

# AFG

## A\$350M RESIDENTIAL MORTGAGE-BACKED SECURITIES AUGUST 2017

### PART A: ISSUE SUMMARY & KEY PARTIES

#### NOTE DETAILS

Class	Expected Rating S&P/Fitch	A\$M Amount	Credit Enhancement (%)	S&P/ Fitch Required CE (%)**	WAL*** (years)	Benchmark + Margin
A1	AAA(sf) / AAAsf	65.00	10.00%*	3.19% / 3.9%	0.4	1M BBSW + 0.70%
A2	AAA(sf) / AAAsf	250.00	10.00%*	3.19% / 3.9%	3.0	1M BBSW + 1.20%
AB	AAA(sf) / NR	22.54	3.56%	3.19% / NR	4.2	1M BBSW + 1.65%
B	AA(sf) / NR	6.02	1.84%	1.57% / NR	4.2	1M BBSW + 2.25%
C	A(sf) / NR	4.20	0.64%	0.63% / NR	4.2	1M BBSW + 3.10%
D	BBB(sf) / NR	1.05	0.34%	0.33% / NR	4.2	1M BBSW + 4.10%
E	BB(sf) / NR	0.63	0.16%	0.16% / NR	4.2	1M BBSW + 5.97%
F	NR / NR	0.56	0.00%	N/A	5.0	Retained
<b>Total</b>		<b>350.0</b>				

**Notes:**

\*LMI Independent-assumes no credit is given to LMI. S&P's AAA LMI Independent CE requirement is 5.03% and Fitch's is 5.8%.

\*\*LMI Dependent Credit Enhancement

\*\*\*WAL Assumes:

- Constant CPR of 24%;
- Clean-Up Call Option is exercised at earliest opportunity
- Step-Down Criteria are satisfied

#### KEY PARTIES

<b>Trust</b>	<b>AFG Series 2017-1 Trust</b>
<b>Trustee</b>	Perpetual Corporate Trust Limited (" <b>Perpetual</b> ")
<b>Issuer</b>	Perpetual Corporate Trust Limited as trustee of the AFG 2017-1 Trust (the " <b>Trust</b> ") in respect of the Series
<b>Security Trustee</b>	P.T. Limited
<b>Manager</b>	AFG Securities Pty Ltd (" <b>AFGS</b> ")
<b>Servicer</b>	AFGS
<b>Custodian</b>	Perpetual
<b>Mortgage Insurers</b>	QBE Lenders' Mortgage Insurance Limited (" <b>QBE</b> ") – Rated A+ (Stable) by S&P, AA- (Stable) by Fitch Genworth Financial Mortgage Insurance Pty Limited – rated A+ (negative) by S&P, A+ (stable) by Fitch

# AFG 2017-1 TRUST

## Pricing Term Sheet

<b>Rating Agencies</b>	Standard and Poor's (Australia) Pty Limited ("S&P") Fitch Ratings Australia Pty Limited ("Fitch")
<b>Arranger</b>	Australia and New Zealand Banking Group ("ANZ")
<b>Joint Lead Managers and Joint Bookrunners</b>	ANZ and National Australia Bank ("NAB")

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### PART B: KEY DATES

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<b>Cut-Off Date</b>	15 August 2017
<b>Launch Date</b>	28 August 2017
<b>Pricing Date</b>	31 August 2017
<b>Issue Date</b>	7 September 2017
<b>First Payment Date</b>	10 October 2017

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### PART C: TERMS OF THE NOTES

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<b>Instruments</b>	The Trust will issue limited recourse, amortising, pass-through floating rate Notes secured by prime first ranking Australian residential mortgages (" <b>Mortgage Loans</b> "). The Notes will be divided into seven tranches: Class A1, Class A2 (together with the Class A1 Notes, " <b>Class A</b> "), Class AB, Class B, Class C, Class D, Class E and Class F Notes (collectively the " <b>Notes</b> ").
<b>Issue Size</b>	A\$350,000,000
<b>Currency</b>	The Notes will be issued in Australian Dollars (" <b>A\$</b> ")
<b>Legal Maturity</b>	The Payment Date in March 2049
<b>Payment Structure</b>	Sequential pay unless the Step-Down Criteria is met in full, in which case the serial pay structure will apply.
<b>Issue Price</b>	At Par
<b>Substitution</b>	There will be no substitution period
<b>Clean-Up Call Option</b>	The Issuer will be entitled (but is not obliged) to redeem all the Notes in full on any Payment Date occurring on or following the earliest of occur of:  (a) The Payment Date occurring in September 2022; and

- (b) The Payment Date following the Determination Date on which the aggregate Invested Amount of all Notes is less than 20% of the aggregate Initial Invested Amount of all Notes on the Issue Date, and each subsequent Payment Date (a "**Call Option Date**").

