

**OFFERING CIRCULAR**  
**LIBERTY SERIES 2018-1**



**LIBERTY FUNDING PTY LTD**  
in respect of the Liberty Series 2018-1  
**A\$1,500,000,000**  
**MORTGAGE BACKED SECURITIES**

<b>Class of Notes</b>	<b>Class A1a Notes</b>	<b>Class A1b Notes</b>	<b>Class A1c Notes</b>	<b>Class A2 Notes</b>	<b>Class B Notes</b>	<b>Class C Notes</b>	<b>Class D Notes</b>	<b>Class E Notes</b>	<b>Class F Notes</b>	<b>Class G Notes</b>
<b>Aggregate Initial Invested Amount</b>	A\$150,000,000	A\$691,500,000	€83,400,000	A\$372,000,000	A\$55,500,000	A\$28,500,000	A\$16,500,000	A\$19,500,000	A\$6,000,000	A\$27,000,000
<b>Final Maturity Date</b>	Payment Date falling in October 2049	Payment Date falling in October 2049	Payment Date falling in October 2049	Payment Date falling in October 2049	Payment Date falling in October 2049	Payment Date falling in October 2049	Payment Date falling in October 2049	Payment Date falling in October 2049	Payment Date falling in October 2049	Payment Date falling in October 2049
<b>Ratings:</b>										
<b>Moody's</b>	Aaa(sf)	Aaa(sf)	Aaa(sf)	Aaa(sf)	Aa2(sf)	A2(sf)	Baa1(sf)	Ba1(sf)	B1(sf)	Unrated
<b>Fitch</b>	AAAsf	AAAsf	AAAsf	AAAsf	Unrated	Unrated	Unrated	Unrated	Unrated	Unrated

Arranger, Joint Lead Manager and Dealer for the A\$ Notes

**Commonwealth Bank of Australia**

ABN 48 123 123 124

AFS Licence No. 234945

Joint Lead Manager and Dealer for the A\$ Notes and the  
Class A1c Notes

**Deutsche Bank AG, Sydney Branch**

ABN 13 064 165 162

AFS Licence No. 238153

Joint Lead Manager and Dealer for the A\$ Notes

**National Australia Bank Limited**

ABN 12 004 044 937

AFS Licence No. 230686

Joint Lead Manager and Dealer for the A\$ Notes

**Westpac Banking Corporation**

ABN 33 007 457 141

AFS Licence No. 233714

Joint Lead Manager and Dealer for the Class A1c Notes

**Bank of America Merrill Lynch**

ARBN 125 336 567

**The date of this Offering Circular is 8 May 2018**

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## Purpose

This Offering Circular has been prepared solely in connection with the issue by Liberty Funding Pty Ltd (ACN 128 856 422) in respect of the Liberty Series 2018-1 (“**Series**”) (“**Liberty Funding**”) of A\$150,000,000 Class A1a Mortgage Backed Pass Through Floating Rate Series Notes due October 2049 (“**Class A1a Notes**”), A\$691,500,000 Class A1b Mortgage Backed Pass Through Floating Rate Series Notes due October 2049 (“**Class A1b Notes**”), €83,400,000 Class A1c Mortgage Backed Pass Through Floating Rate Series Notes due October 2049 (“**Class A1c Notes**”), A\$372,000,000 Class A2 Mortgage Backed Pass Through Floating Rate Series Notes due October 2049 (“**Class A2 Notes**” and together with the Class A1a Notes, the Class A1b Notes and the Class A1c Notes, the “**Class A Notes**”), A\$55,500,000 Class B Mortgage Backed Pass Through Floating Rate Series Notes due October 2049 (“**Class B Notes**”), A\$28,500,000 Class C Mortgage Backed Pass Through Floating Rate Series Notes due October 2049, (“**Class C Notes**”), A\$16,500,000 Class D Mortgage Backed Pass Through Floating Rate Series Notes due October 2049 (“**Class D Notes**”), A\$19,500,000 Class E Mortgage Backed Pass Through Floating Rate Series Notes due October 2049 (“**Class E Notes**”), A\$6,000,000 Class F Mortgage Backed Pass Through Floating Rate Series Notes due October 2049 (“**Class F Notes**”) and A\$27,000,000 Class G Mortgage Backed Pass Through Floating Rate Series Notes due October 2049 (“**Class G Notes**” and together with the Class A1a Notes, the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the “**Notes**”).

This Offering Circular will be distributed only to prospective purchasers of, and investors in, the Class A1a Notes, the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (the “**Offered Notes**”).

## Persons Responsible

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

Secure Funding accepts responsibility for the information relating to it contained in Section 6 (“**Secure Funding**”). To the best of the knowledge and belief of Secure Funding (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Commonwealth Bank of Australia accepts responsibility for the information relating to it contained in Section 8 (“**Description of the Interest Rate Swap Provider and the Liquidity Facility Provider**”). To the best of the knowledge and belief of Commonwealth Bank of Australia (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

DB Trustees (Hong Kong) Limited accepts responsibility for the information relating to it contained in Section 9 (“**Description of the Class A1c Note Trustee**”). To the best of the knowledge and belief of DB Trustees (Hong Kong) Limited (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Class A1c Note Principal Paying Agent, the Class A1c Note Calculation Agent and the Class A1c Note Registrar only accepts responsibility for the information relating to it contained in Section 10 (“**Description of the Agents in respect of the Class A1c Notes**”). To the

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best of the knowledge and belief of the Class A1c Note Principal Paying Agent, the Class A1c Note Calculation Agent and the Class A1c Note Registrar (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

National Australia Bank accepts responsibility for the information relating to it contained in Section 11 (“Description of the Currency Swap Provider”). To the best of the knowledge and belief of National Australia Bank (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The distribution of this Offering Circular or any part hereof, and any offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by any of Liberty Funding, Secure Funding, the Trust Manager, the Series Manager, the Arranger, the Joint Lead Managers, the Dealers, the Trust Security Trustee, the Series Security Trustee, the Trust Registrar, the Series Registrar, the Class A1c Note Trustee, the Class A1c Note Registrar, the Class A1c Note Calculation Agent, the Class A1c Note Principal Paying Agent, the Trust Standby Trustee, the Series Standby Manager, the Trust Servicer, the Seller, the Trust Standby Servicer, the Trust Standby Manager, the Trust Custodian, the Trust Originator, the Interest Rate Swap Provider, the Currency Swap Provider and the Liquidity Facility Provider (each as defined in this Offering Circular) (“**Relevant Parties**” and each a “**Relevant Party**”) that this Offering Circular may be lawfully distributed, or that the Offered Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, save for obtaining the approval of this Offering Circular as a prospectus, for the purposes of the Prospectus Directive, by the Central Bank of Ireland, no action has been or will be taken by any Relevant Party which would permit a public offering of the Offered Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required.

None of the Relevant Parties (excluding the Series Manager and Liberty Funding) have authorised, caused the issue of, or have (and each expressly disclaims) any responsibility for, or made any statement in, any part of this Offering Circular (other than the information to which such Relevant Party has accepted responsibility for as set out above). None of the Relevant Parties (excluding the Series Manager and Liberty Funding) have separately conducted any investigation or due diligence concerning, or have carried out or will carry out any independent audit of, or have independently verified or will verify the information contained in this Offering Circular (other than the information to which such Relevant Party has accepted responsibility for as set out above). No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Relevant Party (excluding the Series Manager and Liberty Funding), or any external adviser to any Relevant Party, as to the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Offering Circular or any other information supplied in connection with the Offered Notes or their distribution. Each potential purchaser of Offered Notes should determine the relevance of the information contained in this Offering Circular and the purchase of Offered Notes should be based upon such investigations as each purchaser deems necessary.

Each of the Arranger and Joint Lead Managers have no responsibility to or liability for and do not owe any duty to any party or other person in respect of the preparation and due execution of the Transaction Documents or the enforceability of any of the obligations set out in the Transaction Documents (other than their own individual obligations under the Dealer Agreement).

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## Important Notice

This Offering Circular does not constitute an offer to sell or a solicitation of any offer to buy any of the Offered Notes in any jurisdiction in which the offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation in such jurisdiction.

The Offered Notes will be issued in registered form. The Offered Notes will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). The Offered Notes will be offered and sold in offshore transactions outside the United States in reliance upon Regulation S under the Securities Act. Subject to certain exceptions, the Offered Notes may not be offered, sold or delivered, directly or indirectly, to a person within the United States or its possessions or to United States persons.

This Offering Circular is not a “Prospectus” or “Offer Information Statement” for the purposes of Part 6D.2 of the Corporations Act or 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.

This Offering Circular constitutes a prospectus for the purposes of the Prospectus Directive. This Offering Circular has been approved by the Central Bank of Ireland (the “Central Bank”) as competent authority under the Prospectus Directive. The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (the “**Irish Stock Exchange**”) for the Class A1c Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU. Such approval relates only to the Class A1c Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2014/65/EU or which are to be offered to the public in any Member State of the European Economic Area.

No action has been or will be taken to permit a public offering of the Notes or a distribution of this Offering Circular in any jurisdiction. Accordingly, the Offered Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any part hereof, form of application, advertisement or other offering material may be issued, distributed or published in any country or jurisdiction, except in circumstances that will result in compliance with applicable laws, orders, rules and regulations.

The Class A1c Notes will be registered in the name of a nominee of the Common Depository for Euroclear and Clearstream, Luxembourg which will record the beneficial interest in the Class A1c Notes. Persons acquiring beneficial ownership interests in the Class A1c Notes will hold their Class A1c Notes through Euroclear or Clearstream, Luxembourg. Transfers within Euroclear or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant system. For more information see Section 14 (“Terms and Conditions of the Class A1c Notes”).

### Prohibition of sales to EEA retail investors

The Offered Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a “retail investor” means a person who is one (or more) of: (I) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MIFID II**”); (II) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not

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qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II; or (III) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPS Regulation**”) for offering or selling the Offered Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Offered Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

### **Certain Investment Company Act Considerations**

The Trust is not registered or required to be registered as an “investment company” under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). In determining that the Trust is not required to be registered as an investment company, the Trust does not rely on the exemption from the definition of “investment company” set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. As of the Issue Date, the Trust is intended to be structured so as not to constitute a “covered fund” for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations commonly referred to as the “**Volcker Rule**”).

### **Ratings**

The Class A1a Notes, Class A1b Notes, Class A1c Notes and the Class A2 Notes, when issued, were each assigned a “Aaa(sf)” rating by Moody’s Investors Service Pty Ltd (“**Moody’s**”) and a “AAAsf” rating by Fitch Australia Pty Limited (“**Fitch**”). The Class B Notes, when issued, were assigned a “Aa2(sf)” rating by Moody’s. The Class C Notes, when issued, were assigned a “A2(sf)” rating by Moody’s. The Class D Notes, when issued, were assigned a “Baa1(sf)” rating by Moody’s. The Class E Notes, when issued, were assigned a “Ba1(sf)” rating by Moody’s. The Class F Notes, when issued, were assigned a “B1(sf)” rating by Moody’s. The Class B Notes, the Class C Notes, the Class D Notes, Class E Notes and the Class F Notes, when issued, were not rated by Fitch. The Class G Notes, when issued, were not rated by Fitch or Moody’s.

Neither Moody’s nor Fitch is established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). However, the ratings have been endorsed by Moody’s Investors Service Limited and Fitch Ratings Limited, respectively, in accordance with the CRA Regulation. Each of Moody’s Investors Service Limited and Fitch Ratings Ltd is established in the European Union and registered under the CRA Regulation. As such Moody’s Investors Service Limited and Fitch Ratings Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. The European Securities Markets Authority has indicated that ratings issued in Australia which have been endorsed by Moody’s Investors Service Limited and Fitch Ratings Limited may be used in the European Union by the relevant market participants

**A security rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of prepayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.**

In making an investment decision, prospective purchasers must rely on their own assessment of the information contained in this Offering Circular and the terms of the offering of the Offered Notes, including the merits and risks involved.

### **Responsibility for payments on the Offered Notes**

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The Offered Notes are not deposits. The Offered Notes represent obligations solely of Liberty Funding with Liberty Funding's obligation in respect of them limited (except in certain limited circumstances) to the Series Assets (which are secured under the Series Master Security Trust Deed and the Series General Security Deed) to make payments on the Offered Notes. The Offered Notes will not be guaranteed by, or be the responsibility of, any other entity (including any Relevant Party).

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

## Disclosure

Each of the Arranger, the Joint Lead Managers, the Dealers, the Liquidity Facility Provider, the Currency Swap Provider and any Interest Rate Swap Provider (the "**Transaction Parties**") discloses that, in addition to the arrangements and interests it will or may have with respect to the Series Manager, the Trust Manager, the Trust Servicer, the Trust Originator, Secure Funding (in its capacity as trustee of the Trust or any other trust) and Liberty Funding (in its capacity as issuer of the Series or any other series) (together, the "**Group**") as described in this Offering Circular (the "**Transaction Document Interests**"), it, its respective related bodies corporate (as such term is defined in the Corporations Act) (the "**Related Bodies Corporate**"), its respective related entities (as such term is defined in the Corporations Act) (the "**Related Entities**") and their respective directors, officers and employees:

- (a) may from time to time be a Holder or have pecuniary or other interests with respect to the Notes and they may also have interests relating to other arrangements with respect to a Holder or a Note; and
- (b) may receive or pay fees, brokerage and commissions or other benefits, and act as principal with respect to any dealing with respect to any Notes,

(the "**Note Interests**").

Each purchaser of Notes acknowledges these disclosures and further acknowledges and agrees that:

- (i) each of the Transaction Parties and each of their respective Related Bodies Corporate and their respective Related Entities, and their respective directors, officers and employees (each a "**Relevant Entity**") will 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 including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research (the "**Other Transactions**") in various capacities in respect of any member of the Group or any other person, both for the Relevant Entity's own account and for the account of other persons (the "**Other Transaction Interest**");
- (ii) each Relevant Entity in the course of its business (whether with respect to the Transaction Document Interests, the Note Interests, the Other Transaction Interests or otherwise) 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 any member of the Group and the Notes are limited to the contractual obligations of the Transaction Parties to the relevant members of the Group as set out in the Transaction Documents and, in particular, no advisory or fiduciary duty is owed to any person;

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- (iv) a Relevant Entity may have or come into possession of information not contained in this Offering Circular 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 member of the Group or to any potential investor and this Offering Circular 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, including in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests. For example, the exercise of rights against a member of the Group arising from the Transaction Document Interests (eg by a dealer, an arranger, an interest rate swap provider, a currency swap provider or a liquidity facility provider) or from an Other Transaction may affect the ability of the Group member to perform its obligations in respect of the Notes. In addition, the existence of a Transaction Document Interest or Other Transaction Interest may affect how a Relevant Entity in another capacity (eg a Holder) may seek to exercise any rights it may have in that capacity. These interests may conflict with the interests of the Group or a Holder and the Group or a Holder 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 Holders or the Group, and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

### **Reliance on this Offering Circular**

Neither this Offering Circular nor any other information supplied in connection with the Offered Notes is intended to provide and does not constitute the basis of any credit or other evaluation and should not be considered as a recommendation by any Relevant Party that any recipient of this Offering Circular or of any other information supplied in connection with the Offered Notes, should purchase any of the Offered Notes. Each investor contemplating purchasing or subscribing for any of the Offered Notes should make its own independent investigation of the financial condition, affairs and creditworthiness of the Trust, Liberty Funding and the terms of the Offered Notes and the Transaction Documents and each investor should seek its own tax, accounting, financial and legal advice and any other appropriate advice from qualified professional persons as to the consequence of subscription, purchase or holding of any of the Offered Notes. None of the Relevant Parties accepts any responsibility or makes any statement (including, without limitation any representation) as to the income or other tax consequences of any subscription, purchase or holding of any of the Offered Notes or the receipt of any amounts thereunder. Each investor must base any investment decision on its own investigation and advice and not on this Offering Circular.

### **Offering Circular - A Summary of Terms**

The information set forth in this Offering Circular, to the extent that it describes certain provisions of the Transaction Documents, is a summary and is not presented as a full statement of the provisions of such documentation. It should not be assumed that the information contained in this Offering Circular is necessarily accurate or complete in the context of any offer to subscribe for or an invitation to subscribe for or purchase any of the Offered Notes even if this Offering Circular is

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circulated in conjunction with such an offer or invitation. Instead, the definitive terms and conditions of the Offered Notes and the Trust are contained in the Transaction Documents which should be reviewed by prospective investors or purchasers of the Offered Notes. If there is any inconsistency between this Offering Circular and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information.

**All claims against Liberty Funding in relation to this Offering Circular or the Offered Notes may be satisfied only out of the Series Assets secured under the Series Master Security Trust Deed and the Series General Security Deed including its rights in and to the Trust Notes and the other Series Collateral, and are limited in recourse to distributions with respect to such property and amounts from time to time.**

### **Preparation date**

This Offering Circular has been prepared as at 8 May 2018 based upon information available and the facts and circumstances known to the Series Manager at that time. Potential purchasers of the Offered Notes should determine for themselves the relevance of the information contained in this Offering Circular or any part thereof and their purchase of any Offered Notes should be based upon such investigation as they themselves deem necessary. Neither the delivery of this Offering Circular, nor any offer or issue of the Offered Notes, at any time on or after the date of this Offering Circular implies or should be relied upon as a representation or warranty, that there has been no change since such date in the affairs or financial condition of Liberty Funding or the Relevant Parties or that the information contained in this Offering Circular is correct at such later time. None of the Relevant Parties have undertaken, nor do they undertake, nor will they undertake to review the financial condition or affairs of Liberty Funding, the Trust Manager, the Series Manager, the Trust Security Trustee, the Series Security Trustee or any other party to the transaction at any time on, prior to or after the date of this Offering Circular and is not under any obligation to advise any recipient of this Offering Circular, or any investor or potential investor in the Offered Notes of, or to update this Offering Circular to reflect any changes in, or matters arising or coming to its attention after the date of the Offering Circular which may effect anything referred to in this Offering Circular.

### **Selling Restrictions**

This Offering Circular does not constitute an offer or invitation to any person to subscribe for or purchase any Offered Notes and must not be relied upon by intending investors or subscribers of the Offered Notes, nor may it be used for the purpose of an offer to or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or in which it is unlawful to make such offer or solicitation. Except as mentioned under section 23, no action has been or will be taken to permit a public offering of the Offered Notes in any jurisdiction where action would be required for that purpose. The Offered Notes may not be offered or sold, directly or indirectly, and this Offering Circular may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

The distribution of this Offering Circular and the offering or invitation to subscribe for or buy the Offered Notes in certain jurisdictions may be restricted by law. No action has been taken or will be taken which would permit the distribution of this Offering Circular or the offer or invitation to subscribe for or buy the Offered Notes, in any jurisdiction where action for that purpose is required.



