;

(iii) the date one month after all notes and redraw bonds are redeemed;

(iv) the Distribution Date upon which the Trustee, as directed by the Manager, appoints a replacement Liquidity Facility Provider, provided that each rating agency has confirmed that this will not result in a reduction, qualification or withdrawal of any credit rating assigned by it to the notes or redraw bonds; and

(v) the date on which the liquidity limit is reduced to zero by agreement between the Liquidity Facility Provider, the Manager and the rating agencies.

(i) **Increased Costs**

If, by reason of any change in law or its interpretation or administration or because of compliance with any request from any fiscal, monetary or other governmental agency, the Liquidity Facility Provider incurs new or increased costs, obtains reduced payments or returns or becomes liable to make any payment based on the amount of advances outstanding under the Liquidity Facility Agreement, the Trustee must pay the Liquidity Facility Provider an amount sufficient to indemnify it against that cost, increased cost, reduction or liability.

11.10 The Standby Redraw Facility

(a) **Advances and Facility Limit**

Under the Standby Redraw Facility Agreement, the Standby Redraw Facility Provider agrees to make advances to the Trustee for the purpose of reimbursing redraws and further advances made by the Seller to the extent that the aggregate of the Principal Collections, Mortgage Insurance Principal Proceeds, Other Principal Amounts and Principal Charge-off Reimbursements, less any Principal Draw, are insufficient to fund such redraws and further advances on a Distribution Date.

The Standby Redraw Facility Provider agrees to make advances to the Trustee up to the redraw limit. The redraw limit is equal to the lesser of:

(i) A$50 million; and

(ii) the Performing Housing Loans Amount at that time, or

such other amount agreed by the Standby Redraw Facility Provider, the Manager and the rating agencies.

(b) **Conditions Precedent to Drawing**

The Standby Redraw Facility Provider is only obliged to make an advance if:

(i) no event of default under the standby redraw facility exists or will result from the provision of the advance;

(ii) the representations and warranties by the Trustee in any Transaction Document are true and correct as of the date of the drawdown notice and the drawdown; and

(iii) other than statutory priorities, the Standby Redraw Facility Provider has not received notice of any security interest ranking in priority to or equal with its security under the Security Trust Deed.

(c) **Interest and fees under the Standby Redraw Facility**

Interest accrues daily on the principal outstanding under the standby redraw facility, adjusted for principal charge-offs and principal charge-off reimbursements as described below, at the Bank Bill Rate plus a margin, calculated on the number of days elapsed and a 365 day year. Interest is payable in arrears on each Distribution Date to the extent that funds are available for this purpose in accordance with the

Series Supplement. Unpaid interest will be capitalised and will accrue interest from the date not paid.

A commitment fee with respect to the unutilised portion of the redraw limit accrues daily, calculated on the number of days elapsed and a 365 day year. The commitment fee is payable in arrears on each Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement.

The interest rate and the commitment fee under the standby redraw facility may be varied by agreement between the Standby Redraw Facility Provider, the Trustee and the Manager. However, the rating agencies must be notified of any proposed variation and the interest rate and the commitment fee will not be varied if this would result in the reduction, qualification or withdrawal of any credit rating of a note or redraw bond.

(d) **Repayment of Standby Redraw Advances**

Advances under the standby redraw facility are repayable on the following Distribution Date from the funds available for this purpose in accordance with the Series Supplement.

However, in certain circumstances, the principal outstanding under the standby redraw facility will be reduced by way of principal charge-off or increased by a reimbursement of principal charge-offs, as described in Section 9.14. The amount of principal to be repaid under the standby redraw facility on a Distribution Date is the outstanding principal as reduced by any principal charge-offs or increased by any principal charge-off reimbursements.

(e) **Events of Default under the Standby Redraw Facility Agreement**

The following are events of default under the standby redraw facility:

(i) the Trustee fails to pay to the Standby Redraw Facility provider any amount owing under the Standby Redraw Facility Agreement within 10 Business Days of its due date where funds are available for this purpose under the Series Supplement;

(ii) the Trustee alters the priority of payments under the Transaction Documents without the consent of the Standby Redraw Facility Provider; and

(iii) an Event of Default occurs under the Security Trust Deed and any enforcement action is taken under the Security Trust Deed.

(f) **Consequences of an Event of Default**

At any time after an event of default under the Standby Redraw Facility Agreement, the Standby Redraw Facility Provider may do all or any of the following:

(i) declare all moneys actually or contingently owing under the Standby Redraw Facility Agreement immediately due and payable; and

(ii) terminate the standby redraw facility.

(g) **Termination**

The term of the standby redraw facility is 364 days from the date of the Standby Redraw Facility Agreement. The term may be renewed at the option of the Standby

Redraw Facility Provider if it receives a request for an extension from the Manager 60 days prior to the scheduled termination. If the Standby Redraw Facility Provider agrees to an extension, the term of the standby redraw facility will be extended to the date specified by the Standby Redraw Facility Provider, which must not be more than 364 days, subject to any further agreed extension.

The standby redraw facility will terminate upon the earlier to occur of the following:

(i) the date on which the Standby Redraw Facility Provider declares the standby redraw facility terminated following an Event of Default under the standby redraw facility or where it becomes unlawful or impossible to maintain or give effect to its obligations under the standby redraw facility; and

(ii) 364 days from the date of the Standby Redraw Facility Agreement or any extension as set out above.

(h) **Increased Costs**

If by reason of any change in law or its interpretation or administration or because of compliance with any request from any fiscal, monetary or other governmental agency, the Standby Redraw Facility Provider incurs new or increased costs, obtains reduced payments or returns or becomes liable to any payment based on the amount of advances outstanding under the Standby Redraw Facility Agreement, the Trustee must pay the Standby Redraw Facility Provider an amount sufficient to indemnify it against that cost, increased cost, reduction or liability.

11.11 Servicing of the Housing Loans

(a) **Appointment and Obligations of Servicer**

Commonwealth Bank is appointed as Servicer of the housing loans on the terms set out in the Series Supplement.

The Servicer is required to administer the housing loans in the following manner:

(i) in accordance with the Series Supplement;

(ii) in accordance with the Servicer's procedures manual and policies as they apply to those housing loans, which are under regular review and may change from time to time in accordance with business judgment and changes to legislation and guidelines established by relevant regulatory bodies; and

(iii) to the extent not covered by the preceding paragraphs, in accordance with the standards and practices of a prudent lender in the business of originating and servicing retail home loans.

The Servicer's actions in servicing the housing loans are binding on the Trustee, whether or not such actions are in accordance with the Servicer's obligations. The Servicer is entitled to delegate its duties under the Series Supplement. The Servicer at all times remains liable for the acts or omissions of any delegate to the extent that those acts or omissions constitute a breach of the Servicer's obligations.

(b) **Powers of Servicer**

The function of servicing the housing loans is vested in the Servicer and it is entitled to service the housing loans to the exclusion of the Trustee. The Servicer has a number of express powers, which include the power:

(i) to release a borrower from any amount owing where the Servicer has written-off or determined to write-off that amount or where it is required to do so by a court or other binding authority;

(ii) subject to the preceding paragraph, to waive any right in respect of the housing loans and their securities, except that the Servicer may not increase the term of a housing loan beyond 30 years from its settlement date unless required to do so by law or by the order of a court or other binding authority or if, in its opinion, such an increase would be made or required by a court or other binding authority;

(iii) to release or substitute any security for a housing loan in accordance with the relevant mortgage insurance policy;

(iv) to consent to subsequent securities over a mortgaged property for a housing loan, provided that the security for the housing loan retains priority over any subsequent security for at least the principal amount and accrued and unpaid interest on the housing loan plus any extra amount determined in accordance with the Servicer's procedures manual and policies;

(v) to institute litigation to recover amounts owing under a housing loan, but it is not required to do so if, based on advice from internal or external legal counsel, it believes that the housing loan is unenforceable or such

proceedings would be uneconomical;

(vi) to take other enforcement action in relation to a housing loan as it determines should be taken; and

(vii) to compromise, compound or settle any claim in respect of a mortgage insurance policy or a general insurance policy in relation to a housing loan or a mortgaged property for a housing loan.

(c) **Undertakings by the Servicer**

The Servicer has undertaken, among other things, the following:

(i) upon being directed by the Trustee following a Perfection of Title Event, it will promptly take all action required or permitted by law to assist the Trustee to perfect the Trustee's legal title to the housing loans and related securities;

(ii) to make reasonable efforts to collect all moneys due under the housing loans and related securities and, to the extent consistent with the Series Supplement, to follow such normal collection procedures as it deems necessary and advisable;

(iii) to comply with its material obligations under each mortgage insurance policy which is an Asset of the Series Trust;

(iv) it will notify the Trustee if it becomes actually aware of the occurrence of any Servicer Default or Perfection of Title Event;

(v) it will obtain and maintain all authorisations, filings and registrations necessary to properly service the housing loans; and

(vi) subject to the provisions of the Privacy Act and its duty of confidentiality to its clients, it will promptly make available to the Manager, the auditor of the trust and the Trustee any books, reports or other oral or written information and supporting evidence of which the Servicer is aware that they reasonably request with respect to the Series Trust or the Assets of the Series Trust or with respect to all matters in respect of the activities of the Servicer to which the Series Supplement relates.

(d) **Administer Interest Rates**

The Servicer must set the interest rates to be charged on the variable rate housing loans and the monthly instalment to be paid in relation to each housing loan. Subject to the next paragraph, while Commonwealth Bank is the Servicer, it must charge the same interest rates on the variable rate housing loans in the pool as it does for housing loans of the same product type which have not been assigned to the Trustee.

If the basis swap has been terminated while any notes or redraw bonds are outstanding then, unless the Trustee has entered into a replacement basis swap or other arrangements which the rating agencies have confirmed will not result in a reduction, qualification or withdrawal of the credit ratings assigned to the notes or redraw bonds, the Servicer must, subject to applicable laws, adjust the rates at which interest set-off benefits are calculated under the mortgage interest saver accounts to rates which produce an amount of income which is sufficient to ensure

that the Trustee has sufficient funds to comply with its obligations under the Transaction Documents as they fall due. If rates at which such interest set-off benefits are calculated have been reduced to zero and the amount of income produced by the reduction of the rates on the mortgage interest saver accounts is not sufficient, the Servicer must ensure that the weighted average of the variable rates charged on the housing loans is sufficient, subject to applicable laws, including the Consumer Credit Code, assuming that all relevant parties comply with their obligations under the housing loans and the Transaction Documents, to ensure that Trustee has sufficient funds to comply with its obligations under the Transaction Documents as they fall due.