<b>Denominations</b>	Each Note will be issued in denominations of A\$1,000 subject to a minimum purchase consideration of A\$500,000.
<b>Security</b>	A security interest over a pool of first-ranking mortgages secured over residential property in Australia for the benefit of (amongst others) the Noteholders, and any other party deemed as a secured creditor.
<b>Settlement</b>	For all Notes, with the exception of the Class F Notes, Austraclear
<b>RBA Eligible Security</b>	Application will be made for the Class A1, Class A2 and Class AB Notes to be registered on the list of eligible securities for the RBA's repurchase agreements.
<b>Business Day</b>	A day (not being a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Melbourne and Perth.
<b>ISIN / Common Code</b>	Class A1      AU3FN0037669 Class A2      AU3FN0037685 Class AB      AU3FN0037727 Class B        AU3FN0037750 Class C        AU3FN0037776 Class D        AU3FN0037792 Class E        AU3FN0037800
<b>Business Day Convention</b>	Following Business Day
<b>Day Count</b>	Actual/365
<b>Withholding Tax</b>	The Class A1, A2, AB, B, C, D and E Notes will be offered to comply with the public offer test set out in section 128F of the Income Tax Assessment Act 1936 (as amended).
<b>Listing</b>	The Notes will not be listed
<b>CRR Undertaking</b>	Neither AFGS nor any other person in connection with this transaction undertakes to retain, either on an ongoing basis or for any period, any net economic interest in this securitisation transaction for the purposes of Article 122a.

**Fixed Rate Mortgage Loans** Initially, 0% of the portfolio of Mortgage Loans will be subject to a fixed rate of interest. At any time after the Issue Date up to 2% of the aggregate portfolio of Mortgage Loans may be subject to a fixed rate but must be hedged.

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### PART D: INTEREST PAYMENTS

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<b>Payment Dates</b>	The Trust will make disbursements on each Payment Date or if that day is not a Business Day, the next Business Day. The Payment Date for all Notes shall be the 10 <sup>th</sup> day of each month, with the first Payment Date being 10 October 2017.
<b>Determination Date</b>	The date 3 Business Days prior to a Payment Date.
<b>Coupon Period</b>	The period from (and including) a Payment Date (or in the case of the first Coupon Period, the Issue Date), to (but excluding) the next Payment Date.
<b>Collection Period</b>	The first Collection Period will be the period commencing on (but excluding) the Cut-Off Date and ending on (and including) the last day of the calendar month immediately preceding the first Payment Date. The last Collection Period is the period from (but excluding) the last day of the previous Collection Period (and including) the Termination Date of the Trust. For every other Collection Period the period of a calendar month.
<b>Record Date / Ex. Interest</b>	The register will close from 5.00pm (Sydney time) 2 Business Days prior to each Payment Date, for the purpose of calculating Noteholder entitlements and will reopen on the following Payment Date.
<b>Interest Rate</b>	<p>The Interest Rate in respect of a Note and for a Coupon Period will be equal to the aggregate of:</p> <ul style="list-style-type: none"><li>(a) the one month Bank Bill Rate as at the first day of that Coupon Period; and</li><li>(b) the Margin for that Note; or</li><li>(c) if the Coupon Period commences on or after a Clean-Up Offer Date, the Margin and any relevant Step-Up for that Note.</li></ul> <p>The first Interest Rate for each Class of Notes will be set on the Issue Date. For the first Coupon Period, Bank Bill Rate will be an interpolated rate calculated with reference to the tenor of the relevant period.</p> <p>Interest will be calculated on the Invested Amount for all Notes.</p>
<b>Margin</b>	<p>The Margin for each Class of Note is:</p> <ul style="list-style-type: none"><li>Class A1: 0.70%</li><li>Class A2: 1.20%</li><li>Class AB: 1.65%</li><li>Class B: 2.25%</li></ul>

Class C: 3.10%  
Class D: 4.10%  
Class E: 5.97%  
Class F: Undisclosed

### Step-Up Margin

On or after a Clean-Up Call Date, a step up margin of 0.25% will apply on the Class A1, Class A2 and Class AB Notes.