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## Risk Retention Rules

*Please refer to “European Union Risk Retention & Due Diligence Requirements” and “U.S. Risk Retention Rules” in Section 3 (“Risk Factors”) for further information on the implications of the European and U.S. retention rules for certain investors in the Offered Notes.*

Liberty Financial in favour of Liberty Funding, each Joint Lead Manager and the Class A1c Note Trustee has irrevocably and unconditionally undertaken (as originator) to retain, on an ongoing basis for so long as any Note remains outstanding, a net economic interest in the transaction contemplated by the Transaction Documents by retention of randomly selected exposures, equivalent to no less than 5% of the nominal value of the securitised exposures measured as at the Issue Date, where such exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is no less than 100 at origination in accordance with paragraph 1(c) of Article 405 of the CRR, Article 51(1)(c) of Commission Delegated Regulation (EU) No 231/2013 and Article 254(2)(c) of Commission Delegated Regulation (EU) 2015/35. Liberty Financial has internal policies and procedures in relation to the granting of mortgage loans and the administration of credit risk-bearing portfolios, which include:

- criteria for the granting of the mortgage loans and the underwriting of the mortgage loans, as to which see Section 5 (“Liberty Financial Pty Ltd and Liberty Financial Housing Loan Programs”);
- systems in place to administer and monitor the mortgage loans and exposures (the mortgage portfolio will be serviced in line with the usual servicing procedures of Liberty Financial, as to which see Section 5.5 (“Portfolio Servicing”));
- adequate diversification of Liberty Financial’s mortgage loan books, given their target market and overall credit strategy, as to which see Section 4 (“Description of the Housing Loans”) and Section 5 (“Liberty Financial Pty Ltd and Liberty Financial Housing Loan Programs”); and
- written policies and procedures in relation to the management of mortgage loans in arrears, as to which see Section 5.5 (“Portfolio Servicing”).

Prospective investors should make themselves aware of the requirements of the European risk retention rules (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Offered Notes and none of Secure Funding, the Trust Manager, the Series Manager, the Arranger, the Dealers, the Joint Lead Managers and each other party to a Transaction Document makes any representation that the information described above or in this Offering Circular is sufficient in all circumstances for such purposes. Investors who are uncertain as to the requirements under the European retention rules which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator. See Section 3.31 (“European Union Risk Retention & Due Diligence Requirements”) for further information on the implications of the European retention rules.

No person intends to retain a risk retention interest contemplated by the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the “**U.S. Risk Retention Rules**”) in connection with the transaction described in this Offering Circular in reliance on the Foreign Safe Harbor (as defined in Section 3.32). Consequently, on the Issue Date the Offered Notes may not be purchased by any person except for persons that are not “U.S. persons” as defined in the U.S. Risk Retention Rules (“**Risk Retention U.S. Persons**”) and during the period of 40 days commencing on the Issue Date (the “**Restricted Period**”), the Offered Notes may not be transferred to any person except to persons that are not Risk Retention U.S. Persons. Prospective investors should note that the definition of “U.S. person” in the U.S. Risk Retention Rules is similar, but not identical, to the definition of “U.S. person” in Regulation

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S under the United States Securities Act of 1933, as amended. See Section 3.32 (“U.S. Risk Retention Rules”) for further information on the implications of the U.S. Risk Retention Rules.

### **Eurosystem eligibility**

As at the date of this Offering Circular, the Offered Notes are not recognised as eligible collateral (or recognised to fall into any specific category of eligible collateral) for the purposes of monetary policy and intra-day credit operations by the European Central Bank’s liquidity scheme (“**Eurosystem**”) either upon issue or at any or all times while any Offered Notes are outstanding, and there is no guarantee that any of the Offered Notes will be so recognised at a future date.

Eurosystem eligibility may affect the marketability of the Offered Notes. Any potential investor in the Offered Notes should make its own determinations and seek its own advice with respect to whether or not the Offered Notes constitute Eurosystem eligible collateral.

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## **DEFINED TERMS**

Capitalised terms used in this Offering Circular shall, except where otherwise defined in this Offering Circular, have the meaning set forth in section 24.

## **ROUNDING**

In this Offering Circular, percentages in the tables may not add up to 100% because of rounding.

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## 1 TRANSACTION OVERVIEW

*This overview 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 overview contains some of the concepts and other information to aid your understanding. All of the information contained in this overview is qualified by the more detailed explanations in other parts of this Offering Circular and by the terms of the Transaction Documents. Any decision to invest in the Offered Notes should be based on a consideration of the Offering Circular as a whole.*

### Parties to the Transaction

<b>Series</b>	Liberty Series 2018-1
<b>Issuer and Liberty Funding</b>	<p>Liberty Funding Pty Ltd (ABN 49 128 856 422) in respect of the Series.</p> <p>Liberty Funding Pty Ltd (in its personal capacity) was incorporated in Victoria in the Commonwealth of Australia on 11 December 2007 and it operates under Australian legislation including the Corporations Act 2001 (Cth) as an Australian proprietary company limited by shares. The Australian Business Number of Liberty Funding Pty Ltd is 49 128 856 422, and its registered office is at Level 16, 535 Bourke Street, Melbourne, Victoria, Australia.</p> <p>Liberty Funding Pty Ltd has two ordinary shares on issue with a paid amount of A\$2. The shares are held by Liberty Financial Group Pty Limited.</p> <p>The directors of Liberty Funding Pty Ltd are Sherman Ma and Peter Riedel.</p>
<b>Series Manager</b>	Liberty Financial Pty Ltd (ABN 55 077 248 983)
<b>Series Security Trustee</b>	P.T. Limited (ABN 67 004 454 666)
<b>Series Standby Manager</b>	Perpetual Trustee Company Limited (ABN 42 000 001 007)
<b>Series Registrar</b>	Perpetual Trustee Company Limited
<b>Class A1c Note Trustee</b>	DB Trustees (Hong Kong) Limited as trustee of the trust created under the Note Trust Deed
<b>Class A1c Note Principal Paying Agent</b>	Deutsche Bank AG, Hong Kong Branch
<b>Class A1c Note Registrar</b>	Deutsche Bank AG, Hong Kong Branch
<b>Class A1c Note Calculation Agent</b>	Deutsche Bank AG, Hong Kong Branch
<b>Currency Swap Provider</b>	National Australia Bank

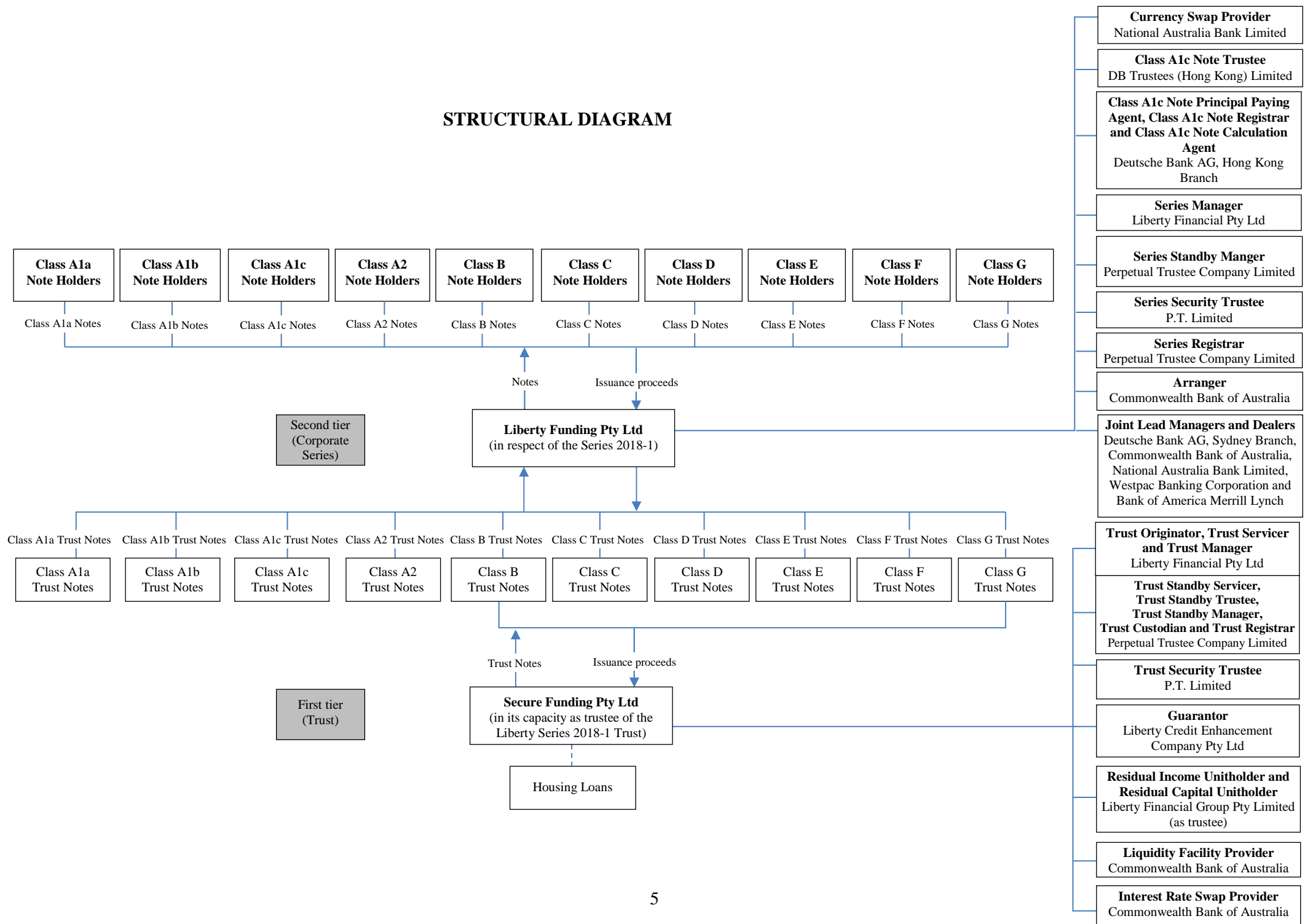
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<i><b>Listing Agent</b></i>	Maples and Calder
<i><b>Trust</b></i>	Liberty Series 2018-1 Trust
<i><b>Secure Funding</b></i>	Secure Funding Pty Ltd (ABN 25 081 982 872) as trustee of the Trust
<i><b>Trust Manager</b></i>	Liberty Financial Pty Ltd
<i><b>Trust Servicer</b></i>	Liberty Financial Pty Ltd
<i><b>Trust Originator</b></i>	Liberty Financial Pty Ltd
<i><b>Trust Security Trustee</b></i>	P.T. Limited
<i><b>Trust Custodian</b></i>	Perpetual Trustee Company Limited
<i><b>Trust Standby Trustee, Trust Standby Servicer and Trust Standby Manager</b></i>	Perpetual Trustee Company Limited
<i><b>Interest Rate Swap Provider</b></i>	Commonwealth Bank of Australia
<i><b>Liquidity Facility Provider</b></i>	Commonwealth Bank of Australia
<i><b>Trust Registrar</b></i>	Perpetual Trustee Company Limited
<i><b>Residual Income Unitholder</b></i>	Liberty Financial Group Pty Limited (ABN 43 124 171 759) (as trustee)
<i><b>Residual Capital Unitholder</b></i>	Liberty Financial Group Pty Limited (as trustee)
<i><b>Guarantor</b></i>	Liberty Credit Enhancement Company Pty Ltd (ACN 107 301 646)
<i><b>Arranger</b></i>	Commonwealth Bank of Australia (ABN 38 123 123 124)
<i><b>Joint Lead Managers and Dealers</b></i>	<ul style="list-style-type: none"> <li>(a) Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162);</li> <li>(b) Commonwealth Bank of Australia (ABN 48 123 123 124);</li> <li>(c) National Australia Bank Limited (ABN 12 004 044 937);</li> <li>(d) Westpac Banking Corporation (ABN 33 007 457 141); and</li> <li>(e) Merrill Lynch International (ARBN 125 336 567) (“<b>Bank of America Merrill Lynch</b>”).</li> </ul>
<i><b>Current Rating Agencies</b></i>	<ul style="list-style-type: none"> <li>(a) Moody’s Investors Service Pty Ltd; and</li> </ul>

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(b) Fitch Australia Pty Ltd

## STRUCTURAL DIAGRAM





## SUMMARY OF THE NOTES

Liberty Funding will issue the Class A1a Notes, the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes which, ultimately through Liberty Funding holding the Class A1a Trust Notes, the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes, the Class F Trust Notes and the Class G Trust Notes issued by Secure Funding, will be collateralised by the same pool of Housing Loans.

	Class A1a Notes	Class A1b Notes	Class A1c Notes	Class A2 Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes
Aggregate Initial Invested Amount	A\$150,000,000	A\$691,500,000	€83,400,000	A\$372,000,000	A\$55,500,000	A\$28,500,000	A\$16,500,000	A\$19,500,000	A\$6,000,000	A\$27,000,000
% of A\$ Equivalent of total aggregate Initial Invested Amount:	10.00%	46.10%	8.90%	24.80%	3.70%	1.90%	1.10%	1.30%	0.40%	1.80%
Ratings:										
- Moody's	Aaa(sf)	Aaa(sf)	Aaa(sf)	Aaa(sf)	Aa2(sf)	A2(sf)	Baa1(sf)	Ba1(sf)	B1(sf)	NR
- Fitch	AAAsf	AAAsf	AAAsf	AAAsf	NR	NR	NR	NR	NR	NR
Minimum Parcel Size (See section 23 for exceptions)	A\$500,000	A\$500,000	€100,000	A\$500,000	A\$500,000	A\$500,000	A\$500,000	A\$500,000	A\$500,000	A\$500,000
Minimum Denomination of each Note:	A\$1,000	A\$1,000	€100,000	A\$1,000	A\$1,000	A\$1,000	A\$1,000	A\$1,000	A\$1,000	A\$1,000
Interest Accrual Method:	actual/365	actual/365	actual/360	actual/365	actual/365	actual/365	actual/365	actual/365	actual/365	actual/365

	Class A1a Notes	Class A1b Notes	Class A1c Notes	Class A2 Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes
Payment Dates:	The 10th day of each month or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Payment Date will be the Payment Date scheduled to fall in June 2018.	The 10th day of each month or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Payment Date will be the Payment Date scheduled to fall in June 2018.	The 10th day of each January, April, July and October or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Quarterly Payment Date will be the Payment Date scheduled to fall in July 2018.	The 10th day of each month or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Payment Date will be the Payment Date scheduled to fall in June 2018.	The 10th day of each month or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Payment Date will be the Payment Date scheduled to fall in June 2018.	The 10th day of each month or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Payment Date will be the Payment Date scheduled to fall in June 2018.	The 10th day of each month or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Payment Date will be the Payment Date scheduled to fall in June 2018.	The 10th day of each month or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Payment Date will be the Payment Date scheduled to fall in June 2018.	The 10th day of each month or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Payment Date will be the Payment Date scheduled to fall in June 2018.	The 10th day of each month or, if the relevant day is not a Business Day, then the next Business Day and the Final Maturity Date. The first Payment Date will be the Payment Date scheduled to fall in June 2018.
Listing	N/A	Australian Securities Exchange	Irish Stock Exchange	Australian Securities Exchange	N/A	N/A	N/A	N/A	N/A	N/A
Clearance/ Settlement:	Austraclear	Austraclear	Euroclear/ Clearstream, Luxembourg	Austraclear	Austraclear	Austraclear	Austraclear	Austraclear	Austraclear	Austraclear
Maturity Date:	Final Maturity Date	Final Maturity Date	Final Maturity Date	Final Maturity Date	Final Maturity Date	Final Maturity Date	Final Maturity Date	Final Maturity Date	Final Maturity Date	Final Maturity Date
ISIN	AU3FN0041810	AU3FN0041828	XS1813562193	AU3FN0041836	AU3FN0041844	AU3FN0041851	AU3FN0041869	AU3FN0041877	AU3FN0041885	AU3FN0041893
Common Code	180534253	180534288	181356219	180534296	180534300	180534326	180534334	180534342	180534369	180534377

Cut-Off Date: Close of business on 28 February 2018

Pricing Date: 27 April 2018

Issue Date: 8 May 2018

Call Date: The earlier to occur of:

- the Quarterly Payment Date immediately following the Determination Date on which the Aggregate Adjusted Invested Amount of all Notes or Trust Notes on that Determination Date is less than, or equal to, 20% of the aggregate Initial Invested Amount of all Notes or Trust Notes on the Issue Date; and
- the Quarterly Payment Date scheduled to fall in April 2022, and each Quarterly Payment Date thereafter.

Final Maturity Date:

The Payment Date scheduled to fall in October 2049.

## **2 PROGRAM OVERVIEW**

### **2.1 First Tier - The Trust**

The Liberty Series 2018-1 Trust (“**Trust**”) is a special purpose trust established for the purpose of purchasing or Redesignating Housing Loans and Related Securities. Secure Funding obtains funds for the purchase or Redesignation, as the case may be, of Housing Loans and Related Securities by issuing the Trust Notes. Principal receipts arising from the Housing Loans and Related Securities will be used to repay principal in respect of the Trust Notes and for providing support for the payment of Required Payments by way of a Principal Draw. See section 16.9.

### **2.2 Application of proceeds of Trust Notes**

The proceeds from the issuance by Secure Funding of all Trust Notes to Liberty Funding will be used to:

- (a) fund the Redesignation to the Trust of a pool of Housing Loans and Related Securities originated by the Trust Originator from the Seller Trusts;
- (b) fund the transfer to the Trust of a pool of Housing Loans and Related Securities originated by the Trust Originator from the Seller Series; and
- (c) to deposit the remaining net proceeds of the issuance (if any) into the Trust Collection Account.

### **2.3 The Housing Loans**

The Housing Loans and the Related Securities are originated by the Trust Originator in the ordinary course of its lending business across a range of geographic regions and demographic sectors. The Housing Loans are made to Australian resident borrowers considered to be prime borrowers and also to those considered to fall outside of the lending parameters of traditional lenders. The Housing Loans are secured by first ranking mortgages over residential property.

All of the Housing Loans are originated in accordance with the Underwriting Policies and Procedures. The Underwriting Policies and Procedures outline the Trust Manager’s credit policy guidelines which have been established to ensure a consistent and balanced approach to credit risk. The credit guidelines require extensive qualitative and quantitative analysis and a multi-layered credit approach before a loan may be provided to a potential borrower. For a summary of the underwriting process see section 5.4.

For further information in relation to the Housing Loans see section 4.

### ***Selected Housing Loan Pool Data as of Close of Business on the Cut-Off Date***

#### **Summary Housing Loan Information**

Current Housing Loan Pool Size	A\$1,500,001,360
Original Housing Loan Pool Size	A\$1,545,783,886
Number of Housing Loans	4,071
Average Housing Loan Balance	A\$368,460
Maximum Housing Loan Balance	A\$2,000,000
Total Valuation of the Securities	A\$2,439,111,037
Weighted Average Current Loan-to-Value Ratio	68.95%
Maximum Current Loan-to-Value Ratio	99.97%
Weighted Average Seasoning in Months	7.30
Weighted Average Remaining Term to Maturity in Months	348.90
Maximum Remaining Term to Maturity in Months	359.98

## **2.4 General Information**

### ***Issue of Trust Notes***

#### **Liberty Series 2018-1 Trust:**

A\$150,000,000 Class A1a Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

A\$691,500,000 Class A1b Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

A\$133,500,000 Class A1c Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

A\$372,000,000 Class A2 Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

A\$55,500,000 Class B Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

A\$28,500,000 Class C Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

A\$16,500,000 Class D Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

A\$19,500,000 Class E Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

A\$6,000,000 Class F Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

A\$27,000,000 Class G Mortgage Backed Pass Through Floating Rate Trust Notes due October 2049.

