



## AFG 2013-1 Trust

### Pricing Term Sheet

Australian Prime RMBS – New Issue

AUD 275m

March 2013

**Pricing Date**  
22<sup>nd</sup> March 2013

**Settlement Date**  
27<sup>th</sup> March 2013

Class	Issue Size (A\$m)	Expected Ratings S&P / Fitch	Initial Credit Support	Interest Rate	Expected* WAL	Expected* Payment Window	Legal Final Maturity
A	254.00	AAA(sf)/AAA(sf)	7.6% + LMI	1M BBSW + 1.20%	2.9 years	Apr13 – Apr18	31.5 years
AB	11.00	AAA(sf)/AAA(sf)	3.6% + LMI	1M BBSW + 2.20%	4.2 years	May15 -Apr18	31.5 years
B	8.50	AA-(sf)/NR	0.5% + LMI	1M BBSW + 3.40%	4.2 years	May15 – Apr18	31.5 years
C	1.50	NR/NR	LMI	1M BBSW + undisclosed	5.0 years	Apr18	31.5 years

\* The Expected WAL and Expected Payment Window of the Notes is based on the preliminary pool and Trust Principal Distributions outlined further below and assumes no defaults, no arrears and that Notes are called on the first possible Call Option Date. The analysis assumes a flat CPR ramping from 15% to 20% over the first 12 months.

Transaction Parties	
<b>Trust</b>	AFG 2013-1 Trust (“the Trust”) The Trust is a stand-alone trust established under the AFG Securities Master Trust Deed
<b>Issuer and Trustee</b>	Perpetual Corporate Trust Limited (ABN 99 000 341 533) as trustee for the Trust in respect of the AFG 2013-1 Trust (“the Series”). Assets included in this Series will be ring-fenced from other series established under the Trust.
<b>Trust Manager</b>	AFG Securities Pty Ltd (“AFG Securities”) (ABN 90 119 343 118)
<b>Security Trustee</b>	P.T. Limited (ABN 67 004 454 666)
<b>Servicer</b>	AFG Securities
<b>Standby Servicer</b>	Perpetual Corporate Trust Limited
<b>Arranger</b>	National Australia Bank (ABN 12 004 044 937)
<b>Lead Manager</b>	National Australia Bank
<b>Liquidity Facility Provider</b>	National Australia Bank
<b>Fixed Rate Swap Provider</b>	National Australia Bank
<b>Lenders Mortgage Insurers (LMI)</b>	Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305) (“Genworth”) QBE Lenders’ Mortgage Insurance Limited (ABN 70 000 511 071) (“QBE”)
<b>Rating Agencies</b>	Standard and Poor’s (Australia) Pty Ltd (“S&P”) Fitch Australia Pty Ltd (“Fitch”)

#### Notes & Structural Features

<b>Notes</b>	The Trustee will issue amortising, limited recourse, pass-through floating rated debt instruments that will be issued in registered form (the “Notes”). The Notes are divided into four classes: Class A Notes, Class AB Notes, Class B Notes and Class C Notes.
<b>Loss Coverage</b>	<ul style="list-style-type: none"> <li>• All Classes of Notes benefit from: <ul style="list-style-type: none"> <li>○ In the first instance, credit support from the lenders mortgage insurance policies provided by the Lenders Mortgage Insurers; and</li> <li>○ Excess spread – available to be utilised to cover any principal losses on defaulted loans and/or restore charge-offs on the Notes over the term of the transaction; and</li> </ul> </li> <li>• Class A Notes benefit from the subordination of the Class AB, Class B, and Class C Notes</li> <li>• Class AB Notes benefit from the subordination of the Class B Notes and Class C Notes</li> <li>• Class B Notes benefit from the subordination of the Class C Notes</li> </ul>
<b>Credit Support</b>	<p>The credit support to be provided at the Settlement Date will be sized to achieve the indicated ratings based on the Class of Note and scenario as follows:</p> <ul style="list-style-type: none"> <li>• Class A Notes - The credit support required on the Settlement Date to achieve ‘AAA’(sf)/‘AAA(sf)’ by S&amp;P and Fitch respectively (based on S&amp;P’s proposed criteria and Fitch current rating criteria) assuming no credit is given to the lenders mortgage insurance policies covering each loan;</li> <li>• Class AB Notes - the credit support required on the Settlement Date to achieve ‘AAA’(sf)/‘AAA’(sf)’ by S&amp;P and Fitch respectively;</li> <li>• Class B Notes – the credit support required on the Settlement Date to achieve at least AA-(sf) by S&amp;P</li> </ul>
<b>Liquidity Support</b>	<ul style="list-style-type: none"> <li>• <b>Liquidity Facility</b> - A Liquidity Facility equal to 1.30% of the aggregate Invested Amount of all Notes outstanding plus the accrued interest adjustment will be provided by the Liquidity Facility Provider. The Liquidity Facility is available to cover liquidity shortfalls due to timing mismatches between the receipt of income and the payment of required payments on each Payment Date.</li> <li>• <b>Threshold Rate Subsidy</b> – The amount (if any) deposited by the Manager into the collection account to ensure, taking into account the Threshold Rate, that the Trustee will require to be able to meet its payment obligations in respect of the Series as and when they fall due.</li> </ul>
<b>Threshold Rate Mechanism</b>	The Servicer will be obliged to set the interest rates on the loans at a level to ensure that the Trustee can meet the payment obligations of the Series as and when they fall due plus 0.25%.