No Step-Up Margin will apply to the Class B, Class C, Class D, Class E or Class F Notes

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## PART E: PRINCIPAL REPAYMENT PROFILE

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### Application of Total Available Principal (pre default)

On each Payment Date, the Trustee must apply principal collections for the Collection Period just ended in the following order of priority:

1. **Principal Draws** – first, where permitted, to fund any Principal Draw;
2. **Redraw** – second, in repayment to AFGS of any redraws made by AFGS from AFGS's own funds during the Collection Period just ended;
3. **Redraw Principal Outstanding** – third, in or towards repayment of any outstanding Redraw Notes until they have been repaid in full;
4. **Payment to the Noteholders** –fourth;

if the Manager determines that the Step-Down Criteria are not satisfied on a Determination Date, then payments are made in the following order of priority:

- (a) first, to the **Class A1 Notes**; then
- (b) to the **Class A2 Notes**; then
- (c) to the **Class AB Note**; then
- (d) to the **Class B Notes**; then
- (e) to the **Class C Notes**; then
- (f) to the **Class D Notes**; then
- (g) to the **Class E Notes**; then
- (h) to the **Class F Notes**.

otherwise, if the Manager determines that the Step-Down Criteria are satisfied on a Determination Date, then payments are made pari passu and rateably to the Class A, AB, B, C, D and E Notes. The Class F Notes receive no principal allocation whilst any other Note remains

outstanding.

5. **Capital Unitholders** – fifth, to be applied to the Residual Capital Unitholders.

### Step-Down Criteria

Means the following:

1. The Payment Date is before the first Clean-Up Call Option Date;
2. The Payment Date is on or after the the 2 year anniversary of the Issue Date;
3. the Class A1 Notes have been repaid in full;
4. the aggregate stated amount of all Class AB, Class B, Class C, Class D, Class E and Class F Notes on that Determination Date expressed as a percentage of the aggregate invested amount of all Notes on that Determination Date is greater than or equal to 14.00%;
5. the aggregate stated amount of all Class B, Class C, Class D, Class E and Class F Notes on that Determination Date expressed as a percentage of the aggregate invested amount of all Notes on that Determination Date is greater than or equal to 7.12%;
6. the 4 month rolling average of arrears days greater than 90 days on the Mortgage Loans is less than or equal to 2%; and
7. there are no unreimbursed Charge Offs against any Note.

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## PART F: PRIORITY OF INTEREST PAYMENTS

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### Application of Total Available Income (prior to Enforcement)

On each Payment Date (where an Event of Default has not occurred), interest collections of the Trust will be distributed as follows:

1. first, A\$1 to the Residual Income Unitholder;
2. next, in payment of any Accrual Adjustment;
3. next, any Taxes payable in relation to the Trust for the Collection Period immediately preceding that Payment Date;
4. next, any Trust expenses payable on that Payment Date;
5. next, towards payments of amounts due to a Counterparty under any derivative contract, excluding
  - a) any break costs where the counterparty is the defaulting party or;
  - b) any break costs, except to the extent the Trustee has received the applicable Prepayment Costs from the relevant Debtors during the Collection Period;
6. next, to the Liquidity Facility Provider, towards payment of all outstanding Liquidity Draws made before that Payment Date;
7. next, pari passu and rateably;

- a) Payment of interest to Class A Noteholders (including any unpaid interest in respect of previous Interest Periods)
- b) Payment of interest to Redraw Notes (including any unpaid interest in respect of previous Interest Periods)
8. next, payment of interest to Class AB Noteholders (including any unpaid interest in respect of previous Interest Periods);
9. next, payment of interest to Class B Noteholders (including any unpaid interest in respect of previous Interest Periods);
10. next, payment of interest to Class C Noteholders (including any unpaid interest in respect of previous Interest Periods);
11. next, payment of interest to Class D Noteholders (including any unpaid interest in respect of previous Interest Periods);
12. next, payment of interest to Class E Noteholders (including any unpaid interest in respect of previous Interest Periods);
13. next, for the reimbursement of Principal Draws;
14. next, any Losses in respect of the preceding Collection Period, are to be applied to Total Available Principal;
15. next, any Carryover Charge-Offs, are to be applied to Total Available Principal;
16. next, as an allocation to the Extraordinary Expense Ledger until the Extraordinary Expense Balance is equal to the Required Extraordinary Expense Balance;
17. next, parri passu and rateably, any amounts due to a Counterparty under a Derivative Contract or the Liquidity Facility Provider to the extent not paid under the earlier paragraphs (5) and (6);
18. next, payment of Class F Interest (including any unpaid interest in respect of previous Interest Periods);
19. next, if a Threshold Rate Subsidy is determined for that Payment Date, towards the amount of that Threshold Rate Subsidy which has not been paid by the Manager;
20. next, to apply the Amortisation Amount (if any), towards Total Available Principal
21. next, any excess to the Residual Income Unitholders.