See section 12 for a detailed description of the Trust Notes.

### ***Issue Date***

8 May 2018

### ***Cut-Off Date***

28 February 2018

### ***Determination Date***

The date which is 5 Business Days prior to a Payment Date.

<b><i>Payment Date</i></b>	<p>In respect of the Trust Notes (other than the Class A1c Trust Notes), the:</p> <ul style="list-style-type: none"> <li>• 10th day of each month or if that day is not a Business Day, then the immediately following Business Day; and</li> <li>• Final Maturity Date (unless the relevant Trust Notes are redeemed in full on an earlier Payment Date).</li> </ul> <p>The initial Payment Date for the Trust Notes will be the Payment Date scheduled to fall in June 2018.</p>
<b><i>Quarterly Payment Date</i></b>	<p>In respect of the Class A1c Trust Notes, the:</p> <ul style="list-style-type: none"> <li>• the Payment Date occurring in January, April, July and October of each year or if that day is not a Business Day, then the immediately following Business Day; and</li> <li>• Final Maturity Date (unless the Class A1c Trust Notes are redeemed in full on an earlier Quarterly Payment Date).</li> </ul> <p>The initial Quarterly Payment Date for the Class A1c Trust Notes will be the Quarterly Payment Date scheduled to fall in July 2018.</p>
<b><i>Final Maturity Date</i></b>	The Payment Date scheduled to fall in October 2049.
<b><i>Trust Collection Period</i></b>	The period from (but excluding) a Determination Date to (and including) the immediately succeeding Determination Date. The first Trust Collection Period commences on (but excludes) the Cut-Off Date and ends on (and includes) the Determination Date immediately preceding the first Payment Date.
<b><i>Business Day</i></b>	Any day (not being a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Melbourne and London provided that the day is also a TARGET Day.
<b><i>Governing Law</i></b>	The Trust Notes and all of the Transaction Documents will be governed by the laws of New South Wales.

## **2.5 Redraws**

The Servicer may (with the consent of the Trust Manager and the Trust Manager having directed Secure Funding to fund the Redraw) grant a Redraw to a Debtor.

The Trust Manager may only direct Secure Funding to fund a Redraw if a Redraw Trigger is not then subsisting.

## **2.6 Further Advances**

The Servicer must not consent to a request by a Debtor for a Further Advance in respect of a Housing Loan.

## **2.7 Interest Rate Swap Agreement**

Secure Funding will enter into an Interest Rate Swap with the Interest Rate Swap Provider to hedge the interest rate payable by the Debtors under the Housing Loans with the interest payable

by Secure Funding under the Trust Notes. In addition, Secure Funding may from time to time enter into further interest rate swap agreements with an interest rate swap provider to the extent required for Secure Funding to further hedge Housing Loans against interest rate risk.

## **2.8 Security**

The obligations of Secure Funding in respect of the Trust Notes are secured by the Trust Charge granted by Secure Funding over the Assets of the Trust in favour of the Trust Security Trustee. The Trust Security Trustee holds the benefit of the Trust Charge on trust for (among others) the Holders of Trust Notes, any Interest Rate Swap Provider and any other person who is specified as a “Trust Secured Creditor”.

## **2.9 Second Tier - The Series**

The Liberty Series 2018-1 (“**Series**”) is a special purpose series established for the purpose of issuing Notes. Liberty Funding in respect of the Series obtains funds for the purchase of the Trust Notes by issuing Notes.

## **2.10 Application of Proceeds**

The net proceeds from the issue of Notes will be used to fund the subscription of the Trust Notes and, to the extent there are any surplus funds, to invest in Authorised Investments as selected by Liberty Funding (at the direction of the Series Manager).

The upfront fees and expenses of the Series (including, without limitation, the fees and expenses of the Arranger and Joint Lead Managers) will not be deducted from the proceeds of the sale of the Notes. These amounts will be paid separately to the relevant parties by Liberty Financial.

## **2.11 General Information**

### ***Issue of Notes***

#### **Liberty Series 2018-1:**

A\$150,000,000 Class A1a Mortgage Backed Pass Through Floating Rate Notes due October 2049.

A\$691,500,000 Class A1b Mortgage Backed Pass Through Floating Rate Notes due October 2049.

€3,400,000 Class A1c Mortgage Backed Pass Through Floating Rate Notes due October 2049.

A\$372,000,000 Class A2 Mortgage Backed Pass Through Floating Rate Notes due October 2049.

A\$55,500,000 Class B Mortgage Backed Pass Through Floating Rate Notes due October 2049.

A\$28,500,000 Class C Mortgage Backed Pass Through Floating Rate Notes due October 2049.

A\$16,500,000 Class D Mortgage Backed Pass Through Floating Rate Notes due October 2049.

A\$19,500,000 Class E Mortgage Backed Pass Through Floating Rate Notes due October 2049.

A\$6,000,000 Class F Mortgage Backed Pass Through Floating Rate Notes due October 2049.

A\$27,000,000 Class G Mortgage Backed Pass Through Floating Rate

Notes due October 2049.

See section 13 for a detailed description of the A\$ Notes and section 14 for a detailed description of the Class A1c Notes.

***Issue Date***

8 May 2018.

***Payment Date***

In respect of the Notes (other than the Class A1c Notes), the:

- 10th day of each month or if that day is not a Business Day, then the immediately following Business Day; and
- Final Maturity Date (unless the relevant Notes are redeemed in full on an earlier Payment Date).

The initial Payment Date for the Notes will be the Payment Date scheduled to fall in June 2018.

***Quarterly Payment Date***

In respect of the Class A1c Notes, the:

- the Payment Date occurring in January, April, July and October of each year or if that day is not a Business Day, then the immediately following Business Day; and
- Final Maturity Date (unless the Class A1c Notes are redeemed in full on an earlier Quarterly Payment Date).

The initial Quarterly Payment Date for the Class A1c Notes will be the Quarterly Payment Date scheduled to fall in July 2018.

***Final Maturity Date***

The Payment Date scheduled to fall in October 2049.

***Series Collection Period***

The period from (but excluding) a Payment Date to (and including) the immediately succeeding Payment Date. The first Series Collection Period commences on (but excludes) the Cut-Off Date and ends on (and includes) the first Payment Date.

***Business Day***

Any day (not being a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Melbourne and London provided that the day is also a TARGET Day.

***Ratings***

When issued:

- the Class A1a Notes, Class A1b Notes, Class A1c Notes and the Class A2 Notes were each assigned a “Aaa(sf)” rating by Moody’s and a “AAAsf” rating by Fitch;
- the Class B Notes were assigned a “Aa2(sf)” rating by Moody’s;
- the Class C Notes were assigned a “A2(sf)” rating by Moody’s;
- the Class D Notes were assigned a “Baa1(sf)” rating by Moody’s;
- the Class E Notes were assigned a “Ba1(sf)” rating by Moody’s; and
- the Class F Notes were assigned a “B1(sf)” rating by Moody’s.

When issued, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes and the Class F Notes were not rated by Fitch.



	When issued, the Class G Notes were not rated by Fitch or Moody's.
<b><i>Governing Law</i></b>	The Notes and all of the Transaction Documents will be governed by the laws of New South Wales, Australia.
<b><i>Selling Restrictions</i></b>	The offering, sale and delivery of the Notes and the distribution of this Offering Circular, and other material in relation to the Notes, are subject to restrictions as may apply in any jurisdiction in connection with the offering and sale of the Notes. See section 23.
<b><i>Repo eligibility</i></b>	<p>Application will be made by the Series Manager to the Reserve Bank of Australia (“<b>RBA</b>”) for the Class A1b Notes and the Class A2 Notes to be “eligible securities” (or “repo eligible”) for the purposes of repurchase agreements with the RBA.</p> <p>The criteria for repo eligibility published by the RBA require, among other things, that certain information be provided by the Series Manager to the RBA at the time of seeking repo-eligibility and during the term of the Class A1b Notes and the Class A2 Notes in order for such Notes to be (and to continue to be) repo-eligible.</p> <p>No assurance can be given that any application by the Series Manager for repo-eligibility in respect of the Class A1b Notes and the Class A2 Notes will be successful, or that the Class A1b Notes and the Class A2 Notes will continue to be repo-eligible at all times even if they are eligible in relation to their initial issue. For example, subsequent changes by the RBA to its criteria could affect whether the Class A1b Notes and the Class A2 Notes continue to be repo-eligible.</p> <p>If the Class A1b Notes and the Class A2 Notes are repo-eligible at any time, Holders of these Notes should be aware that relevant disclosures may be made by the Series Manager to investors and potential investors in the Class A1b Notes and the Class A2 Notes from time to time in such form as determined by the Series Manager as it sees fit (including for the purpose of complying with the RBA's criteria).</p>
<b><i>Euroclear and Clearstream, Luxembourg</i></b>	<p>The Class A1c Notes will be registered in the name of a nominee of the Common Depository for Euroclear and Clearstream, Luxembourg which will record the beneficial interest in the Class A1c Notes.</p> <p>Persons acquiring beneficial ownership interests in the Class A1c Notes will hold their Class A1c Notes through Euroclear or Clearstream, Luxembourg. Transfers within Euroclear or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant system.</p>
<b><i>Listing</i></b>	<p>Application has been made to the Irish Stock Exchange for the Class A1c Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market.</p> <p>Application will be made for the Class A1b Notes and the Class A2 Notes to be listed on the Australian Securities Exchange.</p>

## 2.12 Security

The obligations of Liberty Funding in respect of the Notes are secured by the Series Charge granted by Liberty Funding over the Series Assets in favour of the Series Security Trustee. The Series Security Trustee holds the benefit of the Series Charge on trust for (among others) the Holders of Notes and any other person who is specified as a “Series Secured Creditor”.

## 2.13 Currency Swap Agreement

Liberty Funding will enter into a Currency Swap with the Currency Swap Provider to convert the proceeds from the issue of the Class A1c Notes to A\$ and to hedge the currency exposure associated with its obligation to pay interest and principal on the Class A1c Notes denominated in Euro.

Amounts payable under the Class A1c Notes are calculated by reference to EURIBOR which is provided by the European Money Markets Institute (“**EMMI**”). As at the date of this Offering Circular, EMMI does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”). As far as Liberty Funding is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration.

### **3 RISK FACTORS**

*The purchase, and subsequent holding, of the Offered Notes involves significant risk. The Series Manager believes that the risks described below are some of the principal risks inherent in the transaction for Holders and that the discussion in relation to the Offered Notes indicates some of the possible implications for Holders. However, the inability of Liberty Funding to meet a payment on the Offered Notes may occur for other reasons and the Series 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. There can be no assurance that the structural protection available to Holders will be sufficient to ensure that the payment or distribution of a payment is made on a timely or full basis. Prospective investors should read the detailed information set out elsewhere in this Offering Circular, review the Transaction Documents, make their own independent investigation and seek their own independent advice as to the potential risks involved in purchasing and holding the Offered Notes.*

#### **3.1 Limited Recourse**

The Offered Notes are issued with the benefit of, and subject to the Series Master Security Trust Deed, the Issue Supplement, the A\$ Note Conditions, the Note Trust Deed (including the Class A1c Note Conditions) and the Series General Security Deed.

A Holder's recourse against Liberty Funding with respect to the Offered Notes is limited to the Series Assets.

Upon the occurrence of a Series Event of Default, the Series Security Trustee will be entitled to enforce the Series Charge and apply the Series Assets which are charged in favour of the Series Security Trustee for the benefit of the Series Secured Creditors of the Series (which term includes the Holders of the Offered Notes). The Series Security Trustee may incur costs in enforcing the security interest under the Series General Security Deed, with respect to which the Series Security Trustee will be entitled to indemnification. Any such indemnification will reduce the amounts available to pay interest on and repay principal of the Notes.

#### **3.2 Limited Assets**

The Series Assets include Liberty Funding's rights in respect of the Trust Notes and the Authorised Investments of the Series. If the Series Assets are not sufficient to make payments of interest or principal on the Offered Notes, then payments to Holders of the Offered Notes will be reduced.

The rights of the Series Secured Creditors as beneficiaries under the Series Security Trust are restricted. In particular, the Series Secured Creditors have only limited rights with respect to the direction and removal of the Series Manager, Liberty Funding (in respect of the Series), and the Series Security Trustee.

The realisation of the Series Assets and its application towards the Series Secured Money of the Series in accordance with the Series Transaction Documents constitutes a complete discharge of Liberty Funding's liability to each Series Secured Creditor in connection with the Series.

#### **3.3 Limited Credit Enhancement**

The amount of credit enhancement provided through the Guarantee Fee Reserve Account Balance and the subordination of:

- the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes, the Class F Trust Notes and the Class G Trust Notes to the Class A1a Trust Notes, the Class A1b Trust Notes and the Class A1c Trust Notes;

- the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes, the Class F Trust Notes and the Class G Trust Notes to the Class A2 Trust Notes;
- the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes, the Class F Trust Notes and the Class G Trust Notes to the Class B Trust Notes;
- the Class D Trust Notes, the Class E Trust Notes, the Class F Trust Notes and the Class G Trust Notes to the Class C Trust Notes;
- the Class E Trust Notes, the Class F Trust Notes and the Class G Trust Notes to the Class D Trust Notes;
- the Class F Trust Notes and the Class G Trust Notes to the Class E Trust Notes; and
- the Class G Trust Notes to the Class F Trust Notes,

is limited and could be depleted prior to the payment in full of the Trust Notes.

### **3.4 Secondary Market Risk**

There is no assurance that 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 Offered Notes. No assurance can be given that it will be possible to effect a sale of the Offered Notes, nor can any assurance be given that, if a sale takes place, it will not be at a discount to the acquisition price.

Although application has been made to the Irish Stock Exchange for the Class A1c Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market, there is no assurance that such application will be accepted, that the Class A1c Notes will be so admitted and that an active trading market will develop or that any listing or admission to trading will be maintained.

### **3.5 Early Principal Distributions**

Principal collections in respect of the Housing Loans will be repaid to Liberty Funding as Holder of the Trust Notes on each Payment Date and will reduce the principal balance of the Trust Notes. Liberty Funding will use such principal amounts to repay the Holders of the Offered Notes in accordance with the Cashflow Allocation Methodology on each Payment Date and will reduce the principal balance of the Notes. Principal collections will consist of the principal component of scheduled payments and partial or full prepayments. Principal collections may be utilised to meet Liquidity Shortfalls in priority to payment to Holders of the Trust Notes. There can be no assurances as to the amount of principal collections to be received in any Trust Collection Period or the amount retained to meet Liquidity Shortfalls.

Housing Loans are expected to mature prior to the Final Maturity Date of the Offered Notes. This may occur for many reasons, including the fact that a Debtor may enter into a Housing Loan with Secure Funding for the purpose of establishing a repayment history which then allows that Debtor to refinance the Housing Loan with another lender. In addition, a Debtor may choose to make a repayment, in part or in full, of the amount outstanding under a Housing Loan prior to its scheduled maturity. The reasons for the early payment may include, but are not limited to, the level of interest rates, general economic conditions, legal and political conditions, availability of more competitive funding alternatives, changes in the funding requirements of the Debtor, the overall economic circumstances of the Debtor, or receipts from disposal of assets as part of enforcement proceeds.

If a repayment is received on a Housing Loan during a Trust Collection Period, interest on the Housing Loan will cease to accrue on that portion of the Housing Loan that has been repaid. The amount repaid will be deposited into the Trust Collection Account or invested in Authorised Investments until the next Payment Date, and may earn interest at a rate less than the rate on the Housing Loan. If available interest and interest collections are insufficient to cover such interest shortfall, Secure Funding may not have sufficient funds to pay the full amount of interest due on the Trust Notes on the related payment Date and Liberty Funding may not have sufficient funds to pay the full amount of interest due on the Offered Notes on the related Payment Date.

Prospective Holders of the Offered Notes who consider any projection of the weighted average life or maturity in determining the price of an Offered Note should be aware that the Offered Notes are subject to maturity and prepayment risk based on the principal payment behaviour of the Housing Loans which may change.

### **3.6 Consumer protection laws**

#### ***Consumer Credit Legislation***

Some of the Housing Loans are regulated under the National Consumer Credit Protection Act 2009 (Cth) (“**NCCP Act**”), which includes the National Credit Code contained in Schedule 1 of the NCCP Act (“**Consumer Credit Legislation**”).

The Consumer Credit Legislation requires anyone that engages in a credit activity, including by providing credit or exercising the rights and obligations of a credit provider, as defined in the NCCP Act, to be appropriately authorised to do so. This requires those persons either to hold an Australian Credit Licence (“**ACL**”), be exempt from this requirement or be a credit representative of a licensed person.

The Consumer Credit Legislation imposes a range of disclosure and conduct obligations on persons engaging in a credit activity. For example any increase of the credit limit of a regulated loan must be considered and made in accordance with the responsible lending obligations of the Consumer Credit Legislation.

The Consumer Credit Legislation affects all loans that the Trust Originator makes to individuals or strata corporations if those loans are made predominantly for personal, domestic or household purposes (or, after July 2010, loans for investment in residential property or to refinance such loans). For all Debtors who are not consumers and for those Housing Loans which are for business purposes, the Trust Originator obtains, where necessary, a business purpose declaration in the form provided for by the National Credit Code under which consumers declare that they are using the relevant finance predominantly for business purposes.

Under the terms of the Consumer Credit Legislation, Secure Funding is a “credit provider”, (as defined in the NCCP Act). Secure Funding must therefore hold an ACL and comply with a range of conduct and disclosure obligations, including those described above.

Failure to comply with the Consumer Credit Legislation may mean that court action is brought by a Debtor or ASIC to:

- (a) grant an injunction preventing a Housing Loan from being enforced (or any other action in relation to the Housing Loan) if to do so would breach the Consumer Credit Legislation;
- (b) order compensation to be paid for loss or damage suffered (or likely to be suffered) as a result of a breach of a civil penalty provision or a criminal offence in the Consumer Credit Legislation;

- (c) if a credit activity has been engaged in without an ACL and no relevant exemption applies, obtain an order it considers appropriate so that no profiting can be made from the activity, to compensate for loss and to prevent loss. This could include an order declaring a contract, or part of a contract, to be void, varying the contract, refusing to enforce, ordering a refund of money or return of property, payment for loss or damage or being ordered to supply specified services;
- (d) in the case of a Debtor, vary the terms of a loan based on the grounds of hardship;
- (e) vary the terms of a loan where the contract may be considered unjust and reopen the transaction that gave rise to the Housing Loan;
- (f) in the case of a Debtor, reduce or cancel any interest rate payable on a Housing Loan which is unconscionable;
- (g) declare that all or certain provisions of a Housing Loan or Related Security which are in breach of the relevant Consumer Credit Legislation are void or unenforceable from the time it was entered or at all time on and after a specified day before the order is made; and
- (h) obtain restitution or compensation from Secure Funding in relation to any breach of the Consumer Credit Legislation in relation to a Housing Loan.