Terms	
<b>Interest Period</b>	Monthly
<b>Interest Reset Date</b>	The first Business Day of the Interest Period
<b>Determination Date</b>	3 business days prior to a Payment Date
<b>Payment Date</b>	10th of each month with the first Payment Date occurring in April, 2013, subject to Following Business Day convention.
<b>Trust Distributions</b>	Monthly.
<b>Margin</b>	<ul style="list-style-type: none"> <li>• <b>Up to and including the Date Based Call Option Date:</b> the Margin for each class of Note determined on or prior to the Settlement Date.</li> <li>• <b>Following the Date Based Call Option Date:</b> in respect of the Class A and Class AB Notes only, the Margin will increase by an amount equal to 0.25% per annum. The Margins in respect of the Class B and Class C Notes will not increase.</li> </ul>
<b>Date Based Call Option Date</b>	The Payment Date falling in April, 2018

<b>Call Option Date</b>	<p>On any Payment Date on or after the earlier of:</p> <ul style="list-style-type: none"> <li>The Date Based Call Option Date; and</li> <li>The Payment Date, following the Payment Date when the principal amount outstanding on the Notes is less than 20% of the initial principal amount outstanding at the Settlement Date.</li> </ul> <p>The Trust Manager may (at its option) direct the Issuer to redeem all of the outstanding Notes.</p>
<b>Legal Final Maturity</b>	The Payment Date falling in September, 2044
<b>Business Day</b>	A day on which banks are open for business in both Melbourne, Sydney and Perth
<b>Day Count Basis</b>	Actual/365
<b>Prefunding Period</b>	None, closed pool
<b>Substitution Period</b>	None, closed pool
<b>Issue Price</b>	The Notes will be issued at par
<b>Minimum Denomination</b>	The Notes will be issued for a minimum purchase price of \$500,000 and with minimum denomination of A\$10,000 and integral multiples of \$10,000 thereafter.
<b>Selling Restrictions</b>	Australia, Hong Kong, Singapore, UK, US (reg S). The Trustee proposes to offer the Notes in a manner that satisfies the exemption from interest withholding tax contained in Section 128F of the Income Tax Assessment Act.
<b>Clearing System</b>	Austraclear
<b>ISIN</b>	Class A: AU3FN0018479 Class AB: AU3FN0018487 Class B: AU3FN0018495 Class C: AU3FN0018503
<b>Repo Eligibility</b>	The Class A and Class AB Notes are expected to be repo-eligible with the Reserve Bank of Australia.
<b>Listing</b>	The Notes will not be listed.

<b>Trust Distributions</b>	
<b>Principal Distributions (pre-enforcement)</b>	<p>In accordance with the transaction documents, principal distributions will be paid on each Payment Date in the following order:</p> <ol style="list-style-type: none"> <li>where permitted, to fund any Principal Draw;</li> <li>where permitted, to fund redraws;</li> <li>to the Redraw Noteholders (if any) until the Redraw Notes are repaid in full;</li> <li>if the <b>Step Down Conditions</b> (see below) <u>are not</u> satisfied, in the following order of priority:               <ol style="list-style-type: none"> <li>to Class A Noteholders until repaid in full; then</li> <li>to Class AB Noteholders until repaid in full; then</li> <li>to Class B Noteholders, until repaid in full; and then</li> <li>to Class C Noteholders until repaid in full.</li> </ol> </li> </ol> <p>If the <b>Step Down Conditions</b> <u>are</u> satisfied, remaining principal distributions will be paid on the following basis:</p> <ol style="list-style-type: none"> <li>parri passu and rateably:               <ol style="list-style-type: none"> <li>to the Class A Noteholders; and</li> <li>to the Class AB Noteholders; and</li> <li>to the Class B Noteholders; until repaid in full; and then</li> <li>to the Class C Noteholders until repaid in full.</li> </ol> </li> </ol>
	<p><b>Step Down Conditions</b></p> <p>On each payment date:</p> <ol style="list-style-type: none"> <li>No carry over charge-offs at that time;</li> <li>Average Arrears (as calculated over the prior 4 periods) &gt;90days does not exceed</li> </ol>