### Required Payments

Required Payments means:

1. on any Determination Date where the Stated Amount of the Class E Notes is equal to or less than 95% of the Invested Amount of the Class E Notes, items 1 through 11 (inclusive) in the Application of Total Available Income (prior to Enforcement);
2. on any Determination Date where the Stated Amount of the Class D Notes is equal to or less than 95% of the Invested Amount of the Class D Notes, items 1 through 10 (inclusive) in the Application of

Total Available Income (prior to Enforcement);

3. on any Determination Date where the Stated Amount of the Class C Notes is equal to or less than 95% of the Invested Amount of the Class C Notes, items 1 through 9 (inclusive) in the Application of Total Available Income (prior to Enforcement);
4. on any Determination Date where the Stated Amount of the Class B Notes is equal to or less than 95% of the Invested Amount of the Class B Notes, items 1 through 8 (inclusive) in the Application of Total Available Income (prior to Enforcement);
5. in all other cases, items 1 through 12 (inclusive) in the Application of Total Available Income (prior to Enforcement)

### Events of Default

As described in the Information Memorandum

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## PART G: CREDIT ENHANCEMENT

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### Mortgage insurance

46.2% of the indicative loan portfolio is insured by a primary policy including all Mortgage Loans with an LVR greater than 80%. The primary policies are provided by either QBE LMI or Genworth and cover against non-payment of 100% of the principal amount and interest secured by the Mortgage Loan security. The Trustee's ability to claim is subject to the terms of the relevant policy.

### Excess Spread

Remaining excess income in the income waterfall (pre enforcement) will be utilised to cover current period losses and then to reimburse Charge-Offs that remain on the Notes.

### Subordination

Following enforcement of the security under the relevant Transaction Documents:

1. the Class A Notes will rank pari passu and rateably amongst themselves and ahead of the Class AB, the Class B, the Class C, the Class D, the Class E and the Class F Notes for payment of principal and interest on the Notes;
2. the Class AB Notes will rank pari passu and rateably amongst themselves and ahead of the Class B, the Class C, the Class D, the Class E and the Class F Notes for payment of principal and interest on the Notes;
3. the Class B Notes will rank pari passu and rateably amongst themselves and ahead of the Class C, the Class D, the Class E and the Class F Notes for payment of principal and interest on the Notes; and
4. the Class C Notes will rank pari passu and rateably amongst themselves and ahead of the Class D, the Class E and the Class F Notes for payment of principal and interest on the Notes; and
5. the Class D Notes will rank pari passu and rateably amongst themselves and ahead of the Class E and the Class F Notes for payment of principal



and interest on the Notes.

6. the Class E Notes will rank pari passu and rateably amongst themselves and ahead of the Class F Notes for payment of principal and interest on the Notes.

### **Carryover Charge-Offs**

Carryover Charge-Offs will be allocated in the following order:

1. To reduce the balance standing to credit in the Amortisation Ledger until this balance is reduced to zero;
2. Class F Notes until the Stated Amount of the Notes is reduced to zero;
3. Class E Notes until the Stated Amount of the Notes is reduced to zero;
4. Class D Notes until the Stated Amount of the Notes is reduced to zero;
5. Class C Notes until the Stated Amount of the Notes is reduced to zero;
6. Class B Notes until the Stated Amount of the Notes is reduced to zero;
7. Class AB Notes until the Stated Amount of the Notes is reduced to zero; and
8. Class A Notes (parri passu to the Class A1 and Class A2 Notes) until the Stated Amount of the Notes is reduced to zero.

### **Re-instatement of Carryover Charge-Offs**

Using any available excess spread, Carryover Charge-Offs will be reinstated in the following order:

1. Class A Notes (parri pasu to the Class A1 and Class A2 Notes) until the Stated Amount is equal to the Invested Amount of the Notes;
2. Class AB Notes until the Stated Amount is equal to the Invested Amount of the Notes;
3. Class B Notes until the Stated Amount is equal to the Invested Amount of the Notes;
4. Class C Notes until the Stated Amount is equal to the Invested Amount of the Notes; and
5. Class D Notes until the Stated Amount is equal to the Invested Amount of the Notes.
6. Class E Notes until the Stated Amount is equal to the Invested Amount of the Notes.
7. Class F Notes until the Stated Amount is equal to the Invested Amount of the Notes.