Applications may also be made to relevant external dispute resolution schemes which have the power to resolve disputes where the amount in dispute is \$500,000 or less. There is no ability to appeal from an adverse determination by an external dispute resolution scheme, including on the basis of bias, manifest error or want of jurisdiction.

Where a systemic contravention affects contract disclosures across multiple Housing Loans, there is a risk of a representative or class action under which a civil penalty could be imposed in respect of all affected Housing Loans. If a Debtor suffers any loss, orders for compensation may be made.

Under the Consumer Credit Legislation, ASIC will be able to make an application to vary the terms of a contract or a class of contracts on the above grounds if this is in the public interest (rather than limiting these rights to affected debtors).

Any such order (by a court or external dispute resolution scheme) may affect the timing or amount of interest, fees or charges or principal payments under the relevant Housing Loan (which might in turn affect the timing or amount of interest or principal payments under the Offered Notes).

Breaches of the Consumer Credit Legislation may also lead to civil penalties or criminal fines being imposed. The amount of any civil penalty payable to a Debtor may be set off against any amount payable by the Debtor under a Housing Loan.

With respect to regulated loans, Secure Funding is exposed to civil and criminal liability for certain violations caused in fact by the Trust Servicer or the Trust Originator. If Secure Funding is found to have been in breach of the Consumer Credit Legislation and is ordered to pay a sum of money as a result of that breach, Secure Funding may seek relief under the indemnity provided to it by the Trust Manager in the Master Management Deed. However, there is no guarantee that the Trust Manager will have the financial capability to pay any civil or criminal penalties which arise from Consumer Credit Legislation violations. Any shortfall between the amount payable by Secure Funding and the amount received from the Trust Manager will be satisfied by Secure Funding from the Assets of the Trust and may ultimately reduce the amount of funds available to make payments of interest and principal on the Offered Notes.

## *Unfair Terms*

Under the Trade Practices Amendment (Australian Consumer Law) Act (No. 1) 2010 (Cth) (“**Australian Consumer Law**”) a term of a standard-form consumer contract or (from 12 November 2016) a small business contract may be found unfair, and therefore void, if it causes a significant imbalance in the parties’ rights and obligations under the contract, is not reasonably necessary to protect the benefited party’s legitimate interests and it would cause financial or non-financial detriment to a party if applied or relied on.

The provisions in the Australian Consumer Law dealing with unfair terms commenced on 1 July 2010 and apply to new products (including new Housing Loans) entered into from that date. If the form of contract used for the Housing Loans, which are existing contracts, are standard form consumer contracts for the purposes of the provisions dealing with unfair terms, then the unfair terms provisions would apply to a Housing Loan to the extent that it is varied after 1 July 2010 (but only to that extent).

Also on 1 July 2010, Victoria amended its unfair terms regime (contained in Part 2B of the Fair Trading Act 1999 (Vic)) to follow the wording in the Commonwealth’s Australian Consumer Law. Victoria’s unfair terms regime had applied to certain loans since 10 June 2009.

Under the Australian Consumer Law, a term of a standard-form consumer contract will be unfair, and therefore void, if it causes a significant imbalance in the parties’ rights and obligations under the contract, is not reasonably necessary to protect the legitimate interests of the benefited party and it would cause detriment to a party if applied or relied on. A term that is unfair will be void however the contract will continue if it is capable of operating without the unfair term.

Under the Victorian regime, a term in a consumer contract would be unfair and therefore void if it is a prescribed unfair term or if a court or tribunal determines that in all the circumstances it causes a significant imbalance in the parties’ rights and obligations arising under the contract to the detriment of the consumer.

Housing Loans entered into before the application of either the Victorian or the Australian Consumer Law unfair terms regime will become subject to the Australian Consumer Law regime going forward if those contracts are renewed or a term is varied (although, where a term is varied, the regime only applies to the varied term).

If any terms in the Housing Loans were found to be unfair, this could lead to some of the expected principal, interest or fees in the Housing Loans not being repaid as expected and affect the yield on the Offered Notes.

Any finding that a term of a Housing Loan is unfair and therefore void may, depending on the relevant term, affect the timing or amount of principal repayments under the relevant Housing Loan which may in turn affect the timing or amount of interest and principal payments under the Offered Notes.

Further, we note that the Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Act 2015 (Cth) (“**Small Business Unfair Terms Act**”) was passed on 20 October 2015 and has the effect of extending the unfair contract terms regime to small business contracts. The extended unfair contract terms regime came into effect on 12 November 2016.

The Housing Loans that will be affected are those where:

- (a) at least one party is a business that employs less than 20 people;
- (b) the upfront price payable under the contract is:

- (i) \$300,000 or less; or
- (ii) \$1,000,000 or less, if the contract is for more than 12 months; and
- (c) subject to limited exemptions, the contract is a standard form contract for the supply of goods or services or grant of an interest in land.

### **3.7 Delinquency/Default Risk**

The failure by Debtors to make payments on the Housing Loans when due may result in Secure Funding having insufficient funds available to make full payments of interest and principal to Liberty Funding as the Holder of the Trust Notes and, consequently, may result in Liberty Funding having insufficient funds available to make full payments of interest and principal to the Holders of the Offered Notes.

If Debtors fail to make payments of interest or principal under the Housing Loans when due, the Trust Servicer has no obligation to make any payments or advances to cover the delinquent payments.

If Debtors fail to make payments of interest or principal under the Housing Loans when due and credit enhancements described in this Offering Circular are not enough to protect the Notes from the Debtors' failure to pay, then Liberty Funding may not have enough funds to make full payments of interest and principal due on the Offered Notes. Consequently, the yield on the Offered Notes could be lower than expected and Holders of the Offered Notes could suffer losses.

A wide variety of factors of legal, economic, political or other nature could affect the performance of Debtors in making payments of interest and principal under the Housing Loans. In particular, if interest rates increase significantly, Debtors may experience distress and increased default rates on the Housing Loans may result. In addition, under Consumer Credit Legislation, a court may order a Housing Loan to be varied on the grounds of hardship (see section 3.6).

If a Debtor defaults on payments under a Housing Loan and the Trust Servicer enforces the mortgage and takes possession of the relevant property, many factors may affect the price at which the property is sold and the length of time taken to complete such sale. Any delay or loss incurred in this process may affect the ability of Liberty Funding to make payments, and the timing of those payments, in respect of the Offered Notes. A realised loss may be allocated on the Offered Notes, and Holders of the Offered Notes may suffer a loss.

### **3.8 Seasoning of the Housing Loans**

As of the Cut-Off Date some of the Housing Loans may not be fully seasoned and may display different characteristics until they are fully seasoned. In addition, defaults on Housing Loans tend to occur at higher rates during the early years of the Housing Loans. As a result, the Trust may experience higher rates of defaults than if the Housing Loans had been outstanding for a longer period of time.



### **3.9 Termination of Appointment of Secure Funding (as trustee of the Trust)**

The appointment of Secure Funding (as trustee of the Trust) may be terminated in certain circumstances. See section 18.3. If the appointment of Secure Fund (as trustee of the Trust) is terminated, a substitute will need to be found to perform the trustee role for the Trust. The appointment of a substitute will not have effect until a Rating Notification has been provided. There is no guarantee that such a substitute will be found or that the substitute will be able to perform its duties with the same level of skill and competence.

To minimise the risk of finding a suitable substitute trustee, the Master Trust Deed provides that Perpetual Trustee Company Limited (“**Perpetual**”) must use its best endeavours, from the date of termination of the appointment of Secure Funding (as trustee of the Trust), until the earlier of the appointment of a new trustee and the retirement of Perpetual as Trust Standby Trustee, act as trustee of the Trust and as issuer of the Trust Notes.

### **3.10 Termination of Appointment of Liberty Financial as the Trust Manager and Trust Servicer**

The appointment of Liberty Financial as the Trust Manager and the Trust Servicer may be terminated in certain circumstances. See section 18.5 and section 18.6 respectively. If the appointment of Liberty Financial as either the Trust Manager or the Trust Servicer is terminated, a substitute will need to be found to perform the relevant role for the Trust. There is no guarantee that such a substitute will be found or that the substitute will be able to perform its duties with the same level of skill and competence.

To minimise the risk of finding a suitable substitute Trust Servicer, Secure Funding and the Trust Servicer have entered into the Master Servicer Deed with Perpetual as “Trust Standby Servicer”. Furthermore, in order to minimise the risk of finding a suitable substitute Trust Manager, Secure Funding and the Trust Manager have entered into the Master Management Deed with Perpetual as “Trust Standby Manager”. Perpetual has agreed to act as Trust Servicer or Trust Manager (as the case may be) from the date of termination of the appointment of the Trust Manager or the Trust Servicer (as the case may be) until the earlier of the appointment of a replacement Trust Manager or Trust Servicer (as applicable) and the retirement of Perpetual as Trust Standby Manager or Trust Standby Servicer (as applicable).

### **3.11 Termination of Appointment of Liberty Financial as the Series Manager**

The appointment of Liberty Financial as the Series Manager may be terminated in certain circumstances. See section 19.9. If the appointment of the Series Manager is terminated, a substitute will need to be found to perform the role of Series Manager for the Series. The appointment of a substitute will not have effect until a Rating Notification has been provided. There is no guarantee that such a substitute will be found or that the substitute will be able to perform its duties with the same level of skill and competence.

To minimise the risk of finding a suitable substitute Series Manager, Liberty Funding and the Series Manager have entered into the Series Management Deed with Perpetual as “Series Standby Manager”. Perpetual has agreed to act as Series Manager from the date of termination of the appointment of the Series Manager until the earlier of the appointment of a replacement Series Manager and the retirement of Perpetual as Series Standby Manager.

### **3.12 Series Master Security Trust Deed and Series General Security Deed**

If a Series Event of Default occurs while any Offered Notes are outstanding, the Series Security Trustee may, and if directed to do so by an Extraordinary Resolution of Series Secured Creditors

must, enforce the Series Charge in accordance with the terms of each of the Series Master Security Trust Deed and the Series General Security Deed. That enforcement may include the sale of the Series Assets.

Following the enforcement of the Series Charge and sale of the Series Assets, the Series Security Trustee will be required to apply moneys otherwise available for distribution in the order of priority described in section 17.6. However, no assurance can be given that the Series Security Trustee will be in a position to sell the Series Assets for an amount equal to the then outstanding amount under the Housing Loans held in the Trust. Accordingly, the Series Security Trustee may not be able to realise an amount equal to the full value of the underlying Housing Loans.

The moneys available to the Series Security Trustee for distribution may not be sufficient to satisfy in full the claims of all or any of the Series Secured Creditors and this may have an impact upon Liberty Funding's ability to repay all amounts outstanding in relation to the Offered Notes and absent sufficient credit support, Holders of the Offered Notes may suffer a loss.

Neither the Series Security Trustee nor Liberty Funding will have any liability to the Series Secured Creditors in respect of any such deficiency.

### **3.13 Nature of Security**

Under the Series General Security Deed, Liberty Funding grants a security interest over all the Series Assets in favour of the Series Security Trustee to secure the payment of monies owing to the Series Secured Creditors, including, among others, the Holders of the Notes, the Series Security Trustee, the Series Registrar and the Series Manager.

The security interest operates as a floating charge over the Series Collateral which constitute "revolving assets" and a fixed charge over all other Series Collateral (which includes the Trust Notes).

The Series General Security Trust Deed provides that Liberty Funding may only deal with the Series Collateral the subject of the fixed charge (including the Trust Notes) if expressly permitted to do so under the Series Transaction Documents of the Series Security Trustee (at the direction of an Extraordinary Resolution of the Voting Secured Creditors) consents.

### **3.14 Ratings**

The credit ratings of the Offered Notes should be evaluated independently from similar ratings on other types of notes or securities. A credit rating by a Current Rating Agency is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, qualification or withdrawal at any time by a Current Rating Agency. A revision, suspension, qualification or withdrawal of the credit rating of the Offered Notes may adversely affect the price of the Offered Notes. In addition, the credit ratings of the Offered Notes do not address the expected timing of principal repayments under the Offered Notes, only that principal will be received no later than the Final Maturity Date.

### **3.15 Goods and Services Tax ("GST")**

The GST in Australia may decrease the funds otherwise available to the Trust and Secure Funding to make payments on the Trust Notes or the funds otherwise available to Liberty Funding to make payments on the Offered Notes.

A GST is payable on a taxable supply which is made by an entity which is registered or required to be registered for GST. Some service providers that provide services to the Trust or Liberty Funding will be liable for GST in respect of such supplies and may pass on that additional cost to

the Trust or Liberty Funding (as the case may be) where the supplier has a contractual entitlement to do so. To the extent that the Trust or Liberty Funding (as the case may be) cannot recoup the amount it pays to a service provider on account of GST, by way of an equivalent input tax credit or reduced input tax credit, it may have less funds available to meet its obligations. In certain circumstances, the Trust or Liberty Funding (as the case may be) may also have a direct liability to pay GST to the Australian Taxation Office.

### **3.16 Geographic Concentration of Housing Loans**

As at the Issue Date, approximately 37.76% (by balance outstanding as of the Cut-Off Date) of Housing Loans will be secured by properties located in New South Wales, approximately 35.69% (by balance outstanding as of the Cut-Off Date) of Housing Loans will be secured by properties located in Victoria, approximately 14.79% (by balance outstanding as of the Cut-Off Date) of Housing Loans will be secured by properties in Queensland and approximately 5.97% (by balance outstanding as of the Cut-Off Date) of Housing Loans will be secured by properties in Western Australia.

New South Wales is the largest state in Australia by population and New South Wales' capital city, Sydney, is the largest city in Australia by population. Victoria is the second largest state in Australia by population and Victoria's capital city, Melbourne, is the second largest city in Australia by population. Queensland is the third largest state in Australia by population and Queensland's capital city, Brisbane, is the third largest city in Australia by population. Western Australia is the fourth largest state in Australia by population and Western Australia's capital city, Perth, is the fourth largest city in Australia by population.

To the extent that these regions experience weaker economic conditions in the future, this may increase the likelihood of Debtors with Housing Loans in these regions missing scheduled instalments or defaulting on those Housing Loans. In such circumstances, the values of properties in those regions may also fall, leading to the possibility of a loss in the event of enforcement and, absent sufficient credit support, a realised loss may be allocated to the Offered Notes.

In addition, these states or regions may experience natural disasters, which may not be fully insured against and which may result in property damage and losses on the Housing Loans. These events may have an impact on the funds available to the Trust, which could cause Holders of the Offered Notes to suffer losses.

None of Liberty Funding, the Series Manager, Secure Funding, the Trust Manager or the Trust Servicer can quantify whether there has been a decline in the value of properties since the settlement of the Housing Loans or the extent to which there may be a decline in the value of properties in the future.

### **3.17 Breach of Representation or Warranty**

The Trust Originator will make certain representations and warranties to Secure Funding and to the Trust Security Trustee in relation to the Housing Loans to be assigned or Redesignated (as the case may be) to Secure Funding, as of the Cut-Off Date. The only remedy for a breach of a related representation or warranty is an action against the Trust Originator for any damage suffered by Secure Funding as a result of a breach. In the event such party cannot pay any such damages, Secure Funding may experience a loss on such Housing Loans.

### **3.18 Ability to Change Features of Housing Loans**

The Trust Manager may initiate certain changes to the Housing Loans. Most frequently, the Trust Manager will change the interest rate applying to a Housing Loan. In addition, subject to certain

conditions, the Trust Manager may from time to time offer additional features and/or products with respect to the Housing Loans.

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

### **3.19 Offering Circular Responsibility**

The Series Manager and Liberty Funding, take primary responsibility for the Offering Circular. In the event a Holder of an Offered Note suffers a loss due to any untrue statement of a material fact contained in this Offering Circular, or any omission to state therein a material fact required to be stated in order to make the statements therein, in light of the circumstances under which they were made, not misleading, such Holder will not have recourse to the assets of Liberty Funding, except in respect of the Series, or the Series Assets.

### **3.20 Australian Economic Conditions**

If the Australian economy were to experience a downturn, an increase in unemployment, a fall in real property values, further increases in interest rates or any combination of these factors, delinquencies or losses on the Housing Loans might increase, which might cause losses to be allocated to the Offered Notes.

### **3.21 Australian Tax Reform Proposals**

There are certain proposed measures, which, depending on the form in which they are ultimately enacted, may impact the tax treatment of the Trust and/or the Series. To the extent that the proposed changes result in Secure Funding and/or Liberty Funding having less funds available to meet its respective obligations (which should be unlikely), the Holders of the Offered Notes may suffer a loss.

### **3.22 Interest Withholding Tax**

If any Australian interest withholding tax is withheld or deducted from payments in relation to interest on the Offered Notes, Holders of the Offered Notes will not be entitled to receive any additional (or grossed-up) amounts to compensate for the withholding tax. In that case, Holders of the Offered Notes will receive less interest than is scheduled to be paid on each Payment Date and may receive less principal at the maturity date of the Offered Notes.

### **3.23 Termination Payments Under Each Swap**

On the termination of an Interest Rate Swap, a termination payment will be due either from Secure Funding to the Interest Rate Swap Provider or vice versa. If the Interest Rate Swap Provider is required to make a termination payment to Secure Funding on termination of an Interest Rate Swap, then the Trust will be exposed to credit risk in relation to the capacity of the Interest Rate Swap Provider to make that termination payment.

On the termination of a Currency Swap, a termination payment will be due either from Liberty Funding to the Currency Swap Provider or vice versa. If the Currency Swap Provider is required to make a termination payment to Liberty Funding on termination of a Currency Swap, then the Series will be exposed to credit risk in relation to the capacity of the Currency Swap Provider to make that termination payment.

### **3.24 The availability of the Currency Swap with respect to payment on the Class A1c Notes will ultimately be dependent on the financial condition of National Australia Bank**

National Australia Bank is acting as the Currency Swap Provider. Accordingly, the availability of the currency swap will ultimately be dependent on the financial strength of National Australia Bank (or any replacement in the event that National Australia Bank resigns or is removed from acting in any such capacities and a replacement is appointed).

There are provisions in the Currency Swap Agreement that provide for the replacement of National Australia Bank Limited as Currency Swap Provider or the posting of collateral by National Australia Bank Limited, in the event that the ratings of National Australia Bank are reduced below certain levels provided for in the Currency Swap Agreement.

There is no assurance that:

- (a) Liberty Funding would be able to find a replacement for National Australia Bank as Currency Swap Provider within the timeframes prescribed in the Currency Swap Agreement; or
- (b) National Australia Bank will post collateral in the full amount required under the terms of the Currency Swap Agreement.

If National Australia Bank (or any replacement currency swap provider) encounters financial difficulties which impede or prohibit the performance of its obligations under the Currency Swap

Agreement, Liberty Funding may not have sufficient funds to timely pay the full amount of interest and interest due on the Class A1c Notes.

### **3.25 The availability of the Liquidity Facility with respect to payment on the Offered Notes will ultimately be dependent on the financial condition of Commonwealth Bank of Australia**

Commonwealth Bank of Australia is acting as the Liquidity Facility Provider. Accordingly, the availability of the Liquidity Facility will ultimately be dependent on the financial strength of Commonwealth Bank of Australia (or any replacement in the event that Commonwealth Bank of Australia resigns or is removed from acting in such capacity and a replacement is appointed).