	<p>2%;</p> <ol style="list-style-type: none"> <li>3. The Payment Date is not on or after the first possible Call Option Date;</li> <li>4. The Class A note subordination is at least 12%;</li> <li>5. The Class AB subordination is at least 5%;</li> <li>6. The Payment date is at least 24 months after the Settlement Date.</li> </ol>
<b>Payments (post-enforcement)</b>	<p>If the charge is enforced, the proceeds of enforcement will be allocated in the following order:</p> <ol style="list-style-type: none"> <li>1. To prior ranking Trust Expenses;</li> <li>2. To the Liquidity Facility Provider;</li> <li>3. Pari passu and rateably to Redraw Noteholders (if any), Class A Noteholders, and other equally ranked secured creditors;</li> <li>4. To Class AB Noteholders;</li> <li>5. To Class B Noteholders; and</li> <li>6. To Class C Noteholders.</li> </ol>
<b>Income Distributions (pre-enforcement)</b>	<p>On each Payment Date, after payment of prior ranking Trust Expenses (including any accrual adjustment) and permitted payments, interest will be paid to the Class A, Class AB, and Class B Noteholders in the following order of priority:</p> <ol style="list-style-type: none"> <li>1. Pari passu to Redraw Noteholders (if any) and Class A Noteholders;</li> <li>2. To the Class AB Noteholders;</li> <li>3. To the Class B Noteholders; and</li> <li>4. To the Class C Noteholders.</li> </ol>

**Summary Pool Statistics as at 24 February 2013**

<b>Collateral</b>	Fully amortising Australian dollar floating-rate loans to prime quality borrowers secured by first-registered mortgages over Australian residential properties
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<b>Pool Summary</b>	
No. of Consolidated Loans:	943
Aggregate Pool Balance:	\$273,425,353
Maximum Loan Balance:	\$806,934
Average Loan Balance:	\$289,953
Maximum Current LVR:	84.8%
WAVG Current LVR:	64.2%
>80% Current LVR:	5.1%
WAVG Seasoning (months):	7.3
Full Documentation loans	100.0%

<b>Geographic Distribution</b>			
NSW	29.3%	Inner City	1.0%
VIC	23.1%	Metropolitan	80.2%
QLD	12.9%	Non-metropolitan	18.8%
SA	19.9%		
WA	10.7%	Max Post Code Concentration	0.80%
ACT	2.6%		
TAS	0.5%		
NT	1.0%		

<b>Current LVR Distribution</b>	
0 to 50%	17.3%
> 50% to 60%	16.4%
> 60% to 70%	20.6%
> 70% to 80%	40.6%
> 80% to 85%	5.1%
> 85% to 90%	0.0%
> 90% to 95%	0.0%

<b>Repayment Type</b>	
Principal & Interest	79.2%
Interest Only	20.8%

<b>Rate Type</b>	
Variable Rate	100.0%
Fixed Rate	0.0%

<b>Current Loan Size Distribution</b>	
0 to \$150K	4.5%
> \$150K to \$250K	23.0%
> \$250K to \$300K	15.3%
> \$300K to \$350K	15.1%
> \$350K to \$400K	11.7%
> \$400K to \$450K	9.7%
> \$450K to \$500K	6.8%
> \$500K to A\$550k	3.4%
> \$550K to A\$600k	2.3%
> \$600K to A\$650k	2.7%
> \$650K to A\$700k	1.7%
> \$700K to A\$750k	2.4%
> \$750K to A\$800k	1.1%
> \$800K to A\$850k	0.3%
> \$850K to A\$900k	0.0%

<b>Occupancy</b>	
Owner Occupied	76.3%
Investment	23.7%

<b>Mortgage Insurer</b>	
Genworth Financial	89.2%
QBE	10.8%

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