(e) **Collections**

The Servicer will receive collections on the housing loans from borrowers. The Servicer must deposit any collections into the collections account within 5 Business Days following its receipt. However if the collections account is permitted to be maintained with the Servicer and:

(i) the Servicer has short term credit ratings of A-1+ from Standard & Poor's and P-1 from Moody's it may retain collections until 10:00 am on the Distribution Date for the relevant Collection Period;

(ii) the Servicer has short term credit ratings of no lower than A-1 from Standard & Poor's and P-1 from Moody's it may retain collections until 10.00 am on the Distribution Date for the relevant Collection Period. However, while the sum of all collections held by the Servicer and the value of any Authorised Short-Term Investments which are with, or issued by, a bank or financial institution which has a short-term credit rating of A-1 from Standard & Poor's, exceeds 20% of the aggregate of the Stated Amounts of the notes and redraw bonds, the Servicer will only be entitled to retain any additional collections received for 2 Business Days following receipt; and

(iii) the Servicer has no credit ratings or has short term credit ratings of lower than A-1 from Standard & Poor's or lower than P-1 from Moody's, it may retain collections for 2 Business Days following receipt.

After the applicable period referred to above, the Servicer must deposit the collections into the collections account.

If collections are retained by the Servicer in accordance with the first two paragraphs above, the Servicer may retain any interest and other income derived from those collections but must when depositing the collections into the collections account also deposit interest on the collections retained equal to the interest that would have been earned on the collections if they had been deposited in the collections account within 5 Business Days of their receipt by the Servicer.

(f) **Servicing Compensation and Expenses**

The Servicer is entitled to a fee, payable in arrears on each Distribution Date.

The Servicer's fee may be varied by agreement between the income unitholder, the Manager and the Servicer provided that the rating agencies are notified and the Servicer's fee is not varied if it would cause a reduction, qualification or withdrawal in the credit rating of a note or redraw bond.

The Servicer must pay from its own funds all expenses incurred in connection with

servicing the housing loans except for certain specified expenses in connection with, amongst other things, the enforcement of any housing loan or its related securities, the recovery of any amounts owing under any housing loan or any amount repaid to a liquidator or trustee in bankruptcy pursuant to any applicable law, binding code, order or decision of any court, tribunal or the like or based on advice of the Servicer's legal advisers, which amounts are recoverable from the Assets of the Series Trust.

(g) **Liability of the Servicer**

The Servicer will not be liable for any loss incurred by any noteholder, any redraw bondholder, any creditor of the Series Trust or any other person except to the extent that such loss is caused by a breach by the Servicer or any delegate of the Servicer of the Series Supplement or any fraud, negligence or wilful default by the Servicer. In addition, the Servicer will not be liable for any loss in respect of a default in relation to a housing loan in excess of the amount outstanding under the housing loan at the time of default less any amounts that the Trustee has received or is entitled to receive under a mortgage insurance policy in relation to that housing loan.

(h) **Removal, Resignation and Replacement of the Servicer**

If the Trustee has determined that the performance by the Servicer of its obligations under the Series Supplement is no longer lawful and there is no reasonable action that the Servicer can take to remedy this, or a Servicer Default is subsisting, the Trustee must by notice to the Servicer immediately terminate the rights and obligations of the Servicer and appoint another bank or appropriately qualified organisation to act in its place.

A **"Servicer Default"** occurs if:

(i) the Servicer fails to remit any collections or other amounts received within the time periods specified in the Series Supplement and that failure is not remedied within 5 Business Days, or such longer period as the Trustee may agree, of notice of that failure given by the Manager or the Trustee;

(ii) the Servicer fails to prepare and transmit the information required by the Manager by the date specified in the Series Supplement and that failure is not remedied within 20 Business Days, or such longer period as the Trustee may agree, of notice of that failure given by the Manager or the Trustee and has or will have an Adverse Effect as reasonably determined by the Trustee;

(iii) a representation, warranty or certification made by the Servicer in a Transaction Document or in any certificate delivered pursuant to a Transaction Document proves incorrect when made and has or will have an Adverse Effect as reasonably determined by the Trustee and is not remedied within 60 Business Days after receipt by the Servicer of notice from the Trustee requiring remedy;

(iv) an Insolvency Event occurs in relation to the Servicer;

(v) if the Servicer is a Seller and is acting as custodian, it fails to deliver all the mortgage documents to the Trustee following a document transfer event in accordance with the Series Supplement and does not deliver to the Trustee the outstanding documents within 20 Business Days of

receipt of a notice from the Trustee specifying the outstanding documents;

(vi) the Servicer fails to adjust the rates on the mortgage interest saver accounts or fails to maintain the required threshold rate on the housing loans following termination of the basis swap and that failure is not remedied within 20 Business Days of its occurrence; or

(vii) the Servicer breaches its other obligations under a Transaction Document and that breach has or will have an Adverse Effect as reasonably determined by the Trustee and:

A. the breach is not remedied within 20 Business Days after receipt of notice from the Trustee or Manager requiring its remedy; and

B. the Servicer has not paid satisfactory compensation to the Trustee.

The Servicer may voluntarily retire if it gives the Trustee 3 months' notice in writing or such lesser period as the Servicer and the Trustee agree. Upon retirement the Servicer may appoint in writing any other corporation approved by the Trustee, acting reasonably. If the Servicer does not propose a replacement by one month prior to its proposed retirement, the Trustee may appoint a replacement.

Pending the appointment of a new Servicer, the Trustee will act as Servicer and will be entitled to the Servicer's fee.

The appointment of a substitute Servicer is subject to confirmation from the rating agencies that the appointment will not cause a reduction, qualification or withdrawal in the credit ratings of the notes or redraw bonds.

11.12 Custody of the Housing Loan Documents

(a) **Document Custody**

The Servicer will act as custodian in relation to all documents relating to the housing loans, a Seller's securities and, where applicable, the certificates of title to property subject to those securities, until a transfer of the housing loan documents to the Trustee as described below.

The Servicer's duties and responsibilities as custodian include:

(i) holding the housing loan documents in accordance with its standard safe keeping practices and in the same manner and to the same extent as it holds its own documents;

(ii) marking and segregating the security packages containing the housing loan documents in a manner to enable easy identification by the Trustee when the Trustee is at the premises where the housing loan documents are located with a letter provided by that Seller explaining how those security packages are marked or segregated;

(iii) maintaining reports on movements of the housing loan documents;

(iv) providing to the Trustee prior to the Closing Date and quarterly thereafter a file (as provided by each Seller) containing certain

information in relation to the storage of the housing loan documents and the borrower, mortgaged property and housing loan account number in relation to each housing loan; and

(v) curing any deficiencies noted by the auditor in a document custody auditor report.

(b) **Audit**

The Servicer will be audited by the auditor of the Series Trust on an annual basis in relation to its compliance with its obligations as custodian of the housing loan documents and will be instructed to provide a document custody audit report. The document custody audit report will grade the Servicer from "A" (good) to "D" (adverse). If the Servicer receives an adverse document custody audit report, the Trustee must instruct the auditor to conduct a further document custody audit report.

(c) **Transfer of Housing Loan Documents**

If:

(i) an adverse document custody audit report is provided by the auditor and a further report, conducted no earlier than one month nor later than two months after the first report, is also an adverse report; or

(ii) the Trustee replaces Commonwealth Bank as the Servicer when entitled to do so,

the Servicer, upon notice from the Trustee, must transfer custody of the housing loan documents to the Trustee. This obligation will be satisfied if the Servicer delivers the housing loan documents in relation to 90% by number of the housing loans within 5 Business Days of that notice and the balance within 10 Business Days of that notice.

In addition, if:

(iii) the Trustee declares that a Perfection of Title Event has occurred other than a Servicer Default referred to in Section 11.11(h)(vii); or

(iv) the Trustee considers in good faith that a Servicer Default has occurred as a result of a breach of certain of the Servicer's obligations which has or will have an Adverse Effect which is not remedied within the required period, and the Trustee serves a notice on the Servicer identifying the reasons why it believes that has occurred,

the Servicer must, immediately following notice from the Trustee, transfer custody of the mortgage documents to the Trustee.

The Servicer (as custodian) is not required to deliver housing loan documents that are deposited with a solicitor (acting on behalf of the Servicer), a land titles office, a stamp duty office or a governmental agency or lost but must provide a list of these to the Trustee and deliver them upon receipt or take steps to replace them, as applicable.

(d) **Reappointment of Seller as Custodian**

The Trustee may, following a transfer of housing loan documents, reappoint the Servicer as custodian of the housing loan documents provided that the rating agencies confirm that this will not cause a reduction, qualification or withdrawal in the credit rating of any note or redraw bond.

11.13 Clean-Up and Extinguishment

Commonwealth Bank, for itself and on behalf of Homepath, will have certain rights to extinguish the Trustee's interest in the housing loans and their related securities, mortgage insurance policies and other rights, or to otherwise regain the benefit of the housing loans and their related securities, mortgage insurance policies and other rights, if:

(a) the date on which the total principal outstanding on the housing loans is less than 10% of the total principal outstanding on the housing loans on 11 March 2004 has occurred or is expected to occur on or before the next Distribution Date; or

(b) both of the following events occur:

(i) the Trustee will be entitled to redeem the notes and redraw bonds because of the imposition of a withholding or other tax; and

(ii) Commonwealth Bank has previously notified the Manager that the Australian Prudential Regulation Authority will permit it to exercise on behalf of itself and Homepath its rights to extinguish the Trustee's interest in the housing loans notwithstanding that the total principal outstanding on the housing loans is greater than 10% of the total principal outstanding on the housing loans on 11 March 2004.