### **Amortisation Ledger**

For each Payment Date following the first possible Clean-Up Call Option Date, a monthly payment equal to the Amortisation Amount will be paid from excess spread to principal collections to be applied in accordance with the Principal Distributions (pre-enforcement). An amount equal to the Amortisation Amount will be recorded in the Amortisation Ledger as an equal and offsetting balance.

This mechanism results, over time, in an increase in the balance of the

Amortisation Ledger and therefore an increase in the level of credit support available to the Class A, Class AB, Class B, Class C, Class D and Class E Notes over time if the Notes are not called on the first possible Call Option Date.

**Amortisation Amount**

for each Payment Date after the first Call Option Date, the greater of:

- a) zero; and
- b) an amount equal to:
  - i. the Total Available Income available for distribution at item 20 remaining on that Payment Date after allocation with the Income Distributions waterfall (pre-enforcement); less
  - ii. an amount determined by the Manager (by applying the corporate tax rate applicable to the Residual Income Unitholder to the relevant amount) necessary for the Residual Income Unitholder to meet the income tax liability that it is likely to incur in connection with the amount it would have received on that Payment Date had all of the Remaining Total Available Income been distributed to the Residual Income Unitholder on that Payment Date.

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## PART H: LIQUIDITY SUPPORT

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**Threshold Rate**

The Manager must ensure that the Mortgage Loan interest rates are set to maintain the interest rate on the Mortgage Loans at a level at least 0.25% p.a. higher than the minimum threshold interest rate. The minimum threshold interest rate satisfies the obligations of the Trust, including interest on the Notes, and higher ranking fees and expenses.

**Principal Draw**

If the Manager determines that there is insufficient income of the Trust to meet the Required Payments on the Payment Date, then Principal Collections for that period can be used to fund the payment shortfall ("Principal Draw").

**Liquidity Facility Limit**

means at any time the amount equal to the greater of:

- a) A\$350,000; and
- b) 1.00% of the aggregate Invested Amount of all of the Notes at that time.

The Liquidity Facility Limit can be drawn upon to the extent that there remains a shortfall in income available to meet the Required Payments on the Payment Date following application of Principal Draws.

**Extraordinary Expense Reserve**

On the Issue Date the Trustee will establish an Extraordinary Expense Reserve equal to A\$150,000, which is available to meet any liquidity shortfalls as a result of extraordinary out of pocket expenses of the Trust.

### ANNEXURE 'A' – AFG SERIES 2017-1 TRUST PORTFOLIO STATISTICS

**TABLE 1: PORTFOLIO SUMMARY**

Description	AFG 2017-1
Pool Cut Off Date	15 August 2017
Total Principal Balance	\$349,908,885
Number of Mortgage Loans (unconsolidated)	1,392
Number of Mortgage Loans (consolidated)	1,009
Average Principal Balance (unconsolidated)	\$251,371
Average Principal Balance (consolidated)	\$346,788
Maximum Principal Balance (unconsolidated)	\$999,594
Maximum Principal Balance (consolidated)	\$1,383,860
Weighted Average Current LVR (consolidated)	66.12%
Maximum Current LVR (consolidated)	93.09%
Weighted Average Interest Rate	4.33%
Weighted Average Seasoning (months)	20.02
Weighted Average Remaining Term (years)	27.80
Maximum Remaining Term (years)	30.00
Percentage of Fixed Rate loans	0.00%
Percentage of Interest Only (incl. LOC) Loans	26.26%
Percentage of Line of Credit (LOC) Loans	0.00%
Percentage of First Home Buyers	3.31%

**TABLE 2: CURRENT LOAN BALANCE (CONSOLIDATED)**

Value	Value	% By Value	Loans	% by Loans
< \$50,000	\$263,495	0.08%	6	0.59%
\$50,001 to \$100,000	\$3,525,626	1.01%	44	4.36%
\$100,001 to \$150,000	\$7,375,757	2.11%	58	5.75%
\$150,001 to \$200,000	\$14,583,634	4.17%	82	8.13%
\$200,001 to \$250,000	\$23,424,033	6.69%	105	10.41%
\$250,001 to \$300,000	\$51,065,482	14.59%	185	18.33%
\$300,001 to \$350,000	\$38,288,561	10.94%	118	11.69%
\$350,001 to \$400,000	\$44,596,308	12.75%	120	11.89%
\$400,001 to \$450,000	\$35,018,207	10.01%	83	8.23%
\$450,001 to \$500,000	\$18,971,936	5.42%	40	3.96%
\$500,001 to \$750,000	\$76,180,389	21.77%	128	12.69%
> \$750,000	\$36,615,459	10.46%	40	3.96%
<b>Total</b>	<b>\$349,908,885</b>	<b>100.00%</b>	<b>1,009</b>	<b>100.00%</b>