There are provisions in the Liquidity Facility Agreement that provide for the replacement of Commonwealth Bank of Australia as Liquidity Facility Provider or the posting of collateral by Commonwealth Bank of Australia, in the event that the ratings of Commonwealth Bank of Australia are reduced below certain levels provided for in the Liquidity Facility Agreement.

There is no assurance that:

- (a) Secure Funding would be able to find a replacement for Commonwealth Bank of Australia as Liquidity Facility Provider; or
- (b) Commonwealth Bank of Australia will post collateral in the full amount required under the terms of the Liquidity Facility Agreement.

If Commonwealth Bank of Australia (or any replacement liquidity facility provider) encounters financial difficulties which impede or prohibit the performance of its obligations under the Liquidity Facility Agreement, Secure Funding may not have sufficient funds to timely pay the full amount of interest due on the Trust Notes, and in turn Liberty Funding may not have sufficient funds to timely pay the full amount of interest due on the Offered Notes.

### **3.26 Origination Criteria**

The Trust Originator's underwriting standards may be less restrictive from those of other Australian mortgage lenders with respect to a Debtor's credit history and other facts. A lack of credit history will not necessarily prevent the Trust Originator from making a loan. As a result, the Trust may experience higher rates of delinquencies, defaults and losses than if the Housing Loans were underwritten in a manner which is consistent with prime mortgage lenders.

### **3.27 Not Suitable for All Investors**

The Offered Notes are not a suitable investment for any investor that requires a regular or predictable schedule of payments or payment on any specific date. The Offered Notes are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyse the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

Mortgage-backed securities, like the Offered Notes, usually produce more returns of principal to investors when market interest rates fall below the interest rates on the Housing Loans and produce less returns of principal when market interest rates rise above the interest rates on the Housing Loans. If Debtors refinance their Housing Loans as a result of lower interest rates, Holders of the Offered Notes will receive an unanticipated payment of principal. As a result, Holders of the Offered Notes are likely to receive more money to reinvest at a time when other investments generally are producing a lower yield than that on the Offered Notes and are likely to

receive less money to reinvest when other investments generally are producing a higher yield than that on the Offered Notes. Holders of the Offered Notes will bear the risk that the timing and amount of distributions on the Offered Notes will prevent you from attaining the desired yield.

### **3.28 Yield to Maturity**

The pre-tax yield to maturity on the Offered Notes is uncertain and will depend on a number of factors. One such factor is the uncertain rate of return of principal. The amount of distributions of principal on the Notes and the time when those distributions are received depend on the amount and the times at which Debtors make principal payments on the Housing Loans. The principal payments may be regular scheduled payments or unscheduled payments resulting from prepayments of the Housing Loans.

### **3.29 Proceeds on Enforcement**

If a Series Event of Default occurs and the security interest granted under the Series General Security Deed is enforced prior to the Final Maturity Date, the amounts available to the Holders of the Offered Notes will be limited to the Series Assets. If the realised enforcement process requires some or all of the Series Assets to be liquidated, then the realised proceeds of such liquidation may be affected by general conditions in Australia or elsewhere at the relevant time, including but not limited to market, political, legal, economic or conditions of another nature. If such conditions are adverse at the time of enforcement, then the liquidation proceeds may be lower than they would have been at other times which may cause losses to be allocated to the Notes.

### **3.30 Personal Property Security regime**

A personal property securities regime commenced operation throughout Australia on 30 January 2012 (“**PPSA Start Date**”). The Personal Property Securities Act 2009 (Cth) (“**PPSA**”) established a national system for the registration of security interests in personal property, together with rules for the creation, priority and enforcement of security interests in personal property.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages. However, they also include transactions that in substance, secure payment or performance of an obligation but may not, prior to the PPSA Start Date, have been legally classified as securities. Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation - these deemed security interests include assignments of receivables and certain leases of goods.

A person who holds a security interest under the PPSA will need to register (or otherwise perfect) the security interest to ensure that the security interest has priority over competing interests (and in some cases, to ensure that the security interest survives the insolvency of the grantor). If they do not do so:

- (a) another security interest may take priority; or
- (b) another person may acquire an interest in the assets which are subject to the security interest free of their security interest; and
- (c) they may not be able to enforce the security interest against a grantor who becomes insolvent.

The security granted by Liberty Funding under the Series General Security Deed is a security interest under the PPSA. The security granted by Secure Funding under the Trust General

Security Deed and the transfer of Housing Loans from each Seller Series and each Seller Trust to Secure Funding are security interests under the PPSA. The Series Manager and the Trust Manager, as applicable, intend to effect registrations of these security interests by way of a registration on the Personal Property Securities Register. The Transaction Documents may also contain other security interests. Each of the Series Manager and the Trust Manager has undertaken in the Issue Supplement and the Supplementary Terms Notice (as applicable) that if it determines that any other such security interests arise and that failure to perfect those security interests could have material adverse effect upon the Series Secured Creditors or the Trust Secured Creditors (as applicable) that it will give certain directions to take appropriate action to perfect such security interests under the PPSA.

Under the Trust General Security Deed, Secure Funding has agreed to not do anything to create any encumbrances over the Assets of the Trust other than in accordance with the Transaction Documents. Under the Series General Security Deed, Liberty Funding has agreed to not do anything to create any encumbrances over the Series Assets other than in accordance with the Transaction Documents.

However, under Australian law:

- dealings by Secure Funding or Liberty Funding with the Assets of the Trust or the Series Assets (as applicable) in breach of such undertaking may nevertheless have the consequence that a third party acquires title to the relevant Assets of the Trust or the Series Assets (as applicable) free of the security interest created under the Trust General Security Deed or Series General Security Deed (as applicable) or another security interest over such Assets of the Trust or the Series Assets (as applicable) has priority over that security interest; and
- contractual prohibitions upon dealing with the Assets of the Trust or the Series Assets (as applicable) (such as those contained in the Trust General Security Deed and the Series General Security Deed) will not of themselves prevent a third party from obtaining priority or taking such Assets of the Trust or the Series Assets (as applicable) free of the security interest created under the Trust General Security Deed or the Series General Security Deed (as applicable) (although the Trust Security Trustee or the Series Security Trustee (as applicable) would be entitled to exercise remedies against Secure Funding or Liberty Funding (as applicable) in respect of any such breach by Secure Funding or Liberty Funding).

Whether this would be the case, depends upon matters including the nature of the dealing by Secure Funding or Liberty Funding, the particular Asset of the Trust or the Series Assets (as applicable) concerned and the agreement under which it arises and the actions of the relevant third party.

There is uncertainty on aspects of the implementation of the PPSA regime because the PPSA significantly alters the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

### **3.31 European Union Risk Retention & Due Diligence Requirements**

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Offered Notes are responsible for analysing their own regulatory



position and none of Secure Funding, Liberty Funding, the Joint Lead Managers, the Arranger, the Dealers, the Series Manager, the Trust Manager or any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Offered Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

Articles 404 – 410 (inclusive) of Regulation (EU) No 575/2013 of the European Parliament and Council (“**CRR**”) as supplemented by Commission Delegated Regulation (EU) No 625/2014 and Commission Implementing Regulation (EU) No 602/2014, came into force on 1 January 2014 in the Member States of the European Union and have been implemented by national legislation in the other Member States of the European Economic Area.

Article 405 of the CRR restricts ‘credit institutions’ and ‘investment firms’ (each as defined in the CRR) and the consolidated group subsidiaries thereof (each, a “**CRR Investor**”) from investing in or being exposed to a ‘securitisation’ (as defined in the CRR) unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the CRR Investor that it will retain, on an ongoing basis, a net economic interest of at least 5 per cent in that securitisation in the manner contemplated by CRR Article 405.

Article 406 of the CRR also requires that a CRR Investor be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the notes it has acquired and the underlying exposures, and that procedures have been established for monitoring the performance of the underlying exposures on an on-going basis. Failure to comply with one or more of the requirements set out in CRR Articles 405 and 406 may result in the imposition of a penal capital charge with respect to the investment made in the securitisation by the relevant CRR Investor.

Investors should also be aware of Article 17 of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) as supplemented by Section 5 of Chapter III of the Commission Delegated Regulation (EU) No 231/2013 (“**AIFMD**”), and Article 135(2) of the European Union Solvency II Directive 2009/138/EC, as supplemented by Articles 254-257 of Commission Delegated Regulation (EU) No 2015/35 (“**Solvency II**”), which introduced risk retention and due diligence requirements similar to those set out in Articles 404 – 410 of the CRR and apply, respectively, to EEA regulated alternative investment fund managers and EEA regulated insurance/reinsurance undertakings (together with those requirements under the CRR, the “**Existing EU Retention Rules**”). While such requirements are similar to those that apply under the CRR, they are not identical and, in particular, additional due diligence obligations apply to investors under the AIFMD and Solvency II.

On 17 January 2018, Regulation EU 2017/2402 laying down a general framework for securitisation and creating a framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, and Regulation EU 2017/2401 containing related amendments to the CRR (collectively, the “**New Securitisation Regulations**”) entered into force in the European Union. The new securitisation risk retention and due diligence rules under the New Securitisation Regulations (the “**New EU Retention Rules**”) will apply to securitisations in respect of which the relevant securities are issued on or after 1 January 2019. The aim of the New Securitisation Regulations is to create a harmonised securitisation framework within the European Union.

In addition to applying to any investor regulated by the Existing EU Retention Rules, the New EU Retention Rules will also apply to EEA management companies and funds regulated pursuant to the Undertakings for Collective Investment in Transferable Securities Directive (Directive 2009/65/EC) (collectively “**UCITS**”) and to institutions for occupational retirement provision

falling within the scope of Directive (EU) 2016/2341 and certain other entities appointed by such institutions (collectively, “**IORPS**”).

Under the New Securitisation Regulations, the Existing EU Retention Rules will continue to apply to securitisations in respect of which the relevant securities are issued before 1 January 2019 (“**Pre-2019 Securitisations**”), as is the case with the Offered Notes. However, the New Securitisation Regulations make no express provision as to the application of any investment restrictions or due diligence requirements, whether under the Existing EU Retention Rules, the New EU Retention Rules or under the New Securitisation Regulation, to UCITS or IORPS that hold or acquire any interest in respect of a Pre-2019 Securitisation; and, accordingly, it is not known what requirements (if any) may be applicable thereto.

There are material differences between the New EU Retention Rules and the Existing EU Retention Rules. Although the primary legislative process has reached its end, it is expected that there will be secondary legislation and guidance notes in regards to the interpretation of the New EU Retention Rules and the changes from the Existing EU Retention Rules. In particular, the timing for the adoption of the new risk retention regulatory technical standards under the New EU Retention Rules is uncertain. Until such new regulatory technical standards are adopted, investors in securitisations in respect of which the relevant securities are issued on or after 1 January 2019 and which are within scope of the Existing EU Retention Rules will be required to comply with the existing regulatory technical standards.

In this Offering Circular, the Existing EU Retention Rules together with the New EU Retention Rules are referred to as the “**EU Retention Rules**” (which, in each case, do not take into account any relevant national measures) and any investor subject to the EU Retention Rules is referred to as an “**Affected Investor**”.

Liberty Financial in favour of Liberty Funding, each Joint Lead Manager and the Class A1c Note Trustee has irrevocably and unconditionally undertaken (as originator) to retain, on an ongoing basis for so long as any Note remains outstanding, a net economic interest in the transaction contemplated by the Transaction Documents by retention of randomly selected exposures, equivalent to no less than 5% of the nominal value of the securitised exposures measured as at the Issue Date, where such exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is no less than 100 at origination in accordance with paragraph 1(c) of Article 405 of the CRR, Article 51(1)(c) of Commission Delegated Regulation (EU) No 231/2013 and Article 254(2)(c) of Commission Delegated Regulation (EU) 2015/35.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the requirements of the EU Retention Rules (and any implementing rules in relation to a relevant jurisdiction); and (ii) as to the sufficiency of the information described in this Offering Circular, and which may otherwise be made available to investors, for the purposes of complying with the EU Retention Rules. None of Liberty Funding, Liberty Financial Pty Limited, Liberty Credit Enhancement Company Pty Ltd, Secure Funding Pty Limited, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents (i) makes any representation that the information described in this Offering Circular, or any other information which may be made available to investors, are sufficient in all circumstances for the purposes of the EU Retention Rules; or (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any failure of the transactions contemplated in this Offering Circular to comply with or otherwise satisfy the requirements of the EU Retention Rules or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by an Affected Investor to enable compliance by the Affected Investor with the requirements of the EU Retention Rules or any other applicable legal, regulatory or other requirements.

Prospective investors are themselves responsible for monitoring and assessing changes to the EU Retention Rules and their regulatory capital requirements. Each Affected Investor should consult with their own legal and regulatory advisors to determine whether, and to what extent, the information described is sufficient for compliance by that Affected Investor with any applicable EU Retention Rules. In the event that a regulator determines that the transaction did not comply or is no longer in compliance with the EU Retention Rules or the Affected Investor has insufficient information to satisfy its due diligence and/or ongoing monitoring requirements under the EU Retention Rules, then an Affected Investor may be required by its regulator to set aside additional capital against its investment in the Notes or take other remedial measures in respect of its investment in the Notes.

There can be no assurance that the regulatory capital treatment of the Offered Notes for any investor will not be affected by any future implementation of, and changes to, the EU Retention Rules or other regulatory or accounting changes.

### **3.32 U.S. Risk Retention Rules**

The final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the “**U.S. Risk Retention Rules**”) require the “sponsor” of a securitisation transaction (or majority-owned affiliate of the sponsor), unless an exemption exists, to retain five per cent. of the credit risk of the assets collateralising the asset-backed securities. Under the U.S. Risk Retention Rules, a “sponsor” means a person who organises and initiates a securitisation transaction by selling or transferring assets, either directly or indirectly, including through an affiliate, to the issuing entity. The sponsor (or its “majority-owned affiliate”) is generally prohibited from directly or indirectly eliminating or reducing such credit risk by hedging or otherwise transferring the retained credit risk.

The Trust Originator intends to use the “Safe harbor for certain foreign-related transactions” contained in the U.S. Risk Retention Rules (the “**Foreign Safe Harbor**”). There are a number of requirements which must be satisfied in order to rely on the Foreign Safe Harbor including:

- (a) no more than 10 per cent. of the fair value of all Offered Notes may be sold or transferred to “U.S. persons” (as defined in the U.S. Risk Retention Rules) or for the account or benefit of “U.S. persons” (as defined in the U.S. Risk Retention Rules); and
- (b) no more than 25 per cent. (as determined based on the unpaid principal balance) of the pool of Housing Loans may be acquired by the Trust Originator or Liberty Funding, directly or indirectly, from: (i) a majority-owned affiliate of the Trust Originator or Liberty Funding that is chartered, incorporated, or organised under the laws of the United States or any State; or (ii) an unincorporated branch or office of the Trust Originator or Liberty Funding that is located in the United States or any State.

Prospective investors and any transferee during the Restricted Period should note that the definition of “U.S. person” in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of “U.S. person” in Regulation S.

No person makes any representation to any prospective investor or purchaser of the Offered Notes as to whether the transaction described in this Offering Circular complies with the U.S. Risk Retention Requirements on the Issue Date or at any time in the future. In no case will the Trust Originator be required to acquire Notes to comply with the U.S. Risk Retention Rules.

The impact of the U.S. Risk Retention Rules on the securitisation market continues to be uncertain, and any negative impact on secondary market liquidity for the Offered Notes may be

experienced immediately, due to effects of the rule on market expectations or uncertainty, the relative appeal of alternative investments not impacted by the rule or other factors.

The statements contained herein regarding the U.S. Risk Retention Rules are based on publicly available information solely as of the date of this Offering Circular. No assurance can be given that the U.S. Risk Retention Rules will not change or be superseded by changes in law. There is no established line of authority, precedent or market practice that provides guidance with respect to compliance with the U.S. Risk Retention Rules in connection with any actions of Liberty Funding after the rule becomes effective. Moreover, any applicable governmental authority or regulator could provide guidance or state views on compliance with the U.S. Risk Retention Rules that materially alter current interpretations or views with respect to the U.S. Risk Retention Rules.

Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

### **3.33 FATCA**

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”) establish a new due diligence, reporting and withholding regime. FATCA aims to detect U.S. taxpayers who use accounts with “foreign financial institutions” (“**FFIs**”) to conceal income and assets from the U.S. Internal Revenue Service (“**IRS**”).

#### ***FATCA withholding***

Under FATCA, a 30% withholding may be imposed (i) in respect of certain payments of U.S. source income, (ii) from 1 January 2019 in respect of gross proceeds from the sale or disposition of property that produce interest or dividends which are U.S. source income and (iii) from 1 January 2019, at the earliest, in respect of “foreign passthru payments” (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities (which may include Secure Funding and Liberty Funding) that fail to meet certain certification or reporting requirements (“**FATCA withholding**”).

A FATCA withholding may be required if (i) an investor does not provide information sufficient for Secure Funding, Liberty Funding or any other financial institution through which payments on the Offered Notes are made to determine whether the investor is subject to FATCA withholding or (ii) an FFI to or through which payments on the Offered Notes are made is a “non-participating FFI”.

If the Offered Notes are treated as debt for U.S. federal income tax purposes and the payment is made under a grandfathered obligation, FATCA withholding is not expected to apply. Generally, a grandfathered obligation is any obligation issued on or before the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register.

#### ***Australian IGA***

Australia and the United States signed an intergovernmental agreement (“**Australian IGA**”) in respect of FATCA on 28 April 2014. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the Australian IGA (“**Australian IGA Legislation**”).

Australian financial institutions which are Reporting Australian Financial Institutions under the Australian IGA must comply with specific due diligence procedures to identify their account

holders (e.g. the Holders) and provide the Australian Taxation Office (“ATO”) with information on financial accounts (for example, the Offered Notes) held by U.S. persons and recalcitrant account holders and on payments made to non-participating FFIs. The ATO is required to provide such information to the IRS. Consequently, Holders may be requested to provide certain information and certifications to Secure Funding, Liberty Funding and to any other financial institutions through which payments on the Offered Notes are made in order for Secure Funding, Liberty Funding and such financial institutions to comply with their FATCA obligations.

A Reporting Australian Financial Institution (which may include Secure Funding and Liberty Funding) that complies with its obligations under the Australian IGA will not generally be subject to FATCA withholding on amounts it receives, and will not generally be required to deduct FATCA withholding from payments it makes with respect to the Offered Notes, other than in certain prescribed circumstances.

***No additional amounts paid as a result of FATCA withholding***

In the event that any amount is required to be withheld or deducted from a payment on the Offered Notes as a result of FATCA, no additional amounts will be paid by Liberty Funding as a result of the deduction or withholding. Liberty Funding may have certain obligations as a result of the Australian IGA. As such, Holders will be required to provide any information or tax documentation that Liberty Funding determines are necessary to comply with FATCA, the Australian IGA or the Australian IGA Legislation. Liberty Funding’s ability to satisfy such obligations will depend on each Holder providing, or causing to be provided, any information and tax documentation, including information concerning the direct or indirect owners of such Holder, that Liberty Funding determines are necessary to satisfy such obligations.