Commonwealth Bank may only exercise those rights by paying to the Trustee on a Distribution Date the amount determined by the Manager to be the aggregate of the Fair Market Value as at the last day of the immediately preceding Accrual Period of the housing loans. If any notes or redraw bonds are outstanding Commonwealth Bank will not be able to exercise those rights unless the amount to be paid by Commonwealth Bank to the Trustee will be sufficient to redeem the notes and redraw bonds in full. In addition, Commonwealth Bank may not exercise those rights where the Trustee's right to redeem the notes and redraw bonds arises from the imposition of a tax or duty applicable only to the Offshore notes and the holders of 75% of the aggregate Invested Amount of the Offshore notes have elected that they do not require the Trustee to redeem the Offshore notes.

11.14 Changes to Transaction Documents

Subject to the provisions described above in relation to amendments to the Master Trust Deed, the Offshore notes, the Offshore Note Trust Deed, the Series Supplement or the Security Trust Deed, the Trustee and the Manager may agree to amend any Transaction Document, and may enter into new Transaction Documents, after the relevant notes have been issued and without the consent of noteholders, provided that each rating agency has advised the Manager that this will not result in a reduction, qualification or withdrawal of the ratings given to the notes by that rating agency.

12. The Servicer

12.1 Servicing of Housing Loans

Under the Series Supplement, Commonwealth Bank will be appointed as the initial Servicer of the housing loans with a power to delegate to related companies within the Commonwealth Bank group. The day to day servicing of the housing loans will be performed by the Servicer at Commonwealth Bank's loan processing centres, presently located in Sydney, Melbourne, Brisbane, Perth and Adelaide, and at the retail branches and telephone banking and marketing centres of Commonwealth Bank and a Homepath contact centre operated by the Commonwealth Bank. Servicing procedures undertaken by loan processing centres include partial loan security discharges, loan security substitutions, consents for subsequent mortgages and arrears management. Customer enquiries are dealt with by the retail branches and telephone banking and marketing centres of Commonwealth Bank and a Homepath contact centre operated by the Commonwealth Bank. For a further description of the duties of the Servicer, see paragraph 11.11 above.

12.2 Commonwealth Bank and Homepath - Collection and Enforcement Procedures

(a) **Commonwealth Bank**

Pursuant to the terms of the housing loans, borrowers must make the minimum repayment due under the terms and conditions of the housing loans, on or before each monthly instalment due date. A borrower may elect to make his or her repayments weekly or fortnightly so long as the equivalent of the minimum monthly repayment is received on or before the monthly instalment due date. Borrowers often select repayment dates to coincide with receipt of their salary or other income. In addition to payment to a retail branch by cash or cheque, housing loan repayments may be made by direct debit to a nominated bank account or direct credit from the borrower's salary by their employer.

A housing loan is subject to action in relation to arrears of payment whenever the monthly repayment is not paid by the monthly instalment due date. However, under the terms of the housing loans, borrowers may prepay amounts which are additional to their required monthly repayments to build up a "credit buffer", being the difference between the total amount paid by them and the total of the monthly repayments required to be made by them. If a borrower subsequently fails to make some or all of a required monthly repayment, the servicing system will apply the amount not paid against the credit buffer until the total amount of missed payments exceeds the credit buffer. The housing loan will be considered to be arrears only in relation to that excess.

Commonwealth Bank's automated collections system identifies all housing loan accounts which are in arrears and produces lists of those housing loans. The collection system allocates overdue loans to designated collection officers within Commonwealth Bank who take action in relation to the arrears.

Actions taken by Commonwealth Bank in relation to delinquent accounts will vary depending on a number of elements, including the following and, if applicable, with the input of a mortgage insurer:

(i) arrears history;

(ii) equity in the property; and

(iii) arrangements made with the borrower to meet overdue payments.

If satisfactory arrangements cannot be made to rectify a delinquent housing loan, legal notices are issued and recovery action is initiated by Commonwealth Bank. This includes, if Commonwealth Bank obtains possession of the mortgaged property, ensuring that the mortgaged property supporting the housing loan still has adequate general home owner's insurance and that the upkeep of the mortgaged property is maintained. Recovery action is arranged by experienced collections staff in conjunction with internal or external legal advisers. A number of sources of recovery are pursued including the following:

(i) voluntary sale by the mortgagor;

(ii) guarantees;

(iii) government assistance schemes;

(iv) mortgagee sale; and

(v) claims on mortgage insurance.

It should be noted that the Commonwealth Bank reports all actions that it takes on overdue housing loans to the relevant mortgage insurer where required in accordance with the terms of the mortgage insurance policies.

(b) **Homepath**

The scheduled repayments on Homepath loans are only made by way of direct debits to a nominated bank account. Payments in addition to scheduled repayments on Homepath loans can also be made via electronic funds transfer. Otherwise, Commonwealth Bank carries out the collection and enforcement procedures for Homepath loans in the same manner as described in Section 12.2(a).

12.3 Collection and Enforcement Process

(a) ***Commonwealth Bank***

When a housing loan is more than 7 days delinquent a letter is issued to the borrower to seek full and immediate clearance of all arrears. In the absence of successful contact, a phone call is made to the borrower. If the housing loans have a direct debit payment arrangement, a sweep of the nominated account is made to rectify the arrears.

When a housing loan reaches 60 days delinquent, a default notice is sent advising the borrower that if the matter is not rectified within a period of 30 days, Commonwealth Bank is entitled to commence enforcement proceedings without further notice. Normally a further notice will be issued to a borrower on an account which is 90 days delinquent advising the borrower that failure to comply within 30 days will result in Commonwealth Bank exercising its power of sale. At 120 days delinquent, a letter of demand and notice to vacate is issued to the borrower, followed by a statement of claim at 150 days delinquent.

Once a statement of claim is served, Commonwealth Bank can then enter judgment in the Supreme Court. The borrower is given up to 40 days to file a notice of appearance and defence and, failing this, Commonwealth Bank will then have judgment entered and will apply for a writ of possession whereby the sheriff will set an eviction date. Appraisals and valuations are ordered and a reserve price is set for

sale by way of auction or private treaty. These time frames assume that the borrower has either taken no action or has not honoured any commitments made in relation to the delinquency to the satisfaction of the Commonwealth Bank and the mortgage insurers.

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.

The collection and enforcement procedures may change from time to time in accordance with business judgment and changes to legislation and guidelines established by the relevant regulatory bodies.

(b) **Homepath**

Commonwealth Bank carries out the collection and enforcement process for Homepath loans in the same manner as described in Section 12.3(a).

12.4 Each Seller's Delinquency Experience

The following table summarises the delinquency and loss experience of the home loan portfolio serviced by Commonwealth Bank (including securitised loans). The portfolio includes loans originated by Commonwealth Bank, Homepath and, from 30 June 2001, the former Colonial State Bank. Pursuant to the Financial Sector (Transfer of Business) Act 1999 (Cth), Commonwealth Bank became the successor in law to the assets and liabilities of Colonial State Bank on June 4, 2001, as a result of which the assets and liabilities of Colonial State Bank became assets and liabilities of Commonwealth Bank.

This information is provided by Commonwealth Bank.

One-to-Four-Family Residential Loans

Commonwealth Bank

	30-Jun-96	30-Jun-97	30-Jun-98	30-Jun-99	30-Jun-00	30-Jun-01	30-Jun-02	30-Jun-03	31-Dec-03
Total Outstanding Balances ($m)	30,355	35,833	40,429	45,398	52,466	64,771	76,243	86,869	94,855
Number of Loans	549,789	624,585	642,919	651,753	655,951	766,054	756,787	767,435	778,813
% Arrears by Number									
30-59 days	0.60%	0.61%	0.51%	0.40%	0.37%	0.38%	0.40%	0.38%	0.32%
60-89 days	0.29%	0.27%	0.20%	0.15%	0.14%	0.20%	0.15%	0.15%	0.11%
90-119 days	0.18%	0.14%	0.13%	0.08%	0.07%	0.11%	0.09%	0.07%	0.05%
120+ days	0.58%	0.41%	0.36%	0.23%	0.20%	0.35%	0.29%	0.23%	0.23%
Total	1.65%	1.43%	1.20%	0.86%	0.78%	1.04%	0.93%	0.83%	0.71%
% Arrears by Balances									
30-59 days	0.73%	0.74%	0.63%	0.45%	0.40%	0.51%	0.42%	0.37%	0.32%
60-89 days	0.37%	0.36%	0.25%	0.18%	0.16%	0.24%	0.15%	0.15%	0.11%
90-119 days	0.24%	0.19%	0.17%	0.11%	0.08%	0.14%	0.09%	0.07%	0.05%
120+ days	0.81%	0.58%	0.45%	0.29%	0.22%	0.53%	0.36%	0.35%	0.38%
Total	2.15%	1.87%	1.50%	1.03%	0.86%	1.42%	1.03%	0.94%	0.86%
Net Losses ($m) (excluding securitised loans)	5.1	8.6	10.0	8.8	7.6	6.2	7.5	6.4	1.4
Net Losses as % of Average Balances (excluding securitised loans)	0.018%	0.026%	0.026%	0.021%	0.016%	0.010%	0.010%	0.008%	0.002%

The higher delinquency figures as at 30 June 2001, are largely attributable to the inclusion in the portfolio of home loans previously serviced by Colonial State Bank. This is demonstrated by the following table which summarizes the delinquency and loss experience of the home loan portfolio originated by Commonwealth Bank and Homepath including securitised loans, but excluding the home loans previously serviced by Colonial State Bank. After 5 June 2001, all home loans originated by Colonial State Bank have been serviced using Commonwealth Bank's collection and enforcement procedures described in Section 12.3.

This information is provided by Commonwealth Bank.