# AFG 2017-1 TRUST

## Pricing Term Sheet

**TABLE 3: CURRENT LVR (CONSOLIDATED)**

Percentage	Value	% By Value	Loans	% by Loans
< 50%	\$65,529,624	18.73%	278	27.55%
50% to 55%	\$21,868,084	6.25%	59	5.85%
55% to 60%	\$24,431,712	6.98%	64	6.34%
60% to 65%	\$36,022,878	10.29%	91	9.02%
65% to 70%	\$28,909,662	8.26%	70	6.94%
70% to 75%	\$40,685,875	11.63%	106	10.51%
75% to 80%	\$62,835,164	17.96%	162	16.06%
80% to 85%	\$19,133,636	5.47%	51	5.05%
85% to 90%	\$33,318,461	9.52%	80	7.93%
> 90%	\$17,173,790	4.91%	48	4.76%
<b>Total</b>	<b>\$349,908,885</b>	<b>100.00%</b>	<b>1,009</b>	<b>100.00%</b>

**TABLE 4: SEASONING**

Months	Value	% By Value	Loans	% by Loans
< 6 months	\$22,660,420	6.48%	82	5.89%
6 months to 12 months	\$95,092,893	27.18%	333	23.92%
12 months to 24 months	\$134,125,654	38.33%	512	36.78%
24 months to 36 months	\$57,040,554	16.30%	246	17.67%
36 months to 48 months	\$23,710,194	6.78%	121	8.69%
48 months to 60 months	\$13,246,256	3.79%	76	5.46%
> 60 months	\$4,032,915	1.15%	22	1.58%
<b>Total</b>	<b>\$349,908,885</b>	<b>100.00%</b>	<b>1,392</b>	<b>100.00%</b>

**TABLE 5: GEOGRAPHIC DISTRIBUTION (CONSOLIDATED)**

Location	Value	% By Value	Loans	% by Loans
NSW	\$90,515,784	25.87%	237	23.49%
VIC	\$90,693,133	25.92%	248	24.58%
QLD	\$51,795,749	14.80%	162	16.06%
SA	\$42,626,789	12.18%	154	15.26%
NT	\$2,091,829	0.60%	5	0.50%
ACT	\$3,595,672	1.03%	13	1.29%
TAS	\$1,991,452	0.57%	7	0.69%
WA	\$66,598,476	19.03%	183	18.14%
<b>Total</b>	<b>\$349,908,885</b>	<b>100.00%</b>	<b>1,009</b>	<b>100.00%</b>

**TABLE 6: METRO VS. NON-METRO DISTRIBUTION (CONSOLIDATED)**

Location	Value	% By Value	Loans	% by Loans
Metro	\$278,519,174	79.60%	782	77.50%
Non-Metro	\$68,445,054	19.56%	217	21.51%
Inner City	\$2,944,657	0.84%	10	0.99%
<b>Total</b>	<b>\$349,908,885</b>	<b>100.00%</b>	<b>1,009</b>	<b>100.00%</b>

**TABLE 7: DOCUMENTATION TYPE**

Documentation Type	Value	% By Value	Loans	% by Loans
Full Documentation	\$349,908,885	100.00%	1,392	100.00%
Low Documentation	\$0.00	0.00%	0	0.00%
<b>Total</b>	<b>\$349,908,885</b>	<b>100.00%</b>	<b>1,392</b>	<b>100.00%</b>

**TABLE 8: MORTGAGE INSURER**

Mortgage Insurer	Value	% By Value	Loans	% by Loans
QBE LMI	\$ 39,098,617	11.17%	154	11.06%
Genworth/PMI	\$122,506,214	35.01%	504	36.21%
Uninsured	\$188,304,053	53.82%	734	52.73%
<b>Total</b>	<b>\$349,908,885</b>	<b>100.00%</b>	<b>1,392</b>	<b>100.00%</b>

**TABLE 9: ARREARS**

Days	Value	% By Value	Loans	% by Loans
Current	\$347,488,935.22	99.31%	1,385	99.50%
0 - 30 Days	\$2,419,950	0.69%	7	0.50%
<b>Total</b>	<b>\$349,908,885</b>	<b>100.00%</b>	<b>1,392</b>	<b>100.00%</b>