FATCA is particularly complex legislation. Each Holder of Offered Notes should consult its own tax advisor to obtain a more detailed explanation of FATCA and the Australian IGA and to determine how they might affect such holder in its particular circumstance.

**3.34 Common Reporting Standard**

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“CRS”) will require certain financial institutions to report information regarding certain accounts (which may include the Offered Notes) to their local tax authority and follow related due diligence procedures. Holders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

### 3.35 Ipso Facto Moratorium

On 18 September 2017, the *Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017* (Cth) (“**TLA Act**”) received Royal Assent.

The TLA Act enacted reform (known as “**ipso facto**”) which varies the enforceability of certain contractual rights against Australian companies which are subject to one of the following insolvency-related procedures (“**Applicable Procedures**”):

- a scheme of arrangement for the purpose of avoiding being wound up in insolvency;
- the appointment of a managing controller (that is, a receiver or other controller with management functions or powers); or
- the appointment of an administrator.

The ipso facto reform deems contractual rights unenforceable if they arise for specified reasons. In effect, the reform imposes a stay or moratorium on the enforcement of contractual rights while the company is subject to the Applicable Procedure (the “**stay**”). The length of the stay depends on the Applicable Procedure and the type of stay concerned.

In summary:

- **Appointment Trigger:** Any right which triggers for the reason of the appointment of administrators, receivers or the proposal of an arrangement or compromise to creditors to avoid being wound up in insolvency will not be enforceable;
- **Financial Position Protection:** Any rights which arise for the reason of adverse changes in the financial position of a company which is in administration, has receivers appointed or is proposing a scheme to avoid being wound up in insolvency will not be enforceable. That is, the company has protection as a result of adverse changes in its financial position during the Applicable Procedure. Once the Applicable Procedure has ended, the financial position protection also ends (except in limited exceptions where the company is wound up, in which case the financial position protection continues).
- **Anti-Avoidance:** The TLA Act contains very broad anti-avoidance provisions. For example:
  - (i) The TLA Act deems that any contractual provision which is “*in substance contrary to*” the other stays will also be unenforceable.
  - (ii) Any self-executing provision which is expressed to automatically trigger rights otherwise subject to the stay is unenforceable.

The ipso facto reform has not yet commenced. It will apply to contracts, agreements or arrangements entered into on or after the commencement date, being the earlier of 1 July 2018 or a day fixed by Proclamation (“**Effective Date**”). However, there is a risk that amendments made to contracts on or after the Effective Date may be treated as new contracts, agreements or arrangements for the purposes of the TLA Act, and they may attract the operation of the stay.

A consultation draft of regulations and a ministerial declaration (“**Rules and Regulations**”) was released for public consultation on 17 April 2018. The final Rules and Regulations are expected to have a significant effect on the scope and application of the ipso facto reform, including by providing for specific types of rights and contracts to be carved out of the operation of the stay (in particular, the draft Regulations and Rules provides that any “ipso facto” rights under a contract,

agreement or arrangement to which a special purpose vehicle is a party will not be the subject of the ipso facto stay).

The consultation period for the draft Regulations and Rules closes on 11 May 2018 and the final versions such Rules and Regulations are expected to be made and published prior to 1 July 2018.

Until the Regulations and Rules have been finalised, the scope of the ipso facto reform and its potential effect on the Transaction Documents and Notes remains uncertain.

### **3.36 Regulatory reforms may impact on the Offered Notes or on the Trust or Liberty Funding**

Changes in the regulation of mortgage loans and lenders such as Secure Funding or Liberty Funding, by consumer or prudential regulators in Australia, may have an impact on the business and assets of Secure Funding and Liberty Funding and have an impact on the Offered Notes. Investors should consult with their own legal, regulatory, tax, business, financial, accounting and investment advisors regarding the potential impact on them and the related compliance issues.

No assurance can be given that any regulatory reforms will not have an impact on the regulation of the Trust or Liberty Funding.

### **3.37 Registered Global Notes**

Unless and until Definitive Class A1c Notes are issued in exchange for the Registered Global Notes, which will only occur if an Exchange Event occurs, holders and beneficial owners of Registered Global Notes will not be considered the legal owners or holders of the Class A1c Notes under the Note Trust Deed. After payment to the Class A1c Note Principal Paying Agent, Liberty Funding will not have responsibility or liability for the payment of interest, principal or other amounts in respect of the Class A1c Notes to Euroclear or Clearstream, Luxembourg or to holders or beneficial owners of Registered Global Notes.

The Class A1c Notes will be represented by Registered Global Notes delivered to a Common Depository for Clearstream, Luxembourg and Euroclear, and will not be held by the beneficial owners or their nominees. The Registered Global Notes will not be registered in the names of the beneficial owners or their nominees. As a result, unless and until Class A1c Notes in definitive form are issued, beneficial owners will not be recognised by Liberty Funding or the Class A1c Note Trustee as Holders of the Class A1c Notes. Accordingly, each person owning a Registered Global Note must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Holder of a Class A1c Note under the Note Trust Deed.

Payments of principal and interest on, and other amounts due in respect of, each Registered Global Note will be made by the Class A1c Note Principal Paying Agent to the order of the Common Depository for Euroclear and Clearstream, Luxembourg against presentation of such Registered Global Note. Upon receipt of any payment from the Class A1c Note Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Registered Global Notes as shown on their records. Liberty Funding expects that payments by participants or indirect payments to owners of Registered Global Notes held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants or indirect participants. None of Liberty Funding, the Class A1c Note Trustee, the Series Security Trustee or any Class A1c Note Principal

Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Registered Global Note or for maintaining, supervising or reviewing any records relating to such Registered Global Notes.

Unlike Holders, holders of the Registered Global Notes will not have the right under the Note Trust Deed to act upon solicitations by or on behalf of Liberty Funding for consents or requests by or on behalf of Liberty Funding for waivers or other actions from Holders. Instead, a holder of a Registered Global Note will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Registered Global Notes to vote on any requested actions on a timely basis. Similarly, upon the occurrence of a Series Event of Default and enforcement of the Security, holders of Registered Global Notes will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Definitive Class A1c Notes are issued in accordance with the relevant provisions described in Section 14 (“Descriptions of the Class A1c Notes”) of this Offering Circular. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Note Trust Deed.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Registered Global Notes among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of Liberty Funding, the Class A1c Note Trustee, the Series Security Trustee, any Class A1c Note Principal Paying Agent or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

Certain transfers of Class A1c Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements.



## **4 DESCRIPTION OF THE HOUSING LOANS**

### **4.1 Acquisition of Housing Loans**

The Housing Loans are originated by the Trust Originator into either a Seller Trust or a Seller Series (each a “**Seller**”). The terms upon which the Housing Loans are originated are set out in section 5.7.

With effect from the close of business on the Issue Date, the rights and benefits in respect of the relevant Housing Loans and Related Securities to be acquired by or Redesignated to the Trust on the Issue Date will be transferred from each Seller to the Trust in consideration for the payment of the outstanding principal amount of the Housing Loans. With effect from the Cut-Off Date, Secure Funding will be entitled to receive all Collections in respect of them.

The transfer of the Housing Loans and Related Securities from each Seller Series will constitute an assignment of the ownership of the Housing Loans and the Related Securities from the Seller Series to the Trust. The Redesignation of Housing Loans and Related Securities from a Seller Trust to the Trust is made in accordance with the provisions of the Master Trust Deed and constitutes a transfer of the ownership of the Housing Loans and Related Securities from the Seller Trust to the Trust.

### **4.2 General Loan Characteristics**

The Housing Loans are loans secured by first registered mortgages over residential real estate. Also included in the pool are Housing Loans secured by multiple residential real estate properties. Scheduled payments are typically made by direct debit from the accounts of the respective Debtors, and are credited to a bank account established and controlled by Secure Funding.

On each Payment Date, the Trust Servicer will reset the interest rate on the Housing Loans so that the weighted average Borrower Rate for the Housing Loans is a rate at least equal to the greater of:

- (a) the Threshold Rate; and
- (b) the aggregate of the Bank Bill Rate and the Required Margin.

The interest rate on the Housing Loans is a floating rate or a fixed rate. A Debtor may not convert the floating rate payable on the relevant Housing Loan to a fixed rate unless an appropriate interest rate swap agreement is in place.

The Housing Loans are prepayable in full or in part at any time. Other fees may include but are not limited to partial prepayments, various administration fees and default interest fees. Any such fees are considered as part of the “Other Income” of the Trust for the Collection Period in which they are acquired by Secure Funding.

### **4.3 Receivables have capacity to produce funds**

The Series Manager confirms that, on the Closing Date, the Housing Loans have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Offered Notes. However, Liberty Funding’s liability to pay any interest and repay any principal on the Offered Notes will be limited to the Series Assets of the Series and regard should be had to the characteristics of the Housing Loans and the risks to which they (and Liberty Funding and the Offered Notes) may be exposed. Prospective purchasers of the Offered Notes should consider the detailed information set out elsewhere in this Offering Circular, including without limitation under section 3.

## 4.4 Housing Loan Information

The data set out in this section has been produced on the basis of the information available in respect of the Housing Loans as at the Cut-Off Date.

### (a) Housing Loans by Verification Type

Approved Mortgages by Verification Type						
Verification Type	No. of Loans	Outstanding Balance	Original Balance	Property Valuation	% by Number	% by Outstanding
Full Verification	3,900	\$ 1,436,908,062	\$ 1,480,609,294	\$ 2,323,648,736	95.80%	95.79%
Alternative Verification	171	\$ 63,093,297	\$ 65,174,592	\$ 115,462,301	4.20%	4.21%
Private	0	\$ -	\$ -	\$ -	0.00%	0.00%
<b>Total</b>	<b>4,071</b>	<b>\$ 1,500,001,360</b>	<b>\$ 1,545,783,886</b>	<b>\$ 2,439,111,037</b>	<b>100.00%</b>	<b>100.00%</b>

### (b) Housing Loans by Current LVR (Loan to Value Ratio)

Approved Mortgages by Current Loan to Value Ratio						
LVR Band	No. of Loans	Outstanding Balance	Original Balance	Property Valuation	% by Number	% by Outstanding
Less than or equal to 50%	923	\$ 220,433,099	\$ 248,048,500	\$ 656,112,150	22.67%	14.70%
Greater than 50% less than or equal to 60%	660	\$ 262,118,485	\$ 268,663,207	\$ 470,886,144	16.21%	17.47%
Greater than 60% less than or equal to 70%	658	\$ 269,729,100	\$ 274,082,149	\$ 407,873,490	16.16%	17.98%
Greater than 70% less than or equal to 80%	890	\$ 380,550,131	\$ 383,431,121	\$ 492,204,604	21.86%	25.37%
Greater than 80% less than or equal to 90%	431	\$ 173,930,643	\$ 176,417,240	\$ 211,859,400	10.59%	11.60%
Greater than 90% less than or equal to 95%	136	\$ 48,586,075	\$ 49,689,150	\$ 52,568,264	3.34%	3.24%
Greater than 95%	373	\$ 144,653,828	\$ 145,452,518	\$ 147,606,985	9.16%	9.64%
<b>Total</b>	<b>4,071</b>	<b>\$ 1,500,001,360</b>	<b>\$ 1,545,783,886</b>	<b>\$ 2,439,111,037</b>	<b>100.00%</b>	<b>100.00%</b>

### (c) Housing Loans by Current Loan Size

Approved Mortgages by Current Loan Value Distribution						
Loan Value	No. of Loans	Outstanding Balance	Original Balance	Property Valuation	% by Number	% by Outstanding
Greater than \$0 less than or equal to \$100,000	257	\$ 15,839,498	\$ 24,831,683	\$ 87,698,300	6.31%	1.06%
Greater than \$100,000 less than or equal to \$200,000	455	\$ 68,493,736	\$ 76,294,278	\$ 161,867,800	11.18%	4.57%
Greater than \$200,000 less than or equal to \$300,000	734	\$ 177,800,809	\$ 183,749,861	\$ 308,075,290	18.03%	11.85%
Greater than \$300,000 less than or equal to \$400,000	743	\$ 243,395,473	\$ 250,574,246	\$ 373,773,520	18.25%	16.23%
Greater than \$400,000 less than or equal to \$500,000	608	\$ 239,771,993	\$ 245,026,301	\$ 356,834,403	14.93%	15.98%
Greater than \$500,000 less than or equal to \$600,000	430	\$ 203,784,441	\$ 209,078,272	\$ 300,200,226	10.56%	13.59%
Greater than \$600,000 less than or equal to \$700,000	257	\$ 142,602,148	\$ 144,149,861	\$ 217,877,638	6.31%	9.51%
Greater than \$700,000 less than or equal to \$800,000	169	\$ 101,834,115	\$ 103,470,552	\$ 156,826,655	4.15%	6.79%
Greater than \$800,000 less than or equal to \$1,000,000	208	\$ 128,209,502	\$ 129,432,516	\$ 194,912,525	5.11%	8.55%
Greater than or equal to \$1,000,000	210	\$ 178,269,646	\$ 179,176,316	\$ 281,044,950	5.16%	11.88%
<b>Total</b>	<b>4,071</b>	<b>\$ 1,500,001,360</b>	<b>\$ 1,545,783,886</b>	<b>\$ 2,439,111,037</b>	<b>100.00%</b>	<b>100.00%</b>

### (d) Housing Loans by Loan Seasoning

Approved Mortgages by Seasoning Distribution						
Seasoning Band	No. of Loans	Outstanding Balance	Original Balance	Property Valuation	% by Number	% by Outstanding
Less than or equal to 6 months	3,231	\$ 1,264,853,648	\$ 1,295,079,163	\$ 2,060,570,836	79.37%	84.32%
Greater than 6 months less than or equal to 12 months	365	\$ 143,172,005	\$ 146,045,743	\$ 219,530,645	8.97%	9.54%
Greater than 12 months less than or equal to 24 months	10	\$ 3,482,015	\$ 3,795,084	\$ 4,459,600	0.25%	0.23%
Greater than 24 months less than or equal to 36 months	3	\$ 693,156	\$ 770,377	\$ 1,055,500	0.07%	0.05%
Greater than 36 months less than or equal to 48 months	0	\$ -	\$ -	\$ -	0.00%	0.00%
Greater than 48 months less than or equal to 60 months	241	\$ 52,202,359	\$ 58,201,842	\$ 86,816,706	5.92%	3.48%
Greater than 60 months	221	\$ 35,598,177	\$ 41,891,678	\$ 66,677,750	5.43%	2.37%
<b>Total</b>	<b>4,071</b>	<b>\$ 1,500,001,360</b>	<b>\$ 1,545,783,886</b>	<b>\$ 2,439,111,037</b>	<b>100.00%</b>	<b>100.00%</b>

### (e) Housing Loans by Geographic Location

Approved Mortgages by Geographic Distribution						
Geographic Location	No. of Loans	Outstanding Balance	Original Balance	Property Valuation	% by Number	% by Outstanding
Australian Capital Territory - Inner City	0	\$ -	\$ -	\$ -	0.00%	0.00%
Australian Capital Territory - Metro	71	\$ 26,562,884	\$ 27,074,228	\$ 39,104,106	1.74%	1.77%
Australian Capital Territory - Non Metro	0	\$ -	\$ -	\$ -	0.00%	0.00%
New South Wales - Inner City	1	\$ 423,286	\$ 470,000	\$ 1,089,000	0.02%	0.03%
New South Wales - Metro	854	\$ 428,616,801	\$ 441,981,292	\$ 734,534,831	20.98%	28.57%
New South Wales - Non Metro	482	\$ 137,418,231	\$ 143,193,078	\$ 219,636,800	11.84%	9.16%
Northern Territory - Inner City	0	\$ -	\$ -	\$ -	0.00%	0.00%
Northern Territory - Metro	14	\$ 4,258,952	\$ 4,594,720	\$ 5,917,000	0.34%	0.28%
Northern Territory - Non Metro	4	\$ 902,881	\$ 960,404	\$ 1,084,000	0.10%	0.06%
Queensland - Inner City	2	\$ 511,969	\$ 514,472	\$ 1,091,000	0.05%	0.03%
Queensland - Metro	389	\$ 130,019,268	\$ 132,699,070	\$ 181,284,118	9.56%	8.67%
Queensland - Non Metro	341	\$ 91,390,855	\$ 93,547,967	\$ 145,747,750	8.38%	6.09%
South Australia - Inner City	0	\$ -	\$ -	\$ -	0.00%	0.00%
South Australia - Metro	91	\$ 25,713,769	\$ 26,435,664	\$ 37,757,750	2.24%	1.71%
South Australia - Non Metro	28	\$ 4,799,254	\$ 4,996,525	\$ 6,884,000	0.69%	0.32%
Tasmania - Inner City	1	\$ 500,869	\$ 504,000	\$ 630,000	0.02%	0.03%
Tasmania - Metro	52	\$ 12,222,753	\$ 12,360,650	\$ 18,614,150	1.28%	0.81%
Tasmania - Non Metro	64	\$ 11,860,276	\$ 12,437,110	\$ 17,925,250	1.57%	0.79%
Victoria - Inner City	8	\$ 3,083,907	\$ 3,091,480	\$ 5,992,400	0.20%	0.21%
Victoria - Metro	1,167	\$ 487,169,182	\$ 501,150,208	\$ 817,999,632	28.67%	32.48%
Victoria - Non Metro	195	\$ 45,059,407	\$ 46,576,666	\$ 67,403,600	4.79%	3.00%
Western Australia - Inner City	3	\$ 872,753	\$ 879,000	\$ 1,180,000	0.07%	0.06%
Western Australia - Metro	242	\$ 75,587,616	\$ 78,406,868	\$ 114,962,650	5.94%	5.04%
Western Australia - Non Metro	62	\$ 13,026,448	\$ 13,910,483	\$ 20,273,000	1.52%	0.87%
<b>Total</b>	<b>4,071</b>	<b>\$ 1,500,001,360</b>	<b>\$ 1,545,783,886</b>	<b>\$ 2,439,111,037</b>	<b>100.00%</b>	<b>100.00%</b>

(f) Housing Loans by Loan Classification

Approved Mortgages by Loan Classification						
Loan Classification	No. of Loans	Outstanding Balance	Original Balance	Property Valuation	% by Number	% by Outstanding
Residential	2,923	\$ 1,038,464,652	\$ 1,074,345,627	\$ 1,757,830,356	71.80%	69.23%
Investment	1,148	\$ 461,536,707	\$ 471,438,259	\$ 681,280,681	28.20%	30.77%
<b>Total</b>	<b>4,071</b>	<b>\$ 1,500,001,360</b>	<b>\$ 1,545,783,886</b>	<b>\$ 2,439,111,037</b>	<b>100.00%</b>	<b>100.00%</b>

(g) Housing Loans by Current Repayment Method

Approved Mortgages by Current Repayment Method						
Repayment Method	No. of Loans	Outstanding Balance	Original Balance	Property Valuation	% by Number	% by Outstanding
Interest Only	0	\$ -	\$ -	\$ -	0.00%	0.00%
Interest Only then Principal & Interest	794	\$ 311,282,773	\$ 318,798,179	\$ 452,262,980	19.50%	20.75%
Principal & Interest	3,277	\$ 1,188,718,587	\$ 1,226,985,706	\$ 1,986,848,057	80.50%	79.25%
<b>Total</b>	<b>4,071</b>	<b>\$ 1,500,001,360</b>	<b>\$ 1,545,783,886</b>	<b>\$ 2,439,111,037</b>	<b>100.00%</b>	<b>100.00%</b>

(h) Housing Loans by Current Interest Type

Approved Mortgages by Current Interest Type						
Repayment Type	No. of Loans	Outstanding Balance	Original Balance	Property Valuation	% by Number	% by Outstanding
Fixed	0	\$ -	\$ -	\$ -	0.00%	0.00%
Fixed then Variable	178	\$ 84,554,757	\$ 84,944,178	\$ 115,372,586	4.37%	5.64%
Variable	3,893	\$ 1,415,446,603	\$ 1,460,839,708	\$ 2,323,738,451	95.63%	94.36%
<b>Total</b>	<b>4,071</b>	<b>\$ 1,500,001,360</b>	<b>\$ 1,545,783,886</b>	<b>\$ 2,439,111,037</b>	<b>100.00%</b>	<b>100.00%</b>

## **4.5 Insurance Policies**

### **General**

Certain Housing Loans are the subject of a Lenders Mortgage Insurance Policy issued by Genworth Financial Mortgage Insurance Pty Ltd (ABN 62 106 975 188), QBE Lenders' Mortgage Insurance Limited (ABN 70 000 511 071) or are otherwise self-insured which insures the payment of the principal outstanding under that Housing Loan (plus interest and other amounts).