One-to-Four Family Residential Loans Originated by Commonwealth Bank and Homepath

	30-Jun-96	30-Jun-97	30-Jun--98	30-Jun-99	30-Jun-00	30-Jun-01
Total Outstanding Balances ($m)	30,335	35,833	40,429	45,398	52,466	54,524
Number of Loans	549,789	624,585	642,919	651,753	655,951	676,936
% Arrears by Number						
30-59 days	0.60%	0.61%	0.51%	0.40%	0.37%	0.27%
60-89 days	0.29%	0.27%	0.20%	0.15%	0.14%	0.13%
90-119 days	0.18%	0.14%	0.13%	0.08%	0.07%	0.07%
120+ days	0.58%	0.41%	0.36%	0.23%	0.20%	0.22%
Total	1.65%	1.43%	1.20%	0.86%	0.78%	0.69%
% Arrears by Balances						
30-59 days	0.73%	0.74%	0.63%	0.45%	0.40%	0.33%
60-89 days	0.37%	0.36%	0.25%	0.18%	0.16%	0.14%
90-119 days	0.24%	0.19%	0.17%	0.11%	0.08%	0.08%
120+ days	0.81%	0.58%	0.45%	0.29%	0.22%	0.28%
Total	2.15%	1.87%	1.50%	1.03%	0.86%	0.83%
Net Losses ($m) (excluding securitised loans)	5.1	8.6	10.0	8.8	7.6	4.6
Net Losses as % of Average Balances (excluding securitised loans)	0.018%	0.026%	0.026%	0.021%	0.016%	0.010%

*Separate loss data for loans originated by Commonwealth Bank is not available after 30 June 01. There have been no losses for Homepath Loans.

The housing loan pool does not include any loans originated by the former Colonial State Bank, see Section 6.3.

Loan losses for each period are net of recoveries including claims under mortgage insurance policies in respect of loans with an LTV of greater than 80%. Percentage losses are calculated based on the average outstanding balance for the period.

The Sellers do not have available details of its foreclosure experience. It is the Servicer's policy on behalf of the Sellers on enforcement of a housing loan to enter into possession of the mortgaged property as mortgagee in possession rather than to foreclose on the mortgage. See Section 12.3. The Servicer has undertaken to collect details of its mortgagee in possession experience for the housing loans in the pool on an ongoing basis.

There can be no assurance that the delinquency and loss experience with respect to the housing loans comprising the housing loan pool will correspond to the delinquency and loss experience of the mortgage portfolios of Commonwealth Bank and Homepath set forth in the foregoing tables. The statistics shown in the preceding table represent the delinquency and loss experience for the total residential mortgage portfolio for each of the years presented, whereas the aggregate delinquency and loss experiences on the housing loans will depend on the results obtained over the life of the housing loan pool. In addition, the foregoing statistics include housing loans with a variety of payment and other characteristics that may not correspond to those of the housing loans comprising the housing loan pool. Moreover, if the residential real estate market should experience an overall decline in property values such that the principal balances of the housing loans comprising the housing loan pool become equal to or greater than the value of the related mortgaged properties, the actual rates of delinquencies and losses could be significantly higher than those previously experienced by the Servicer. In addition,

adverse economic conditions, which may or may not affect real property values, may affect the timely payment by borrowers of scheduled payments of principal and interest on the housing loans and, accordingly, the rates of delinquencies, bankruptcies and losses with respect to the housing loan pool. You should note that Australia experienced a period of relatively low interest rates during the period covered in the preceding tables. If interest rates were to rise significantly, it is likely that the rate of delinquencies and losses would increase. See Sections 12.2 and 12.3 for a description of the servicing procedures of Commonwealth Bank and Homepath.

13. Taxation considerations

13.1 The Series Trust

The Series Trust will be subject to Australian tax. The Trustee is entitled under current tax laws to deduct against the Series Trust's income, all expenses incurred by it in deriving that income (including interest paid or accrued on account of the notes). It is anticipated that there should not be any undistributed income of the Series Trust as at the end of each of the Series Trust's tax years in respect of which the Trustee could become liable for income tax.

13.2 The Class A-2 Noteholders and Class B Noteholders

The Class A-2 noteholders and Class B noteholders will derive interest income from their Class A-2 notes or Class B notes. Under the terms of the Class A-2 notes and Class B notes, interest income on the Class A-2 notes and Class B notes will accrue on a quarterly basis. The Class A-2 noteholders and Class B noteholders will, if Australian residents, be assessable on this interest income for tax purposes. Whether this interest income will be recognised on a cash receipts or accruals basis for tax purposes will depend upon the tax status of the particular noteholder.

13.3 Withholding Tax and Tax File Numbers

Under existing Australian taxation law, a payment made by the Trustee (which is an Australian resident) which is:

(a) a payment of:

(i) interest; or

(ii) an amount in the nature of interest; or

(iii) an amount that could reasonably be regarded as having been converted into a form that is in substitution for interest; or

(iv) a dividend in respect of a non-equity share (but not a return on an equity interest); and

(b) made to a non-resident of Australia (and not derived in carrying on business through an Australian permanent establishment (an **"Australian Establishment"**), or to a permanent establishment of a resident carried on outside Australia; and

(c) not an outgoing wholly incurred by the Trustee in carrying on business in a country outside Australia at or through a permanent establishment in that country,

will be subject to interest withholding tax at a rate (currently) of 10 per cent, of the amount of such payment.

Pursuant to section 128F of the Tax Act, an exemption from Australian withholding tax applies if all of the following conditions are met:

(a) the Trustee is a resident of Australia or is a non-resident carrying on business through an Australian Establishment when it issues the Notes;

(b) the Trustee is a resident of Australia or is a non-resident carrying on business through an Australian Establishment when the interest is paid; and

(c) the issue of the Notes satisfies the public offer test set out in section 128F(3) of the

Tax Act.

The Lead Manager has agreed with the Trustee to offer the Class A-2 notes and Class B notes for subscription or purchase in accordance with certain procedures intended to result in the public offer test being satisfied and all Class A-2 notes and Class B notes having the benefit of the section 128F exemption.

Under present law, the public offer test will not be satisfied if, at the time of issue, the Trustee knew, or had reasonable grounds to suspect, that the Class A-2 notes or Class B notes, or an interest in the Class A-2 notes or Class B notes, was being, or would later be, acquired either directly or indirectly by an Offshore Associate of the Trustee or Commonwealth Bank, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Class A-2 notes or Class B notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme.

The section 128F exemption also does not apply to interest paid by the Trustee to an associate of the Trustee if, at the time of payment of the interest, the Trustee knows, or has reasonable grounds to suspect, that such person is an Offshore Associate and the Offshore Associate does not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

Tax will also be deducted from payments to an Australian resident Class A-2 noteholder OR Class B noteholder, or a non-resident who holds the notes in connection with a business carried on at or through a permanent establishment in Australia, who does not provide the Trustee with a tax file number or an Australian Business Number (where applicable) unless an exemption applies to that noteholder.

13.4 Exemption from Thin Capitalisation Measures for Securitisation Vehicles

The Australian Commonwealth Parliament has recently amended the thin capitalisation measures to exempt bona fide securitisation vehicles (referred to in the income tax legislation as **"special purpose entities"**) from the application of the thin capitalisation rules. This exemption will apply in relation to income years commencing on or after 1 July 2001.

The Series Trust should fall within the exemption for special purposes entities provided that the relevant conditions set out in the Australian Tax Act are satisfied (in particular that the Series Trust is considered to be an insolvency-remote special purpose entity). On that basis, the thin capitalisation measures should not apply to the Series Trust.

13.5 Non-resident Withholding Tax Regime

The Australian Commonwealth Parliament has introduced new obligations to withhold an amount in respect of certain payments that are made to foreign residents.

The non-resident withholding provisions will apply to payments as prescribed by regulations to be progressively introduced from 1 July 2003.

According to the Explanatory Memorandum to the non-resident withholding tax regime, regulations which prescribe the relevant payments and the relevant withholding rates under the new provisions will be progressively made where there is a demonstrated compliance risk and after consultation with affected taxpayer groups. The non-resident withholding provisions provide that the regulations will not apply to interest and other payments which are already subject to the current withholding tax rules.

Regulations which prescribe payments to which withholding applies can only be made where the Minister is satisfied that the payment could reasonably be related to assessable income of foreign residents.

Accordingly, it is not expected that the regulations would apply to repayments of principal under the Notes as such amounts will generally not be reasonably related to assessable income of foreign residents.

13.6 Redefinition of Debt and Equity

The Debt/Equity rules in the *Income Tax Assessment Act* 1997 should not adversely affect the Class B notes issued by the Trustee and result in denial of deductions by the reclassification of the Class B notes as equity.

13.7 Consolidation

If 100% of the units in the trust are owned by the Commonwealth Bank group, the Series Trust will, if the head company of that group elects to consolidate, be consolidated as part of that group. As the Class A Capital Unit in the Series Trust will be held by CU Securitisation Services Pty Limited, the Series Trust will not be able to be consolidated as part of the Commonwealth Bank group. If the unitholders in the trust change so that they are 100% owned by a single group, the following would apply.

Consolidation measures have been progressively introduced into the Income Tax Assessment Act 1997. The consolidation measures have effect from 1 July 2002.

The Consolidation measures will repeal the existing group taxation provisions from 1 July 2004. The provisions will be replaced by a system where, although elective, groups would have to consolidate to maintain group taxation benefits.

Consolidation is made at the election of an Australian head company. The consolidated group would consist of the head company and all of its wholly owned subsidiaries including trusts (provided all members are 100% beneficially owned directly or indirectly by the head company). An election to consolidate would consolidate the entire group, not merely selected entities.

There are specific rules dealing with the recovery of income tax owing by the head company of the consolidated group, where the head company defaults on its primary obligation for the income tax debts of the consolidated group. A group member will be jointly and severally liable for all the tax liabilities of the group. This is subject to specific rules that allow "tax sharing" arrangements to be entered into.

A tax sharing agreement must provide that "a particular amount could be determined" following default by the head entity. It is a requirement that a tax sharing agreement makes a reasonable allocation of group tax liabilities.

A tax sharing agreement will only be enforceable against the Commissioner if the agreement was not entered into for the purposes of prejudicing the Commissioner's recovery powers.

13.8 Taxation of Trusts

On 12 December 2002, the Board of Taxation released its Report on the **"Taxation of Discretionary Trusts"** to the Treasurer and the Minister for Revenue and Assistant Treasurer. The Board recommended that the current tax treatment of trusts should be retained.

13.9 Goods and Services Tax

From 1 July 2000, a goods and services tax is payable by all entities which make "taxable supplies" in Australia. If an entity, such as the Trustee, makes any taxable supply on or after 1 July 2000, it will have to pay goods and services tax equal to 1/11th of the total value of the consideration that it received for that supply. However, on the basis of the current goods and

services tax legislation and regulations, the issue of the notes and the payment of interest or principal on the notes to you will not be taxable supplies.