**TABLE 10: OCCUPANCY**

Days	Value	% By Value	Loans	% by Loans
Investment	137,914,407	39.41%	512	36.78%
Owner Occupied	211,994,478	60.59%	880	63.22%
<b>Total</b>	<b>\$349,908,885</b>	<b>100.00%</b>	<b>1,392</b>	<b>100.00%</b>

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### CONTACTS

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This Term Sheet is for distribution only to professional investors whose ordinary business includes the buying or selling of securities such as the Notes described in this Term Sheet in circumstances where disclosure is not required under Chapters 6D or 7 of the Corporations Act 2001 (Cwth) and in such other circumstances as may be permitted by applicable law. This Term Sheet should not be distributed to, and is not intended for, any other person.

This Term Sheet is not intended for and must not be distributed to private clients in the United Kingdom. This Term Sheet may only be communicated or caused to be communicated in the United Kingdom to persons authorised to carry on a regulated activity under the Financial Services and Markets Act 2000 (UK), as amended or to persons otherwise having professional experience in matters relating to investments and qualifying as investment professionals under Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or to persons qualifying as high net worth persons under Article 29 of that order.

This Term Sheet is not for distribution in the United States of America or to US Persons. This Term Sheet does not constitute an offer of securities in any of those jurisdictions. In particular, the Notes have not been registered under the U.S. Securities Act of 1933 and may not be offered, sold or resold in the United States or to a U.S. person.

In each Member State of the European Economic Area which has implemented the Directive 2003/71/EC (each a "Relevant Member State") and any relevant implementing measure (the "Prospectus Directive"), this Term Sheet may only be communicated or caused to be communicated to persons in a manner that complies with the Prospectus Directive.

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This Term Sheet was prepared solely by the Dealers for informational purposes using the information directly extracted from the preliminary information memorandum, offering circular or other disclosure document for the Notes provided by AFG Securities (ABN 90 119 343 118) ("Trust Manager") and is not intended to be a complete statement or summary of the Notes, particularly with respect to the risk and special considerations associated with an investment in the Notes. This Term Sheet does not purport to contain all relevant information and is subject to qualification and assumptions, and should be considered by investors only in the light of risk factors, disclaimers, lack of assurance, representations and precautionary matters, as will be disclosed in the Information Memorandum. If any offer of securities is made, it shall be pursuant to a definitive Information Memorandum prepared by or on behalf of the Issuer and the Trust Manager ("Information Memorandum") which would contain material information not contained herein and which shall supersede, amend and or supplement this Term Sheet in its entirety. Any decision to invest in the securities described herein should only be made after reviewing such definitive Information Memorandum, the terms and conditions of the Notes (including any pricing supplement relating to this issue), conducting such investigations as the investor deems necessary and consulting the investor's own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the securities and not in reliance on this Term Sheet. Furthermore the Dealers may have or come into possession of information not contained in this Term Sheet or the Information Memorandum that may be relevant to any decision by a recipient to invest in the Notes. The Dealers are not under any obligation to disclose any such information to any recipient or to update this Term Sheet or the Information Memorandum and any conduct by any Dealer should not be construed as implying that any Dealer is

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The information contained herein may contain "forward-looking statements". These may include, among other things, projections, forecasts, estimates of income, yield or return, future performance targets, expected Payment Dates, sample or pro forma portfolio structures or portfolio composition, scenario, analysis, specific investment strategies and proposed or pro forma levels of diversification or sector investment. These forward-looking statements may be based upon certain assumptions. Actual events are difficult to predict and are beyond the Dealers' control. Actual events may differ from those assumed. All forward-looking statements included are based on information available on the date hereof and none of the Dealers or their related bodies corporate or affiliates assume any duty to update any forward-looking statement. Some important factors could cause actual results to differ materially from those in any forward-looking statements including the actual composition of the receivables, loss ratios and delinquency ratios.

This Term Sheet is provided solely for informational purposes and is not to be construed as a solicitation, recommendation or an offer to buy or sell any Notes or any other notes transferable deposits or other securities or related financial instruments or derivatives and should not be treated as giving investment advice. This Term Sheet may include estimates and projections and involves significant elements of subjective judgment and analysis. Past performance is not indicative of future results. Certain information may have been sourced from third parties who are believed to be reliable, but this information has not been verified by the Dealers. None of the Dealers or any of their related bodies corporate, affiliates, officers, employees, agents, advisers or contractors gives any representation or warranty (expressed or implied) as to the accuracy or completeness of the information contained herein.