Mortgage insurance policies issued by, or transferred to, Genworth Financial Mortgage Insurance Pty Ltd provide coverage for the balance outstanding on 11.52% of the Housing Loans and QBE Lender's Mortgage Insurance Limited provide coverage for the balance outstanding on 1.88% of the Housing Loans.

### **Genworth Financial Mortgage Insurance Pty Ltd**

Genworth Financial Mortgage Insurance Pty Limited ACN 106 974 305 ("**Genworth**") is a registered proprietary company limited by shares. Genworth's principal activity is the provision of lenders mortgage insurance which it, and predecessor businesses, have provided in Australia since 1965.

Genworth's ultimate Australian parent company is Genworth Mortgage Insurance Australia Limited ACN 154 890 730, which is a public company listed on the Australian Securities Exchange and registered in Victoria.

The business address of Genworth is Level 26, 101 Miller Street, North Sydney, NSW, 2060, Australia.

### **QBE Lenders' Mortgage Insurance Limited**

QBE Lenders' Mortgage Insurance Limited (ABN 70 000 511 071) is an Australian public company registered in New South Wales and limited by shares. QBE Lenders' Mortgage Insurance Limited's principal activity is lenders' mortgage insurance which it has provided in Australia since 1965.

QBE Lenders' Mortgage Insurance Limited's parent is QBE Holdings (AAP) Pty Ltd, a subsidiary of the ultimate parent company, QBE Insurance Group Limited ("**QBE Group**"). QBE Group is an Australian-based public company listed on the Australian Securities Exchange. QBE Group is recognised as Australia's largest international general insurance and reinsurance company with operations in more than 37 countries around the world, and is one of the top 20 global general insurers and reinsurers as measured by net earned premium.

As of 31 December 2017, the audited financial statements of QBE Lenders' Mortgage Insurance Limited had total assets of A\$1,896 million and shareholder's equity of A\$949 million.

The business address of QBE Lenders' Mortgage Insurance Limited is Level 5, 2 Park Street, Sydney, New South Wales, Australia, 2000.

## **5 LIBERTY FINANCIAL PTY LTD AND LIBERTY FINANCIAL HOUSING LOAN PROGRAMS**

### **5.1 Background**

Liberty Financial Pty Ltd (“**Liberty**”) is a highly regarded pioneer and leading specialty financial services company with operations across Australia and New Zealand. Since its founding in 1997, Liberty has consistently applied technological advances to pursue multiple specialty finance markets with its customised risk management and operational practices. Liberty has been able to develop a unique combination of capabilities to generate competitive advantage and durable financial performance.

The initial market opportunity of the company was to design mortgage solutions for an underserved sector of the market on terms more attractive than prevailing alternatives. Leveraging its unmatched customer insight and data management competencies, Liberty has been able to establish operations in auto and equipment financing, commercial mortgages, personal loans, investments and insurance both in Australia and New Zealand.

Liberty is distinguished by its expertise in a number of key functions essential to the success of a specialty finance business. For example, Liberty is regularly the market share leader for custom home loans amongst key distribution partners such as Aussie Home Loans. Liberty is also the region’s highest rated servicer with STRONG ratings from Standard and Poor’s (Australia) Pty Limited for prime mortgage, non-prime mortgage, auto loan and commercial mortgage servicing. Liberty’s qualifications also led to its appointment by the Australian government as master servicer of its A\$2 billion rescue program of the auto dealer floorplan finance industry during the global financial crisis.

With over 300 finance and technology professionals dedicated to its specialised operations, Liberty has its headquarters in Melbourne, a corporate office in Sydney and a New Zealand office in Auckland. Since 1997, Liberty and its subsidiaries have helped more than 270,000 customers achieve their financial goals having issued over A\$20 billion in domestic and international capital markets. Liberty is a privately held Australian company that continues to grow based on building strong relationships with its valued business partners and customer service.

The Australian Business Number of Liberty Financial Pty Ltd is 55 077 248 983, and its registered office is at Level 16, 535 Bourke Street, Melbourne, VIC Australia.

### **5.2 Governance and Leadership**

Liberty has an independent board of directors which possesses decades of relevant and deep financial services experience. Richard Longes has been Liberty’s Chairman since his appointment in 2005 and his current and prior directorship roles have included Deputy Chairman of Lend Lease, Chairman of Investec (Australia), Chairman of Austbrokers and Director of Boral. Peter Hawkins is also an independent board member commencing in 2006. Peter spent 34 years at ANZ Banking Group in a variety of senior roles and was most recently Group Managing Director – Group Strategic Development. Peter is a past Director of Clayton Utz, ING Australia Limited, ING (NZ) Limited, VISA International, Treasury Corporation of Victoria and Murray Goulburn Co-Operative. Peter is currently a Director of, Westpac Banking Corporation, Bank of Melbourne and Mirvac Group Ltd. Leona Murphy is also an independent board member commencing from her appointment in 2016. She is currently a Director at Stone & Chalk, and the Australian Insurance Association, and is Co-Chair of UNEP. She has previously held Executive Directorships at IAG for 9 years and was an Executive General Manager at Promina Group and Vero Insurance. Leona is currently a member of Chief Executive Women and the Business Advisory Council of World Vision Australia.

In addition to its Executive Director, Liberty's management team also consists of professionals with extensive industry experience and applicable skills to oversee the origination, underwriting, servicing, technology, finance, legal, risk, human resources and communications requirements of the organisation. Each member of the management team has up to thirty years of experience covering sales, compliance, marketing, assessment, customer service, arrears management, loss mitigation and asset recovery. More details of Liberty's management team can be found on its website at [www.liberty.com.au](http://www.liberty.com.au).

## **OPERATIONAL HIGHLIGHTS**

### **5.3 Finance Origination**

Loan origination commenced in mid-1997 with a pilot program in Melbourne. This program was extended nationally through third-party originators in early 1998. Expansion of Liberty's initial offering in 1998 and 1999 was driven by continued refinement and the enhancement of Liberty's funding affiliate, Secure Funding Pty Ltd and its newer funding affiliate, Liberty Funding Pty Ltd. This allowed Liberty to develop a diversified distribution network consisting of accredited third-party loan introducers ("**Introducers**"), lender referral partners and customers who directly apply to Liberty.

All Introducers are trained, qualified and carefully appraised. Introducers are also continually monitored via personal contact with Liberty and evaluated based on application rates, portfolio performance and application compliance. Liberty assigns a Business Development Manager ("**BDM**") to each Introducer to provide support, education and training. BDMs are aided in their roles by a GPS-enabled, cloud-based iPhone application developed by Liberty called Ignite which provides real-time reporting and monitoring.

While Liberty has integrated its systems with the platforms of Introducers, Liberty also makes available to Introducers its origination system called LoanNET. This system allows users to apply online and receive instant approvals for Liberty's products such as home and car loans. This system instantly delivers a read-only file with a completed application form, various consents and a listing of outstanding verification documents. This point-of-origination technology is designed to ensure consistent and updated product information and compliance with underwriting guidelines.

While Introducers trade under the names of their respective organisations, Liberty is also approached directly by customers seeking its products and services. Most of such direct inquiries are fulfilled through a network of Liberty-branded Advisers located across Australia. Liberty Advisers have access to a proprietary, native-iPad application called Spark. Spark enables real-time document generation, product execution and fulfilment of ancillary products such as insurance. Importantly, compliance is integrated into the workflow of the application to ensure activities adhere to regulatory requirements.

In New Zealand, Liberty recently completed the full acquisition of Mike Pero Group Limited ("**MPG**") which is one of the most recognised and trusted finance broking franchise operations in the country. Operating through a network of approximately 40 franchisees, MPG provides mortgage, insurance, personal loan and investment advice. MPG complements Liberty's businesses in New Zealand which comprise mortgage and equipment loans as well as Liberty's deposit-taking operations.

### **5.4 Application Underwriting**

Liberty's underwriting process integrates application processing and credit assessment. The underwriting platform is an advanced, proprietary rules-based system that incorporates Liberty's

credit decisions. Liberty's processes are inherently advanced and relatively detailed as Liberty recognises that data in a credit report, for example, is in many instances incomplete, particularly in Australia due to its privacy laws. Therefore, additional inquiries are systematically made into an applicant's prior and prospective conduct.

Due to a high degree of investigation and analysis, Liberty's underwriting process emphasises decision reliability over scale efficiencies. At the same time, technology is leveraged to optimise the time and effort required to understand each applicant's specific circumstances. For example, documents can be validated by electronic signature and uploaded to Liberty's cloud-based servers. The amount of information regularly exceeds that required of traditional lenders but the impost of collecting such information is reduced by innovation that leverages technology and thoughtfully-designed processes.

The verification of the authenticity of the information supplied by applicants is integral to the underwriting process. Some verification, such as employment checks, is conducted verbally to limit the potential for fraudulent documentation. Also, a policy of automatic decline decisions applies where it is discovered that relevant information is intentionally undisclosed. Information gathered from external sources, including but not limited to Veda Advantage, ASIC, the Land Titles Office and a panel of independent valuers, is also captured and analysed on Liberty's proprietary assessment system.

All applicants are assessed using Liberty's risk-based pricing framework which is incorporated into its proprietary systems with its parameters set by the Risk department. This methodology incorporates a variety of factors that contribute to an application's overall risk grade via a rules-based system. Liberty believes a rules-based approach provides more accuracy (compared to static credit scores) and it determines the credit amount and other loan parameters (e.g., security, loan ratios, insurance) offered to applicants. On successful completion of the approval process, an approval letter (and required conditions) is issued.

Ongoing portfolio analysis is conducted by the Risk department to ensure that the desired portfolio composition is maintained. Characteristics such as return rates, geographic concentration and employment types are closely monitored. This continuous portfolio review results in the regular updating of underwriting guidelines, product offerings and pricing. Further, file reviews are conducted by Liberty's Compliance team to ensure relevant legislation including but not limited to the National Consumer Credit Protection Act, Privacy Act and Anti-Money Laundering Act are not breached.

## **5.5 Portfolio Servicing**

Liberty has developed a purpose-built servicing operation to meet the specialised requirements of managing its portfolio. Liberty does not outsource any of the critical account servicing functions to third parties and its responsibilities include documentation compliance, account establishment, welcome calls, remittance processing, security discharges and modifications, arrears management, forbearance arrangements, loss mitigation and loss recovery.

Liberty's proprietary servicing systems enable accounts to be tracked from origination to final satisfaction of the loan. The servicing platform has been designed for all loans regardless of whether or not the loan is an instalment or revolving loan, or whether it is secured or unsecured. It has also been designed with flexibility in mind so legislative requirements in Australia or New Zealand can be systematically integrated. Detailed information on scheduled payments, delinquency and arrears, borrower information, security details and income statements and credit grade migration are accessible and monitored.

A Liberty account executive is appointed to each account and is the primary point of contact with Liberty for that customer. Upon approval and settlement of each loan, the relevant account executive will establish contact through a welcome letter and phone call. This early contact with the customer enables Liberty to ensure payment arrangements are established and to also identify and assess any advance indicators of arrears.

Liberty monitors delinquency rates on a real-time basis. Delinquencies are differentiated by benign delinquencies and potentially problematic delinquencies. Liberty's arrears management philosophy relies on a number of quantitative and qualitative factors embedded in its proprietary systems. Depending on the outcome of a situational analysis, a prescribed action plan is constructed. Some cases may lead to forbearance arrangements while other cases may lead to rapid security realisation.

Collection activity commences immediately after a missed payment, with a situation analysis that combines the customer's details at the time of application, the conduct of the account and other more quantitative factors. Liberty's servicing team is able to methodically effect a parameterised forbearance arrangement including debt counselling in some cases. Of note, Liberty is one of a few financiers that is licensed with the Australia Financial Security Authority as a Debt Agreement Administrator.

To the extent enforcement is necessary, Liberty employs a series of steps to mitigate the probability and severity of incurring a loss. Actions taken include but are not limited to working with the borrower to obtain maximum sale price or negotiating with other creditors for the benefit of the borrower. The net proceeds of any sale of repossessed assets will be applied against the sums owing from the borrower to the extent necessary to discharge the loan. Where these funds are insufficient to discharge the loan, the proceeds are applied against costs and finance charges in respect of the default. Any additional shortfall is considered a gross loss against which any recoveries or insurance proceeds are progressively applied. Liberty's internal Legal team plays an integral part of overall portfolio servicing operations.

## **5.6 Securitisation Approach**

Liberty Financial Group Pty Limited (as trustee), as the Residual Income Unitholder of the Trust, is entitled to the excess available income of the Trust for each Collection Period. A feature of all of Liberty Financial's securitisation programs to date is the application of such income to create reserves and credit enhancement (including the Guarantee Fee Reserve Account) and to remain entitled to receive such income throughout the term of the Trust.

## **5.7 Housing Loan Eligibility Criteria**

A Housing Loan satisfies the Eligibility Criteria where such Housing Loan is, as at the Cut-Off Date:

- (a) secured by a valid and perfected first ranking Mortgage registered in favour of Secure Funding;
- (b) enforceable in accordance with its terms against the relevant Debtor;
- (c) secured by a Mortgage in relation to which the following "Title Documents" have been lodged with, and which have been retained by, the Trust Custodian:
  - (i) mortgage instrument;
  - (ii) duplicate certificate of title of the land mortgaged;



- (iii) loan document;
- (iv) copies of insurance policies and evidence of certificates of currency relating to the land mortgaged;
- (v) guarantee (if any);
- (vi) priority deed (if any); and
- (vii) power of attorney (if any),

any other document entered into for the purpose of amending or novating any of the above, and any other Title Documents, provided that if the mortgage instrument and duplicate certificate of title of the land mortgaged are with the relevant land titles office for registration under the control of the solicitors for Secure Funding, the Trust Security Trustee may accept a certificate in form and substance satisfactory to the Trust Security Trustee signed by such solicitors being provided to the Trust Custodian and the Trust Security Trustee in lieu of the deposit of the mortgage instrument and duplicate certificate of title, stating that those documents are held by the solicitors for Secure Funding and undertaking to deliver those documents to the Trust Custodian immediately upon issue;

- (d) a loan having a final maturity date of no later than 30 years after the date of the relevant loan agreement;
- (e) the property of which is insured by any corporation incorporated in Australia which is authorised to carry on insurance business under relevant statutes, including the provision of insurance policies in respect of real property and improvements;
- (f) a loan in respect of which the ratio of the maximum principal amount to an independent market valuation of the property subject to the mortgage securing the loan complies with the approved policies and procedures of Secure Funding;
- (g) a loan made to a person who is at least 18 years old (where that person is a natural person) or a loan made to a corporation, a trust or a self-managed superannuation fund;
- (h) (if required) stamped with all applicable duty along with the related mortgage and other relevant documents;
- (i) a loan in respect of which the proceeds have been fully disbursed to or for the account of the borrower under the loan, and in respect of which there is no obligation for the lender under the loan to advance additional funds;
- (j) a loan in respect of which all costs, fees and expenses payable by the borrower under the loan in connection with the making of the loan have been paid (which costs, fees and expenses are not liable to be refunded to the borrower under the loan);
- (k) a loan in respect of which the borrower under the loan has no right of set-off against any weekly, fortnightly and monthly payments to be made by it under the loan;
- (l) a loan which requires payments weekly, fortnightly or monthly in arrears until the maturity date of the loan;
- (m) for a principal amount which is within the parameters set out in the then current policies and procedures of Secure Funding;

- (n) a loan which satisfies the valuation guidelines as set out in the then current policies and procedures of Secure Funding;
- (o) secured by a residential mortgage over a property which is located in Australia within the parameters set out in the then current policies and procedures of Secure Funding;
- (p) a loan (without limiting the above) which satisfies all applicable requirements of the then current policies and procedures of Secure Funding;
- (q) a loan denominated in, and is repayable in, Australian dollars;
- (r) a loan to a person who was a resident in Australia at the time the loan was made;
- (s) a loan which is not in arrears in respect of any payment by more than 30 days; and
- (t) a loan with a variable rate of interest or fixed rate of interest in respect of which Secure Funding has entered into a fixed to floating interest rate swap (and the ability of the Debtor to convert the variable rate to a fixed rate is subject to entry into such interest rate swap agreement).

A Housing Loan does not satisfy the Eligibility Criteria where as at the Cut-Off Date:

- (a) it is a Defaulting Housing Loan;
- (b) the making or servicing of the Housing Loan contravenes or conflicts with any law or agreement;
- (c) it is a loan given to any employee of Secure Funding or Liberty Financial which includes preferential loan terms;
- (d) it is a loan the documentation of which departs from Secure Funding's standard form documentation without provision of a Rating Notification;
- (e) secured by a mortgage, the documentation of which departs from Secure Funding's standard form documentation without provision of a Rating Notification; or
- (f) the granting of the Mortgage and/or the entry into the Housing Loan contravenes or conflicts with any law or agreement or is in any way ineffective.

## **6 SECURE FUNDING PTY LTD**

### **6.1 Incorporation**

Secure Funding Pty Ltd (in its personal capacity) was incorporated in Victoria in the Commonwealth of Australia on 16 March 1998 and it operates under Australian legislation including the Corporations Act 2001 (Cth) as an Australian proprietary company limited by shares. The Australian Business Number of Secure Funding Pty Ltd is 25 081 982 872, and its registered office is at Level 16, 535 Bourke Street, Melbourne, VIC Australia.

Secure Funding Pty Ltd will issue Trust Notes in its capacity as trustee of the Trust. See section 2. The Trust was created on 12 April 2018 pursuant to the terms of the Master Trust Deed and the Notice of Creation of Trust.

### **6.2 Share Capital**

Secure Funding Pty Ltd has two (2) ordinary shares on issue with a paid amount of A\$2. The shares are held by Liberty Financial Pty Ltd. The shares of Liberty Financial Pty Ltd are held by Liberty Financial Group Pty Limited. Secure Funding Pty Ltd (in its personal capacity) has agreed not to issue additional shares.