If the supply is:

- "GST free", the Trustee does not have to remit goods and services tax on the supply and can obtain input tax credits for goods and services taxes included in the consideration provided for acquisitions relating to the making of this supply; or

- "input taxed", which includes financial supplies, the Trustee does not have to remit goods and services tax on the supply, but will not be able to claim input tax credits for goods and services tax included in any expenses in making of this supply, unless the expenses are eligible for a reduced input tax credit.

The services which are provided to the Trustee are expected to be taxable supplies for goods and services tax purposes. Where this is the case, it will be the service provider who is liable to pay goods and services tax in respect of that supply. Under the goods and services tax legislation, the consideration of goods and services acquired is treated as inclusive of the goods and services tax, unless the supply agreement states otherwise. The service provider must rely on a contractual provision to increase the consideration to recoup the amount of that goods and services tax from the Trustee.

Under the Series Supplement, the Trustee's fee will only be able to be increased by reference to the Trustee's goods and services tax liability, if any, if:

- the Trustee and the Manager agree or, failing agreement, the Trustee's goods and services tax liability is determined by an expert; and

- the increase will not result in the reduction, qualification or withdrawal of the credit rating of any notes or redraw bonds.

The Manager and the Servicer may agree to adjust the Manager's fee and the Servicer's fee provided that the adjustment will not result in the reduction, qualification or withdrawal of the credit rating of any notes or redraw bonds.

If amounts payable by the Trustee are treated as the consideration for a taxable supply under the goods and services tax legislation or are increased by reference to relevant supplier's goods and services tax liability, the Trustee may be restricted in its ability to claim an input tax credit for that increase and the expenses of the Series Trust will increase, resulting in a decrease in the funds available to the Series Trust to pay noteholders.

However, the Trustee may be entitled to a reduced input tax credit for some of the supplies made to the Trustee by service providers where the acquisition relates to the making of financial supplies. Where available the amount of the reduced input tax credit is currently 75% of the GST which is payable by the service provider on the taxable supplies made to the Trustee. The availability of reduced input tax credits will reduce the extent to which the expenses of the Series Trust will increase.

The goods and services tax may increase the cost of repairing or replacing damaged properties offered as security for Housing Loans. However, it is a condition of each Seller's loan contract and mortgage documentation that the borrower must maintain full replacement value property insurance at all times during the loan term.

The goods and services tax legislation, in certain circumstances, treats the Trustee as making a taxable supply if it enforces a security by selling the mortgaged property and applying the proceeds of sale to satisfy the Housing Loan. The Trustee will have to account for goods and services tax out of the sale proceeds, with the result that the remaining sale proceeds may be

insufficient to cover the unpaid balance of the related loan. However, the general position is that a sale of existing residential property is an input taxed supply for goods and services tax purposes and so the enforced sale of property which secures the Housing Loans will generally not be treated as a taxable supply under these provisions. As an exception, the Trustee may still have to account for goods and services tax out of the proceeds of sale recovered when a Housing Loan is enforced where the borrower carries on an enterprise which is registered for goods and services tax purposes, uses the mortgaged property as an asset of its enterprise and any of the following are relevant:

- the property can no longer be used as a residence;
- the property is used as "commercial residential premises" such as a hostel or boarding house;
- the borrower is the first vendor of the property - the borrower built the property and the property was not used for residential accommodation before 2 December, 1998; or
- the borrower has undertaken "substantial renovation" of the property since 2 December 1998; or
- the mortgaged property is sold otherwise than to be used predominantly as a residence.

Any reduction, as a result of goods and services tax, in the amount recovered by the Trustee when enforcing the Housing Loans will decrease the funds available to the Series Trust to pay you to the extent not covered by the Mortgage Insurance Policies. The extent to which the Trustee is able to recover an amount on account of the goods and services tax, if any, payable on the proceeds of sale in the circumstances described in this section, will depend on the terms of the related Mortgage Insurance Policy.

13.10 Stamp Duty

The Manager has received advice that neither the issue, the transfer, nor the redemption of the Class A-2 notes and Class B notes will currently attract stamp duty in any jurisdiction of Australia.

14. Ratings of the notes

The issuance of the Class A notes will be conditioned on obtaining a rating of AAA by Standard & Poor's and Aaa by Moody's. The issuance of the Class B notes will be conditioned on obtaining a rating of AA by Standard & Poor's. You should independently evaluate the security ratings of each class of notes from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities. A rating does not address the market price or suitability of the notes for an investor. A rating may be subject to revision or withdrawal at any time by the rating agencies. The rating does not address the expected schedule of principal repayments other than to say that principal will be returned no later than the Final Maturity Date of the notes. None of the rating agencies have been involved in the preparation of this Information Memorandum.

15. U.S. Selling Restrictions

The Class A-2 notes and Class B notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States 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 the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Lead Manager has agreed that it will offer and sell the Class A-2 notes and Class B notes in the United States of America or to US persons:

(a) as part of their distribution at any time; and

(b) otherwise until 40 days after the completion of distribution of the Class B notes (as determined and notified to the Lead Manager by the Manager following notification by the Lead Manager to the Manager of completion of distribution of the Class A-2 notes and Class B notes purchased by or through it),

only in accordance with Rule 903 of Regulation S under the Securities Act.

The Lead Manager has agreed that neither it, its affiliates (if any) 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-2 notes and Class B notes, and the Lead Manager, its affiliates (if any) and any person acting on its behalf have complied and will comply with the offering restrictions requirements of Regulation S.

The Lead Manager has also agreed that, at or prior to confirmation of sale of the Class A-2 notes and Class B notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases notes from it or through it during the restricted period a confirmation or notice setting forth the restriction on offers and sales of the Class A-2 notes and Class B notes within the United States of America or to, or for the benefit of, US persons.

In addition, until 40 days after the commencement of the offering of the Class A-2 notes and Class B notes, any offer or sale of the notes within the United States of America by the Lead Manager whether or not participating in the offering may violate the registration requirements of the Securities Act.

16. Transaction Documents available for inspection

Copies of the following Transaction Documents may be inspected during normal business hours on any weekday, excluding Saturdays, Sundays and public holidays, at the offices of the Trustee during the period of fourteen days from the date of this Information Memorandum:

(a) the constitution documents of the Trustee;

(b) the Master Trust Deed between the Trustee and the Manager, dated 8 October 1997 as amended by deeds dated 17 October 1997 and 14 January 2004;

(c) the Series Supplement between the Trustee, the Manager, Commonwealth Bank (as a Seller and the Servicer) and Homepath (as a Seller), dated 10 March 2004;

(d) the Security Trust Deed between the Trustee, the Manager, the Security Trustee and the Offshore Note Trustee, dated 10 March 2004;

(e) the Offshore Note Trust Deed between the Trustee, the Manager and the Offshore Note Trustee, dated on or about 18 March 2004;

(f) the Agency Agreement between the Trustee, the Manager, the Offshore Note Trustee, the Principal Paying Agent for the Offshore notes, the Agent Bank for the Offshore notes, the US Dollar Note Registrar, the Euro Note Registrar and the Paying Agent for the Offshore notes dated on or about 18 March 2004;

(g) the Liquidity Facility Agreement between the Trustee, the Manager and the Liquidity Facility Provider, dated 10 March 2004;

(h) the Standby Redraw Facility Agreement between the Trustee, the Manager and the Standby Redraw Facility Provider, dated 10 March 2004;

(i) the basis swap and fixed rate swap between the Trustee, the Manager, the Basis Swap Provider and the Fixed Rate Swap Provider dated on or about 24 March 2004, entered into pursuant to the ISDA Master Agreement and related schedule between the Trustee, the Manager, the Basis Swap Provider and the Fixed Rate Swap Provider dated 10 March 2004;

(j) the Class A-1 currency swap and Class A-3 currency swap between the Trustee, the Manager and the Currency Swap Provider dated on or about 24 March 2004, entered into pursuant to the ISDA Master Agreement, related schedule and credit support annex between the Trustee, the Manager and the Currency Swap Provider dated 13 March 2003;

(k) the mortgage insurance policy between Commonwealth Bank, Homepath, the Trustee and PMI Mortgage Insurance Ltd dated on or about 24 March 2004; and

(l) the Dealer Agreement between the Trustee, the Manager and the Lead Manager dated on or about 18 March 2004.

17. Glossary

A$ Class A-1 Interest Amount	This is described in Section 9.16(d).
A$ Class A-3 Interest Amount	This is described in Section 9.16(e).
Accrual Period	This is described in Section 9.4.
Accrued Interest Adjustment	means the amount of interest accrued on the housing loans for, and any fees in relation to the housing loans falling due for payment during, the period commencing on and including the date on which interest is debited to the relevant housing loan accounts by the Servicer for that housing loan immediately prior to the Cut-Off Date and ending on but excluding the Closing Date and any accrued interest and fees due but unpaid in relation to the housing loan prior to the date that interest is debited to the relevant housing loan accounts.
Acquiring Trust	This is described in Section 5.3.
Adjustment Advance	in relation to Assigned Assets and an Assignment Date means an amount, as determined by the Manager and specified in the corresponding Transfer Proposal, not exceeding an amount equal to the accrued and unpaid interest in respect of the Assigned Assets (less any accrued and unpaid costs and expenses in respect of the Assigned Assets) during the period up to (but not including) that Assignment Date.
Adverse Effect	means any event which, determined by the Manager unless specifically provided otherwise, materially and adversely affects the amount or timing of any payment due to any noteholder or redraw bondholder.
Agency Agreement	This is described in Section 16.
Agent	means the Paying Agent for the Offshore notes, the Agent Bank for the Offshore notes and the Offshore note registrar.
Agent Bank for the Offshore notes	This is described in Section 2.1.
Assets	means all assets and property, real and personal (including choses in action and other rights), tangible and intangible, present and future, held by the Trustee as trustee of the Series Trust, from time to time.
Assigned Assets	in relation to a Transfer Proposal and a Disposing Trust, means the Trustee's entire right, title and interest (including the beneficial interest of each unitholder in relation to the Disposing Trust) as trustee of the Disposing Trust in: • the assets of the Disposing Trust insofar as they relate to the housing loans referred to in that Transfer Proposal; and • unless otherwise specified in that Transfer Proposal, the benefit of all representations and warranties given to the Trustee by the seller of the housing loans referred to in that Transfer Proposal, the servicer or any other person in

relation to those assets.