This Term Sheet has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. Prior to acquiring the Notes recipients should consult with their own legal, regulatory, tax, business, investment, financial and accounting and other advisers to the extent that they deem necessary, and make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment) based upon their own judgement and upon advice from such advisers as they deem necessary. It is not the intention of the Dealers to create legal relations on the basis of the information contained in this Term Sheet. The Dealers, their related companies and their respective directors and employees are not acting as advisers to recipients or in a fiduciary capacity, and do not assume any duty of care in this respect.

Each of the Dealers, their related bodies corporate and/or their directors, officers and employees or clients may, from time to time, as principal or agent, have long or short positions in, or may buy and sell, any Notes or related financial instruments or derivatives. Furthermore, each of the Dealers and their related bodies corporate may perform for or solicit investment or other banking services from, any company mentioned in the Term Sheet. Each of the Dealers, their related bodies corporate and/or their directors and employees may also act as placement agent, adviser or lender to the Notes' Issuer.

The Arranger, Joint Lead Managers, Bookrunner and Dealers to the issue, will receive a fee from the Notes' Issuer for Notes sold.

Each of the Dealers discloses that, in addition to the arrangements and interests it will have with respect of the Issuer of the Notes referred to in this Term Sheet, the assets and the Notes as described in this Term Sheet (the "Transaction Document Interests"), it, its Related Bodies Corporate, its Related Entities (as defined in the Corporations Act) and employees:

- (a) may from time to time be a holder of the Notes referred to in this Term Sheet ("Noteholder") or have other interests with respect to the Notes referred to in this Term Sheet and they may also have interests relating to other arrangements with respect to a Noteholder or a Note; and
- (b) may receive fees, brokerage and commissions or other benefits, and act as principal with respect to any dealing with respect to any Notes (the "Note Interests").

You acknowledge these disclosures and further acknowledge and agree that:

- (i) each of the Dealers and each of their Related Bodies Corporate, Related Entities and employees (each a "Relevant Entity") will or may have the Transaction Document Interests and may from time to time have the Note Interests and is, and from time to time may be, involved in a broad range of transactions (the "Other Transactions") in various capacities (the "Other Transaction Interests");
- (ii) each Relevant Entity in the course of its business may act independently of any other Relevant Entity;
- (iii) to the maximum extent permitted by applicable law, the duties of each Relevant Entity in respect of the Notes are limited to the contractual obligations of the Dealer (as the case may be) as set out in the Transaction Documents and, in particular, no advisory or fiduciary duty is owed to any person;
- (iv) a Relevant Entity may have or come into possession of information not contained in this Term Sheet or the Information Memorandum that may be relevant to any decision by a potential investor to acquire the Notes and which may or may not be publicly available to potential investors ("Relevant Information");
- (v) to the maximum extent permitted by applicable law, no Relevant Entity is under any obligation to disclose any Relevant Information to any party named in this Term Sheet or any Related Bodies Corporate or affiliate (a



"Transaction Document Party") or to any potential investor and this Term Sheet, the Information Memorandum and any subsequent conduct by a Relevant Entity should not be construed as implying that the Relevant Entity is not in possession of such Relevant Information; and

(vi) each Relevant Entity may have various potential and actual conflicts of interest arising in the course of its business. These interests may conflict with the interests of a Transaction Document Party or a Noteholder, and a Transaction Document Party or a Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Relevant Entity is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders or a Transaction Document Party, and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

This is not a comprehensive or definitive list of all actual or potential conflicts of interest. Further information will be contained in the Information Memorandum issued in connection with the issuance of the Notes and you should consider that.

Except where contrary to legislation, the Dealers and their officers, employees and agents accept no liability (including for negligence) for loss or damage arising in connection with the information in this Term Sheet.

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### NO GUARANTEE

The Notes do not represent deposits or other liabilities of ANZ or NAB or any of their Related Bodies Corporate or Related Entities (as defined in the Corporations Act). Neither ANZ nor NAB guarantees the payment or repayment or the return of any principal invested in, or any particular rate of return on, the Notes or the performance of the assets of the Trust.

In addition, none of the obligations of the Trust Manager are guaranteed in any way by ANZ or NAB or their Related Bodies Corporate, or Related Entities (as defined in the Corporations Act).

### THE NOTES ARE SUBJECT TO INVESTMENT RISK

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