Assignment Date — in relation to a Transfer Proposal means the date specified as such in that Transfer Proposal on which the housing loans are transferred from the Disposing Trust to the Acquiring Trust.

Austraclear — means Austraclear Services Limited, ABN 28 003 284 419.

Austraclear Regulations — means the regulations and related operating procedures established from time to time by Austraclear.

Authorised Short-Term Investments — means:

(a) bonds, debentures, stock or treasury bills issued by or notes or other securities issued by the Commonwealth of Australia or the government of any State or Territory of the Commonwealth of Australia;

(b) deposits with, or the acquisition of certificates of deposit issued by, an Australian bank;

(c) bills of exchange, which at the time of acquisition have a maturity date of not more than 200 days accepted, drawn on or endorsed with recourse by an Australian bank;

(d) debentures or stock of any public statutory body constituted under the laws of the Commonwealth of Australia or any State or Territory of the Commonwealth where the repayment of the principal secured and the interest payable on that principal is guaranteed by the Commonwealth or the State or Territory; or

(d) securities which are "mortgage-backed securities" within the meaning of the Duties Act 1997 (New South Wales), the Duties Act 2000 (Victoria), the Duties Act 2001 (Queensland) and the Duties Act 2001 (Tasmania).

Available Income Amount — This is described in Section 9.5.

Available Principal Amount — This is described in Section 9.10.

Average Delinquent Percentage — in relation to a Determination Date means the amount (expressed as a percentage) calculated as follows:

$$ADP = \frac{SDP}{12}$$

where:

ADP = the Average Delinquent Percentage; and

SDP = the sum of the Delinquent Percentages for the 12 Collection Periods immediately preceding or ending

(as the case may be) on the Determination Date, provided that if on that Determination Date there has not yet been 12 Collection Periods the Average Delinquent Percentage in relation to that Determination Date means the amount (expressed as a percentage) calculated as follows:

$$ADP = \frac{SDP}{N}$$

where:

ADP = the Average Delinquent Percentage;

SDP = the sum of the Delinquent Percentages for all of the Collection Periods preceding or ending as the case may be, on the Determination Date; and

N = the number of Collection Periods preceding the Determination Date.

Bank Bill Rate

in relation to an Accrual Period means the rate appearing at approximately 10.00 am Sydney time on the first day of that Accrual Period on the Reuters Screen page "BBSW" as being the average of the mean buying and selling rates appearing on that page for a bill of exchange having a tenor of three months. If:

(a) on the first day of an Accrual Period fewer than 4 banks are quoted on the Reuters Screen page "BBSW"; or

(b) for any other reason the rate for that day cannot be determined in accordance with the foregoing procedures,

then the Bank Bill Rate means the rate as is specified by the Manager having regard to comparable indices then available. Notwithstanding the foregoing, if the initial Accrual Period is less than or greater than three months, the relevant rate for that Accrual Period will be determined by the Manager by straight-line interpolation by reference to two available rates one of which is the Bank Bill Rate on that date for the period next shorter than the length of that Accrual Period and the other of which is the Bank Bill Rate on that date for the period next longer than the length of that Accrual Period.

Basis Swap Provider

This is described in Section 2.1.

Business Day

means any day on which banks are open for business in Sydney, New York City and London which is also a TARGET Settlement Day other than a Saturday, a Sunday or a public holiday in Sydney, New York City or London.

Class A-1 currency swap

This is described in Section 9.16(a).

Class A-3 currency swap This is described in Section 9.16(a).

Class B Available Support in relation to a Determination Date means an amount (expressed as a percentage) calculated as follows:

$$CBAS = \frac{SAB}{ASA + SRFL}$$

where:

CBAS = the Class B Available Support;

SAB = the aggregate Stated Amount for the Class B notes on that Determination Date;

ASA = the aggregate of the of the Stated Amounts of the Class A-1 notes converted to Australian dollars at the US$ Exchange Rate, the Stated Amounts of the Class A-3 notes converted to Australian dollars at the Euro Exchange Rate and the Stated Amounts for all other notes and redraw bonds on that Determination Date; and

SRFL = the redraw limit under the standby redraw facility on that Determination Date.

Class B Required Support in relation to a Determination Date means the amount (expressed as a percentage) calculated as follows:

$$CBRS = \frac{IIA}{AIIA}$$

where:

CBRS = the Class B Required Support;

IIA = the aggregate Invested Amount of the Class B notes upon the issue of the Class B notes; and

AIIA = the aggregate of the initial Invested Amount of the Class A-1 notes upon the issue of the Class A-1 notes converted to Australian dollars at the US$ Exchange Rate, the initial Invested Amounts of the Class A-3 notes upon the issue of the Class A-3 notes converted to Australian dollars at the Euro Exchange Rate and the initial Invested Amount of all other notes and redraw bonds on that Determination Date.

Closing Date This is described in Section 2.2.

Collection Period This is described in Section 9.4.

Commonwealth Bank means the Commonwealth Bank of Australia, ABN 48 123 123 124.

Consumer Credit Code means the Consumer Credit Code set out in the Appendix to the Consumer Credit (Queensland) Act 1994, as amended, as in force or applied as a law of any jurisdiction in Australia.

Corporations Act means the Corporations Act 2001 (Cth).

Currency Swap Agreement This is described in Section 16.

Currency Swap Provider means Commonwealth Bank.

Cut-Off Date This is described in Section 2.2.

Dealer Agreement This is described in Section 16.

Delinquent Percentage in relation to a Collection Period means the amount (expressed as a percentage) calculated as follows:

$$DP = \frac{DMLP}{AMLP}$$

where:

DP = the Delinquent Percentage;

DMLP = the aggregate, on the last day of the Collection Period, of the principal outstanding with respect to those housing loans in relation to which a payment due from the borrower has been in arrears (on that day) by more than 60 days; and

AMLP = the aggregate principal outstanding in relation to the housing loans on the last day of the Collection Period.

Determination Date This is described in Section 9.4.

Disposing Trust This is described in Section 5.3.

Distribution Date This is described in Sections 2.2 and 9.4.

Eligible Depository means a financial institution which has assigned to it short term credit ratings equal to or higher than A-1 by Standard & Poor's, and P-1 by Moody's and includes the Servicer to the extent that:

(a) it is rated in this manner; or

(b) the rating agencies confirm that the rating of the Servicer at a lower level will not result in a reduction, qualification or withdrawal of the ratings given by the rating agencies to the notes or redraw bonds.

Eligible Trust Corporation means any person eligible for appointment as an institutional trustee under an indenture to be qualified pursuant to the Trust Indenture Act of 1939 of the United States of America as prescribed in section 310(a) of the Trust Indenture Act.

EURIBOR	means: • the rate for three-month deposits in Euro which appears on Telerate Page 248 as of 11.00 am, Brussels time on the second TARGET Settlement Day before the beginning of the accrual period; • if that rate does not appear, the EURIBOR for that accrual period will be determined as if the Trustee and the Agent Bank had specified "EUR-EURIBOR-Telerate" as the applicable Floating Rate Option under the Definitions of the International Swaps and Derivates Association, Inc. The EURIBOR for the first Accrual Period will be determined by linear interpolation calculated with reference to the duration of the first Accrual Period.
Euro/€	means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty.
Euro Exchange Rate	means a rate of €1.00 = A$1.6556.
Event of Default	This is described in Section 11.8(e).
Extraordinary Resolution	in relation to Voting Secured Creditors or a class of Voting Secured Creditors means a resolution passed at a duly convened meeting of the Voting Secured Creditors or a class of Voting Secured Creditors under the Security Trust Deed by a majority consisting of not less than 75% of the votes of such Voting Secured Creditors or their representatives present and voting or, if a poll is demanded, by such Voting Secured Creditors holding or representing between them Voting Entitlements comprising in aggregate not less than 75% of the aggregate number of votes comprised in the Voting Entitlements held or represented by all the persons present and voting at the meeting or a written resolution signed by all the Voting Secured Creditors or the class of Voting Secured Creditors (as the case may be).
Fair Market Value	in relation to a housing loan means the fair market value for that housing loan determined by the relevant Seller's external auditors and which value reflects the performing or non-performing status, as determined by the Servicer, of that housing loan and any benefit which the intended purchaser will have in respect of such housing loan under any relevant Transaction Document.
Final Maturity Date	This is described in Section 2.2.
Finance Charge Collections	This is described in Section 9.5.
Fitch	means Fitch Ratings (Australia) Limited, ABN 93 081 339 184.
Fixed Rate Swap Provider	This is described in Section 2.1.

GEMI GE Mortgage Insurance Pty Ltd, ABN 61 071 466 344.

GEMICO GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd, ABN 52 081 888 440.

Insolvency Event means, in relation to:

(a) the Trustee in its capacity as trustee of the Series Trust, the occurrence of any of the following events in relation to the Trustee in that capacity (and not in any other capacity):

(i) an application is made and not dismissed or stayed on appeal within 30 days or an order is made that the Trustee be wound up or dissolved;

(ii) an application for an order is made and not dismissed or stayed on appeal within 30 days appointing a liquidator, a provisional liquidator, a receiver or a receiver and manager in respect of the Trustee or one of them is appointed;

(iii) except on terms approved by the Security Trustee, the Trustee enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them;

(iv) the Trustee resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate while solvent on terms approved by the Security Trustee or is otherwise wound up or dissolved;

(v) the Trustee is or states that it is unable to pay its debts when they fall due;

(vi) as a result of the operation of section 459F(1) of the Corporations Act, the Trustee is taken to have failed to comply with a statutory demand;

(vii) the Trustee is or makes a statement from which it may be reasonably deduced by the Security Trustee that the Trustee is, the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act;

(viii) the Trustee takes any step to obtain

protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to the Trustee or the board of directors of the Trustee propose to appoint an administrator to the Trustee or the Trustee becomes aware that a person who is entitled to enforce a charge on the whole or substantially the whole of the Trustee's property proposes to appoint an administrator to the Trustee; or

(ix) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction; and

(b) any other body corporate and the Trustee in its personal capacity, each of the following events:

(i) an order is made that the body corporate be wound up;

(ii) a liquidator, provisional liquidator, controller or administrator is appointed in respect of the body corporate or a substantial portion of its assets whether or not under an order;

(iii) except to reconstruct or amalgamate on terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation of the Trustee in its personal capacity or the Security Trustee, on terms reasonably approved by the Manager), the body corporate enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors;

(iv) the body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of its intention to do so, except to reconstruct or amalgamate on terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation of the Trustee in its personal capacity or the Security Trustee, except on terms reasonably approved by the Manager) or is otherwise wound up or dissolved;

(v) the body corporate is or states that it is insolvent;

(vi) as a result of the operation of section 459F(1) of the Corporations Act, the body corporate is taken to have failed to comply with a statutory demand;

(ix) the body corporate takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation;

(x) any writ of execution, attachment, distress or similar process is made, levied or issued against or in relation to a substantial portion of the body corporate's assets and is not satisfied or withdrawn or contested in good faith by the body corporate within 21 days; or

(xi) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

Invested Amount means in relation to a note or a redraw bond, the principal amount of that note or redraw bond upon issue less the aggregate of all principal payments made on that note or redraw bond.

LIBOR means:

(a) the rate for three-month deposits in U.S. dollars which appears on Telerate Page 3750 as of 11.00 am, London time on the second London and New York Business Day before the beginning of the Accrual Period;

(b) if that rate does not appear, the USD-LIBOR-BBA for that Accrual Period will be determined as if the Trustee and the Agent Bank for the Class A notes had specified "USD- LIBOR-Reference Banks" as the applicable Floating Rate Option under the Definitions of the International Swaps and Derivates Association, Inc.

The LIBOR for the first Accrual Period will be determined by linear interpolation calculated with reference to the duration of the first Accrual Period.

Liquidity Facility Agreement This is described in Section 16.

Liquidity Facility Provider This is described in Section 2.1.

Manager This is described in Sections 2.1 and 11.5.

Manager Default means:

(a) an Insolvency Event occurs in relation to the

Manager;

(b) the Manager does not instruct the Trustee to pay the required amounts to the noteholders within the time periods specified in the Series Supplement and that failure is not remedied within 10 Business Days, or such longer period as the Trustee may agree, of notice of failure being delivered to the Manager by the Trustee;

(c) the Manager does not prepare and transmit to the Trustee the quarterly certificates or any other reports required to be prepared by the Manager and such failure is not remedied within 10 Business Days, or such longer period as the Trustee may agree, of notice being delivered to the Manager by the Trustee. However, such a failure by the Manager does not constitute a Manager Default if it is as a result of a Servicer Default referred to in the second paragraph of the definition of that term provided that, if the Servicer subsequently provides the information to the Manager, the Manager prepares and submits to the Trustee the outstanding quarterly certificates or other reports within 10 Business Days, or such longer period as the Trustee may agree to, of receipt of the required information from the Servicer;

(d) any representation, warranty, certification or statement made by the Manager in a Transaction Document or in any document provided by the Manager under or in connection with a Transaction Document proves to be incorrect when made or is incorrect when repeated, in a manner which as reasonably determined by the Trustee has an Adverse Effect and is not remedied to the Trustee's reasonable satisfaction within 60 Business Days of notice to the Manager by the Trustee;

(e) the Manager has breached its other obligations under a Transaction Document or any other deed, agreement or arrangement entered into by the Manager under the Master Trust Deed and relating to the Series Trust or the notes or redraw bonds, other than an obligation which depends upon information provided by, or action taken by, the Servicer and the Servicer has not provided the information or taken the action, and that breach has had or, if continued, will have an Adverse Effect as reasonably determined by the Trustee, and either:

(i) such breach is not remedied so that it no longer has or will have to such an Adverse Effect, within 20 Business Days of notice delivered to the Manager by the Trustee; or

(ii) the Manager has not within 20 Business Days of receipt of such notice paid compensation to the Trustee for its loss from such breach in an amount satisfactory to the Trustee acting reasonably.

The Trustee must, in such notice, specify the reasons why it believes an Adverse Effect has occurred, or will occur, as the case may be.

Master Trust Deed This is described in Section 16.

Moody's means Moody's Investors Services, Inc.

Mortgage Insurance Income Proceeds These are described in Section 9.5.

Mortgage Insurance Principal Proceeds These are described in Section 9.10.

Net Principal Collections These are described in Section 9.12.

Net Unscheduled Principal This is described in Section 9.12.

Offshore Associate means, in relation to the issuer trustee or Commonwealth Bank of Australia, an associate (as defined in section 128F(9) of the Income Tax Assessment Act 1936) of the relevant entity (other than associate acquiring the notes or an interest in the notes in the capacity of dealer, manager or underwriter in relation to the placement of the notes, or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme), that is either:

- a non resident of Australia that does not acquire the notes or an interest in the notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- a resident of Australia that acquires the notes or an interest in the notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

Offshore Note Trust Deed This is described in Section 16.

Offshore Note Trustee This is described in Sections 2.1 and 11.7.

Other Income This is described in Section 9.5.

Other Principal Amounts This is described in Section 9.10.

Paying Agent for the Offshore notes This is described in Section 2.1.

Payment Modification This is described in Section 11.2.

Perfection of Title Event means:

(a) the Seller makes any representation or warranty under a Transaction Document that proves to be incorrect when made, other than a representation or warranty in respect of which damages have been paid or for which payment is not yet due, for breach, or breaches any covenant or undertaking given by it in a Transaction Document, and that has or, if continued will have, an Adverse Effect and:

(i) the same is not satisfactorily remedied so that it no longer has or will have, an Adverse Effect, within 20 Business Days of notice being delivered to the Seller by the Manager or the Trustee; or

(ii) if the preceding paragraph is not satisfied, the Seller has not within 20 Business Days of such notice paid compensation to the Trustee for its loss from that breach in an amount satisfactory to the Trustee acting reasonably. Such compensation cannot exceed the aggregate of the principal amount outstanding in respect of the corresponding housing loan and any accrued or unpaid interest in respect of the housing loan, calculated in both cases at the time of payment of the compensation.

The Trustee must, in such notice, specify the reasons why it believes an Adverse Effect has occurred, or will occur;

(b) if the Seller is the Servicer, a Servicer Default occurs;

(c) an Insolvency Event occurs in relation to the Seller;

(d) if the Seller is the swap provider under a fixed rate swap or an interest rate basis cap, the Seller fails to make any payment due under a swap or cap and that failure:

(i) has or will have an Adverse Effect as reasonably determined by the Trustee; and

(ii) is not remedied by the Seller within 20 Business Days, or such longer period as the Trustee agrees, of notice to the Seller

by the Manager or the Trustee; or

(e) a downgrading in the long term debt rating of the Seller below BBB by Standard & Poor's or Baa2 by Moody's or such other rating in respect of the Seller as is agreed between the Manager, the Seller and the rating agency which had assigned the relevant rating.

Performing Housing Loans Amount means the aggregate of the following:

(a) the amount outstanding under housing loans under which no payment due from the borrower has been in arrears by more than 90 days; and

(b) the amount outstanding under housing loans under which a payment due from the borrower has been in arrears by more than 90 days and which are insured under a mortgage insurance policy.

PMI means PMI Mortgage Insurance Ltd ABN 70 000 511 071.

Potential Termination Event means:

(a) as a result of the introduction, imposition or variation of any law it is or becomes unlawful for the Trustee, and would also be unlawful for any new Trustee, to carry out any of its obligations under the Series Supplement, the Master Trust Deed (in so far as it relates to the Series Trust), the Offshore Note Trust Deed, the Class A notes or the Security Trust Deed; or

(b) all or any part of the Series Supplement, the Master Trust Deed (in so far as it relates to the Series Trust) the Offshore Note Trust Deed, the Class A notes or the Security Trust Deed is or has become void, illegal, unenforceable or of limited force and effect.

Preparation Date This is described in Section 1.3.

Prescribed Period This is described in Section 6.5.

Pricing Date means 19 March 2004.

Principal Charge-off Reimbursement This is described in Section 9.10.

Principal Collections This is described in Section 9.10.

Principal Draw This is described in Section 9.7.

Principal Paying Agent for the Offshore notes This is described in Section 2.1.

Prior Interest means the Trustee's lien over, and right of indemnification from, the assets of the Series Trust calculated in accordance with the Master Trust Deed for fees and expenses payable to the Trustee, other than the Secured Moneys and the arranging fees

	payable to the Manager, which are unpaid, or paid by the Trustee but not reimbursed to the Trustee from the Assets of the Series Trust.
Privacy Act	means the Privacy Act (1988) (Cth).
Redraw Bond Amount	This is described in Section 9.10.
Retail Client	This has the meaning given in section 761G of the Corporations Act.
Secured Creditor	This is described in Section 11.8(a)
Secured Moneys	means the aggregate of all moneys owing to the Security Trustee or to a Secured Creditor under any of the Transaction Documents whether such amounts are liquidated or not or are contingent or presently accrued due, and including rights sounding in damages only, provided that the amount owing by the Trustee in relation to the principal component of a note or a redraw bond is to be calculated by reference to the Invested Amount of that note or redraw bond, the amount owing by the Trustee in relation to the principal component of the standby redraw facility will include any unreimbursed principal charge-offs in respect of the standby redraw facility and the Secured Moneys do not include any fees or value added tax payable to the Offshore Note Trustee or an agent for which the Trustee is personally liable.
Securities Act	This is described in Section 2.13(a).
Security Certificate	This is described in Section 9.2(a).
Security Transfer	This is described in Section 9.2(c).
Security Trust Deed	This is described in Section 16.
Security Trustee	This is described in Section 2.1.
Sellers	Commonwealth Bank and Homepath.
Series Trust	This is described in Section 1.1.
Series Supplement	This is described in Section 16.
Servicer	This is described in Section 12.1.
Servicer Default	This is described in Section 11.11(h).
Standard & Poor's	means Standard & Poor's (Australia) Pty. Ltd..
Standby Redraw Facility Advance	This is described in Section 9.10.
Standby Redraw Facility Agreement	This is described in Section 16.
Standby Redraw Facility Provider	This is described in Section 2.1.

Stated Amount for a note or a redraw bond means:

(a) the principal amount of that note or redraw bond upon issue; less

(b) the aggregate of principal payments previously made on that note or redraw bond; less

(c) the aggregate of all then unreimbursed principal charge-offs on that note or redraw bond.

Stepdown Conditions are satisfied on a Determination Date if:

(a) the following applies:

(i) the Class B Available Support on the Determination Date is equal to or greater than two times the Class B Required Support on the Determination Date;

(ii) the aggregate Adjusted Stated Amount for the Class B notes on the Determination Date is equal to or greater than 0.25% of the aggregate Invested Amount of all the notes upon the issue of the Class B notes;

(iii) either:

(A) the Average Delinquent Percentage on the Determination Date does not exceed 2% and the aggregate of all unreimbursed principal charge-offs on the Determination Date does not exceed 30% of the aggregate of the Invested Amounts of the Class B notes upon the issue of the Class B notes; or

(B) the Average Delinquent Percentage on the Determination Date does not exceed 4% and the aggregate of all unreimbursed principal charge-offs on the Determination Date does not exceed 10% of the aggregate of the Invested Amounts of the Class B notes upon the issue of the Class B notes; and

(iv) the total principal outstanding on the housing loans is not, and is not expected to be on or prior to the next Distribution Date, less than 10% of the total principal outstanding on the housing loans on the

Cut-Off Date; or

(b) the following applies:

(i) the Determination Date falls on or after the fifth anniversary of the Closing Date;

(ii) the Average Delinquent Percentage on the Determination Date does not exceed 2%;

(iii) the Stated Amount of the aggregate of all outstanding notes (or the Adjusted Stated Amount, as the case may be) is greater than 10% of the original issued amount;

(iv) the aggregate Adjusted Stated Amount for the Class B notes on the Determination Date is equal to or greater than 0.25% of the aggregate Invested Amount of all the notes upon the issue of the Class B notes; and

(v) the aggregate of all Unreimbursed Principal Charge- offs on the Determination Date does not exceed, if the Determination Date falls on or after the:

(A) fifth but prior to the sixth anniversary of the Closing Date, 30% of the aggregate of the initial Invested Amounts of the Class B notes;

(B) sixth but prior to the seventh anniversary of the Closing Date, 35% of the aggregate of the initial Invested Amounts of the Class B notes;

(C) seventh but prior to the eighth anniversary of the Closing Date, 40% of the aggregate of the initial Invested Amounts of the Class B notes;

(D) eighth but prior to the ninth anniversary of the Closing Date, 45% of the aggregate of the initial Invested Amounts of the Class B notes; or

(E) ninth anniversary of the Closing Date, 50% of the aggregate of the initial Invested Amounts of the Class

Stepdown Percentage on a Determination Date is determined as follows.

If the Stepdown Conditions are not satisfied on that Determination Date, the Stepdown Percentage is 100%.

If the Stepdown Conditions are satisfied on that Determination Date, the Stepdown Percentage is 100% unless the following apply:

(a) if the Determination Date falls prior to the third anniversary of the Closing Date the Stepdown Percentage is 50%;

(b) if:

(i) the Determination Date falls on or after the third anniversary of the Closing Date but prior to the tenth anniversary of the Closing Date; and

(ii) the Class B Available Support on the Determination Date is equal to or greater than two times the Class B Required Support on the Determination Date,

the Stepdown Percentage is 0%;

(c) if:

(i) the preceding paragraph does not apply;

(ii) the Determination Date falls on or after the fifth anniversary of the Closing Date but prior to the tenth anniversary of the Closing Date; and

(iii) the Class B Available Support on the Determination Date is equal to or greater than the Class B Required Support on the Determination Date;

then if the Determination Date falls on or after the:

(iv) fifth but prior to the sixth anniversary of the Closing Date, the Stepdown Percentage is 70%;

(v) sixth but prior to the seventh anniversary of the Closing Date, the Stepdown Percentage is 60%;

(vi) seventh but prior to the eighth anniversary of the Closing Date, the Stepdown Percentage is 40%;

(vii) eighth but prior to the ninth anniversary

of the Closing Date, the Stepdown Percentage is 20%; or

(viii) ninth but prior to the tenth anniversary of the Closing Date, the Stepdown Percentage is 0%; or

(d) if the Determination Date falls on or after the tenth anniversary of the Closing Date, the Stepdown Percentage is 0%.

Step-Up Date This is described in Section 9.9(a).

Support Facility means the Class A-1 currency swap, the Class A-3 currency swap, the basis swap, the fixed rate swap, the liquidity facility, the standby redraw facility and the mortgage insurance policies.

Support Facility Provider means the Liquidity Facility Provider, the Redraw Facility Provider, the Basis Swap Provider, the Fixed Rate Swap Provider, the Currency Swap Provider and any provider of a mortgage insurance policy.

Tax Act This is described in Section 2.13.

TARGET Settlement Date means any day on which TARGET (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.

Transfer Amount in relation to a Transfer Proposal means the amount specified as such in that Transfer Proposal, as determined by the Manager, which must be:

- the aggregate principal outstanding of the Assigned Assets in relation to that Transfer Proposal as at close of business on the Business Day immediately preceding the cut-off date in relation to that Transfer Proposal; or
- such other amount as is agreed between the Trustee and the Manager provided that the Manager has given written confirmation to the Trustee that the Manager has received confirmation from each rating agency in relation to the Acquiring Trust that the transfer of the Assigned Assets in relation to that Transfer Proposal for that amount will not result in a reduction, qualification or withdrawal of any ratings then assigned by it in relation to any note or redraw bond in relation to the Acquiring Trust or the Disposing Trust.

Transfer Proposal means a proposal from the manager to the Trustee given in accordance with the Master Trust Deed, for the Trustee to transfer Assigned Assets from one series trust under the Master Trust Deed to another series trust under the Master Trust Deed.

Transaction Documents These are described in Section 16.

Trustee This is described in Section 11.4.

Trustee Default means:

(a) the Trustee fails within 20 Sydney business days, or such longer period as the Manager may agree to, after notice from the Manager to carry out or satisfy any material duty or obligation imposed by the Master Trust Deed or any other Transaction Document in respect of a Medallion Trust Programme trust established under the Master Trust Deed;

(b) an Insolvency Event occurs with respect to the Trustee in its personal capacity;

(c) the Trustee ceases to carry on business;

(d) the Trustee merges or consolidates into another entity, unless approved by the Manager, which approval will not be withheld if, in the Manager's reasonable opinion, the commercial reputation and standing of the surviving entity will not be less than that of the Trustee prior to such merger or consolidation, and unless the surviving entity assumes the obligations of the Trustee under the Transaction Documents in respect of a Medallion Trust Programme trust established under the Master Trust Deed; or

(e) there is a change in the ownership of 50 per cent or more of the issued equity share capital of the Trustee from the position as at the date of the Master Trust Deed, or effective control of the Trustee alters from the position as at the date of the Master Trust Deed, unless in either case approved by the Manager, which approval will not be withheld if, in the Manager's reasonable opinion, the change in ownership or control of the Trustee will not result in a lessening of the commercial reputation and standing of the Trustee.

Underwriting Agreement means the underwriting agreement among Commonwealth Bank, the Manager, the Trustee and the underwriters named therein, dated on or about 18 March 2004.

US$ Exchange Rate means a rate of US$1.00 = A$1.3486.

Voting Entitlements on a particular date means the number of votes which a Voting Secured Creditor would be entitled to exercise if a meeting of Voting Secured Creditors were held on that date, being the number calculated by dividing the Secured Moneys owing to that Voting Secured Creditor by 10 and rounding the resultant figure down to the nearest whole number. If the Offshore Note Trustee is a Voting Secured Creditor it will have a Voting Entitlement equal to the aggregate Voting Entitlement for all Offshore noteholders.

Secured Moneys in respect of the Class A-1 note will be

converted to Australian dollars at either the US$ Exchange Rate or the spot rate used for the calculation of amounts payable on the early termination of the Class A-1 currency swap, and Secured Moneys in respect of the Class A-3 note will be converted to Australian dollars at either the Euro Exchange Rate or the spot rate used for the calculation of amounts payable on the early termination of the Class A-3 currency swap, in each case, whichever produces the lowest amount in Australian dollars.

Voting Secured Creditors means:

(a) for so long as the Secured Moneys of the noteholders, converted, in the case of the Offshore notes, to Australian dollars in the manner described in the definition of "Voting Entitlements" and the redraw bondholders are 75% or more of the then total Secured Moneys:

(i) if any Offshore note then remains outstanding, the Offshore Note Trustee, or, if the Offshore Note Trustee has become bound to notify, or seek directions from, the Offshore noteholders or take steps and/or to proceed under the Offshore Note Trust Deed and fails to do so when required by the Offshore Note Trustee and such failure is continuing, the Offshore noteholders, the Class A-2 noteholders and if any redraw bonds remain outstanding, the redraw bondholders; or

(ii) if none of the above securities then remain outstanding, the Class B noteholders; and

(b) otherwise:

(i) if any Offshore note remains outstanding, the Offshore Note Trustee, or, if the Note Trustee has become bound to take steps and/or to proceed under the Offshore Note Trust Deed and fails to do so when required by the Offshore Note Trustee and such failure is continuing, the Class A noteholders; and

(ii) each other then Secured Creditor other than the Offshore Note Trustee and the Offshore noteholders.

Directory

Trustee	Perpetual Trustee Company Limited Level 7 39 Hunter Street Sydney NSW 2000
Security Trustee	P.T. Limited Level 7 39 Hunter Street Sydney NSW 2000
Manager	Securitisation Advisory Services Pty. Limited Level 7 48 Martin Place Sydney NSW 1155
Liquidity Facility Provider, Standby Redraw Facility Provider and Swap Provider	Commonwealth Bank of Australia Level 4 120 Pitt Street Sydney NSW 1155
Sellers	Homepath Pty Limited Level 7 48 Martin Place Sydney NSW 1155 Commonwealth Bank of Australia Level 7 48 Martin Place Sydney NSW 1155
Servicer	Commonwealth Bank of Australia Level 7 48 Martin Place Sydney NSW 1155
Lead Manager	Commonwealth Bank of Australia Level 4 120 Pitt Street Sydney NSW 1155
Solicitors to Commonwealth Bank of Australia, Homepath Pty Limited and Securitisation Advisory Services Pty. Limited	Clayton Utz Lawyers Level 34 No.1 O'Connell Street Sydney NSW 2000