### **6.3 Limitation of Secure Funding's Liability**

Secure Funding Pty Ltd enters into the Transaction Documents and issues the Trust Notes only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with the Transaction Documents or the Trust or in respect of the Trust Notes is limited to and can be enforced against Secure Funding Pty Ltd only to the extent to which it can be satisfied out of the Assets of the Trust out of which Secure Funding Pty Ltd is indemnified. Except as provided in the following sentence, this limitation of Secure Funding Pty Ltd's liability applies despite any other provision of the Transaction Documents and extends to all liabilities and obligations of Secure Funding Pty Ltd in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Transaction Documents or the Trust. However, the limitation will not apply if under a Transaction Document or by operation of law there is a reduction in the extent of Secure Funding Pty Ltd's indemnification out of the Assets of the Trust as a result of Secure Funding Pty Ltd's fraud, gross negligence or wilful default.

### **6.4 No Carrying on of Business**

From the date of creation of the Trust to the date of issue of the Trust Notes, Secure Funding has not, in its capacity as trustee of the Trust, carried on any business (except in respect of the offer of the Trust Notes in accordance with the Transaction Documents) and no accounts, with respect to the Trust, have been prepared prior to the date of this Offering Circular.

### **6.5 Capitalisation**

As at the Issue Date, and prior to the issue of any Trust Notes, Secure Funding has incurred no Indebtedness as trustee of the Trust and the Trust is capitalised to A\$5.00 (A\$2.50 for a residual income unit and A\$2.50 for a residual capital unit).

### **6.6 Directors**

The directors of Secure Funding Pty Ltd are as follows:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
Sherman Ma	Level 16 535 Bourke Street Melbourne VIC 3000	Director.  Mr. Ma does not have any significant business activities other than his role as Executive Director of Liberty Financial.
James William Anthony Higgins	Level 16 535 Bourke Street Melbourne VIC 3000	Director.  Mr. Higgins is also currently a compliance committee member of Merrill Lynch Investment Managers Ltd, National Mutual Funds Management Ltd and Citigroup Asset Management Australia Ltd. He has extensive specialist legal experience in the banking and finance area.
Clifford B Clayton	Level 16 535 Bourke Street Melbourne VIC 3000	Director.  Mr. Clayton is also currently a member of various Fund Management Compliance Committees including Legg Mason, Drapac Management Limited and Stanfield Securities Limited. He is a sole practitioner and co-organises the Melbourne Compliance Committee Forums. He is a former Director of Perpetual Trustees Victoria Limited, Australia Trustees Pty Limited, Coles Myer Employee Share Plan, AXA Employee Share Plan and India Equities Limited. He has held senior positions with the Perpetual Group of companies for over 25 years and has extensive experience in the banking and finance area.

There are no potential conflicts of interest between any duties to the Secure Funding Pty Ltd of the directors of the Secure Funding Pty Ltd and their private interests and/or duties.

## **6.7 Litigation**

Secure Funding Pty Ltd is not involved in any governmental, litigation or arbitration proceedings which may have, or have had, during the twelve months preceding the date of this Offering Circular, a significant effect on its financial position or profitability nor, so far as it is aware, are any such governmental, litigation or arbitration proceedings pending or threatened.

## **7 LIBERTY FUNDING PTY LTD**

### **7.1 Incorporation**

Liberty Funding Pty Ltd (in its personal capacity) was incorporated in Victoria in the Commonwealth of Australia on 11 December 2007 and it operates under Australian legislation including the Corporations Act 2001 (Cth) as an Australian proprietary company limited by shares. The Australian Business Number of Liberty Funding Pty Ltd is 49 128 856 422, and its registered office is at Level 16, 535 Bourke Street, Melbourne, VIC Australia. The telephone number of Liberty Funding Pty Ltd's principal office is +61 3 8635 8888.

Liberty Funding Pty Ltd will issue Notes in its corporate capacity in respect of the Series. See section 2. The Series was formed on or about the date of this Offering Circular pursuant to the terms of the Series Master Security Deed and the Issue Supplement.

Liberty Funding Pty Ltd was established as a special purpose vehicle and its principal activities are performing securitisation transactions.

### **7.2 Share Capital**

Liberty Funding Pty Ltd has two (2) ordinary shares on issue with a paid amount of A\$2. The shares are held by Liberty Financial Group Pty Limited. Liberty Funding Pty Ltd (in its personal capacity) has agreed not to issue additional shares. The constitution of Liberty Funding Pty Ltd does not entitle the shareholder to interfere with the contract obligations of Liberty Funding Pty Ltd.

### **7.3 Limitation of Liberty Funding's Liability**

Liberty Funding's liability in connection with the Transaction Documents of a Series (including any transaction in connection with them) may be discharged from, and the recourse of the Series Security Trustee and the Series Secured Creditors is limited to, the Series Collateral. The realisation of the Series Collateral and its application towards the Series Secured Money in accordance with the Transaction Documents of the Series constitutes a complete discharge of Liberty Funding's liability to the Series Security Trustee and each Series Secured Creditor in connection with the Transaction Documents of the Series (including any transaction in connection with them).

### **7.4 No Carrying on of Business**

From the date of creation of the Series to the date of issue of the Notes, Liberty Funding has not, in respect of the Series, carried on any business (except in respect of the offer of the Notes in accordance with the Transaction Documents) and no accounts, with respect to the Series, have been prepared prior to the date of this Offering Circular.

### **7.5 Directors**

The directors of Liberty Funding Pty Ltd are as follows:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
Sherman Ma	Level 16 535 Bourke Street Melbourne VIC 3000	Director.  Mr. Ma does not have any significant business activities other than his role as

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
		Executive Director of Liberty Financial.
Peter Riedel	Level 16 535 Bourke Street Melbourne VIC 3000	Director.  Mr. Riedel does not have any significant business activities other than his role as Chief Financial Officer.

## **7.6 Litigation**

Liberty Funding Pty Ltd is not involved in any governmental, litigation or arbitration proceedings which may have, or have had, during the twelve months preceding the date of this Offering Circular, a significant effect on its financial position or profitability nor, so far as it is aware, are any such governmental, litigation or arbitration proceedings pending or threatened.

## **8 DESCRIPTION OF THE INTEREST RATE SWAP PROVIDER AND THE LIQUIDITY FACILITY PROVIDER**

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 of Australia was commenced by Australia's Commonwealth Government in 1990 and was completed in July 1996. The Commonwealth Bank of Australia is now a public company listed on the Australian Securities Exchange. Its registered office is at Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, Australia.

As at 31 December 2017, Commonwealth Bank of Australia had a long term credit rating of AA- (stable outlook) from Fitch, Aa3 (stable outlook) from Moody's and AA- (negative outlook) from S&P and a short term credit rating of F1+ from Fitch, P-1 from Moody's and A-1+ from S&P.

As at 31 December 2017, Commonwealth Bank of Australia and its subsidiaries, on a consolidated International Financial Reporting Standards basis, had total assets of A\$961.9 billion, total deposits and other public borrowings of A\$624.9 billion and made a net profit attributable to equity holders of the Bank for the half year ended 31 December 2017 of A\$4,906 million. Total regulatory capital under Basel III was A\$65.1 billion.

The Australian banking activities of the Commonwealth Bank of Australia come under the regulatory supervision of the Australian Prudential Regulation Authority.

See Section 18.8 ("The Interest Rate Swap") for a more detailed description of the role of the Liquidity Facility Provider.

See Section 18.9 ("Liquidity Facility") for a more detailed description of the role of the Liquidity Facility Provider.

## **9 DESCRIPTION OF THE CLASS A1c NOTE TRUSTEE**

DB Trustees (Hong Kong) Limited is registered as a Trust Company under the Trustee Ordinance of Hong Kong. Its office is currently located at 52/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, and its telephone number is +852 2203 8888.

The principal activity of DB Trustees (Hong Kong) Limited is to provide corporate trustee services. DB Trustees (Hong Kong) Limited has experience serving as note trustee for asset-backed securities.

See Section 19.4 ("Note Trust Deed") for a more detailed description of the role of the Class A1c Note Trustee.

## **10 DESCRIPTION OF THE AGENTS IN RESPECT OF THE CLASS A1c NOTES**

Deutsche Bank AG, Hong Kong Branch will serve as the Class A1c Note Principal Paying Agent, the Class A1c Note Calculation Agent and the Class A1c Note Registrar. Its office is currently located at 52/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, and its telephone number is +852 2203 8888.

See Section 19.5 ("Agency Agreement") for a more detailed description of the role of the Agents.

## **11 DESCRIPTION OF THE CURRENCY SWAP PROVIDER**

National Australia Bank Limited (“**NAB**”) will act as the Currency Swap Provider.

NAB is a public limited company incorporated in the Commonwealth of Australia and it operates under Australian legislation including the Corporations Act 2001 (Cth). Its registered office is Level 1, 800 Bourke Street, Docklands, Victoria 3008, Australia.

NAB is the holding company for the NAB Group (comprising NAB and its controlled entities), as well as being the main operating company. As at 30 September 2017, NAB Group had total assets of A\$788,325 million and total equity of A\$51,317 million.

The NAB Group is an international financial services group, providing a comprehensive and integrated range of financial products and services. The majority of NAB Group’s financial services businesses operate in Australia and New Zealand, with branches located in Asia, the United States and the United Kingdom.

As at the date of this Offering Circular, the long-term senior unsecured credit ratings of NAB are “AA- outlook negative” by S&P, “AA- stable outlook” by Fitch and “Aa3 stable” by Moody’s.

As at the date of this Offering Circular, the short-term unsecured credit ratings of NAB are “A-1+” by S&P, “F1+” by Fitch and “Prime-1” by Moody’s.

See Section 19.6 (“Currency Swap Agreement”) for details regarding the role of the Currency Swap Provider.



## **12 DESCRIPTION OF THE TRUST NOTES**

### **12.1 General description of the Trust Notes**

The Trust Notes constitute debt securities issued by Secure Funding in its capacity as trustee of the Trust. Secure Funding's liability to pay interest and repay principal on the Trust Notes will be limited to the Assets of the Trust. However, the limitation will not apply if, under a Transaction Document or by operation of law, there is a reduction in the extent of Secure Funding's indemnification out of the Assets of the Trust as a result of Secure Funding's fraud, gross negligence or wilful default.

The Trust Notes are characterised as secured, amortising, pass through and floating rate debt securities. They are issued with the benefit of, and subject to, the Master Trust Deed, the Supplementary Terms Notice and the Trust General Security Deed.

The ten Classes of Trust Notes which will be issued are the Class A1a Trust Notes, the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes, the Class F Trust Notes and the Class G Trust Notes.

### **12.2 Interest on Trust Notes**

Subject to there being sufficient available funds for this purpose in accordance with the Supplementary Terms Notice, interest on the Trust Notes (other than the Class A1c Trust Notes) will be paid on each Payment Date and interest on the Class A1c Trust Notes will be paid on each Quarterly Payment Date in arrears in respect of the Payment Period ending on that Payment Date for the Trust Notes (other than the Class A1c Trust Notes) and in respect of the Quarterly Payment Period ending on that Quarterly Payment Date for the Class A1c Trust Notes, until the Final Maturity Date of the Trust Notes.

The Trust Notes will bear a floating rate of interest at the Rate of Interest for the relevant Class of Trust Notes.

The first payment of interest on the Trust Notes (other than the Class A1c Trust Notes) will occur on the first Payment Date. The first payment of interest on the Class A1c Trust Notes will occur on the first Quarterly Payment Date.

No interest will accrue on any Trust Note for the period after the Invested Amount in respect of that Trust Note is reduced to zero.

Prior to the occurrence of a Trust Event of Default and the enforcement of the Trust Charge under the Trust General Security Deed, interest on the Trust Notes (other than the Class A1c Trust Notes) will be paid on each Payment Date and interest on the Class A1c Trust Notes will be paid on each Quarterly Payment Date in accordance with the order of priority described in section 16.15.

After the occurrence of a Trust Event of Default and the enforcement of the Trust Charge under the Trust General Security Deed, interest on the Trust Notes will be paid on in accordance with the order of priority described in section 16.21.

### **12.3 Calculating Interest**

Interest on each Trust Note is calculated for each Payment Period or (in the case of each Class A1c Trust Note) each Quarterly Payment Period:

- (a) at the Rate of Interest for the relevant Class of Trust Note to which that Trust Note belongs on the first day of that Payment Period or (in the case of the Class A1c Trust Note) Quarterly Payment Period;
- (b) in respect of:
  - (i) each Class of Trust Notes (other than the Class G Trust Notes), on the Invested Amount of the relevant Class of Trust Notes (other than the Class G Trust Notes) on the first day of that Payment Period or (in the case of the Class A1c Trust Note) Quarterly Payment Period; and
  - (ii) the Class G Trust Notes, on the Stated Amount of the Class G Trust Notes on the first day of that Payment Period; and
- (c) on the actual number of days in that Payment Period or (in the case of each Class A1c Trust Note) Quarterly Payment Period and assuming a year of 365 days.

#### **12.4 Payment Period and Quarterly Payment Period**

The first Payment Period for the Trust Notes (other than the Class A1c Trust Notes) commences on (and includes) the Issue Date and ends on (but excludes) the first Payment Date. Each succeeding Payment Period is the period from (and including) a Payment Date and up to (but excluding) the next Payment Date. The final Payment Period ends on (and includes) the date on which the Trust Notes are redeemed in accordance with the Supplementary Terms Notice.

The first Quarterly Payment Period in respect of the Class A1c Trust Notes commences on (and includes) the Issue Date of that Class A1c Trust Note and ends on (but excludes) the first Quarterly Payment Date. The final Quarterly Payment Period in respect of a Class A1c Trust Note ends on the date on which the Class A1c Trust Notes are redeemed in accordance with the Supplementary Terms Notice.

#### **12.5 Rate of Interest**

The Rate of Interest for each Payment Period or (in the case of each Class A1c Trust Note) Quarterly Payment Period for:

- (a) each Class G Trust Note is the aggregate of the Bank Bill Rate on the first day of that Payment Period and the Relevant Margin for the Class G Trust Note; or
- (b) each Trust Note (other than each Class G Trust Note and each Class A1c Trust Note) is:
  - (i) for each Payment Period ending on or prior to the Step-Up Margin Date, a rate equal to the aggregate of the Bank Bill Rate on the first day of that Payment Period and the Relevant Margin for that Trust Note; or
  - (ii) for each Payment Period ending after the Step-Up Margin Date, a rate equal to the aggregate of:
    - (A) the Bank Bill Rate on the first day of that Payment Period; and
    - (B) the Relevant Margin for that Trust Note; and
    - (C) the Step-Up Margin; or
- (c) each Class A1c Trust Note is:

- (i) for each Quarterly Payment Period ending on or prior to the Step-Up Margin Date, a rate equal to the aggregate of the Bank Bill Rate on the first day of that Quarterly Payment Period and the Relevant Margin for that Class A1c Trust Note; or
- (ii) for each Quarterly Payment Period ending after the Step-Up Margin Date, a rate equal to the aggregate of:
  - (A) the Bank Bill Rate on the first day of that Quarterly Payment Period; and
  - (B) the Relevant Margin for that Class A1c Trust Note; and
  - (C) the Step-Up Margin; or.

## **12.6 Principal Repayment**

Subject to there being sufficient available funds for this purpose in accordance with the Supplementary Terms Notice, repayments of principal on:

- (a) the Trust Notes (other than the Class A1c Trust Notes) will be made on each Payment Date; and
- (b) the Class A1c Trust Notes will be made on each Quarterly Payment Date,

to each Holder then entitled to receive such payments.

Repayments of principal in respect of the Trust Notes, prior to the occurrence of a Trust Event of Default and the enforcement of the Trust Charge under the Trust General Security Deed, will be made in accordance with the order of priority described in section 16.20.

Repayments of principal in respect of the Trust Notes, after the occurrence of a Trust Event of Default and the enforcement of the Trust Charge under the Trust General Security Deed, will be made in accordance with the order of priority described in section 16.21.

If the Stated Amount of any Trust Note is reduced to zero at a time when the Stated Amount of the relevant Trust Notes is less than the Invested Amount of the relevant Trust Notes, the Stated Amount may be reinstated up to but not exceeding the then Invested Amount of the relevant Trust Notes. See section 16.19.

Prior to the Final Maturity Date, the relevant Trust Notes will not be deemed to have been redeemed or cancelled in the meantime.

## **12.7 Call Option**

Secure Funding will be entitled to redeem the Trust Notes in whole or in part on any Call Date.

The Call Date will be the earlier to occur of:

- (a) the Quarterly Payment Date immediately following the Determination Date on which the Aggregate Adjusted Invested Amount of all Trust Notes on that Determination Date is less than, or equal to, 20% of the aggregate Initial Invested Amount of all Trust Notes on the Issue Date; and
- (b) the Quarterly Payment Date scheduled to fall in April 2022,

and each Quarterly Payment Date thereafter.

If Secure Funding exercises its right to redeem the Trust Notes on a Call Date:

- (a) Secure Funding will redeem the Trust Notes at their then Invested Amount together with any accrued interest (if any) thereon; and
- (b) Secure Funding may not redeem the Trust Notes in part unless:
  - (i) a Rating Notification has been provided in respect of such redemption; and
  - (ii) the Trust Notes to be redeemed are the most senior Trust Notes at that time (as determined in accordance with the order of priority set out in section 16).

## **12.8 Limit on Rights**

Neither the Master Trust Deed nor the Trust General Security Deed confers any right, power or authority on the Holders of the Trust Notes to:

- (a) take any action, or to direct the Trust Manager or Secure Funding to take or refrain from taking any action, with respect to any asset of the Trust; or
- (b) remove the Trust Manager, Secure Funding, the Trust Security Trustee, the Trust Servicer, the Trust Custodian, the Trust Registrar, the Trust Standby Servicer, the Trust Standby Manager, the Trust Standby Trustee or the Trust Originator; or
- (c) call or to attend certain meetings (other than under the Trust General Security Deed); or
- (d) wind up the Trust; or
- (e) take any other action which would contravene the intent of the Master Trust Deed.

## **13 DESCRIPTION OF THE A\$ NOTES**

### **13.1 General Description of the A\$ Notes**

The A\$ Notes constitute debt securities issued by Liberty Funding in respect of the Series. Liberty Funding's liability to pay interest and repay principal on the A\$ Notes will be limited to the Series Assets.

The A\$ Notes are characterised as secured, amortising, pass through, floating rate debt securities. They are issued with the benefit of, and subject to, the Series Master Security Trust Deed, the Issue Supplement, the A\$ Note Conditions and the Series General Security Deed.

Nine Classes of A\$ Notes will be issued - Class A1a Notes, Class A1b Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Class G Notes.

### **13.2 Interest on the A\$ Notes**

Subject to there being sufficient available funds for this purpose in accordance with the Issue Supplement and the A\$ Note Conditions, interest on the A\$ Notes will be paid on each Payment Date in arrears in respect of the Payment Period ending on that Payment Date, until the Final Maturity Date of the A\$ Notes.

The A\$ Notes will bear a floating rate of interest at the Rate of Interest for the relevant Class of A\$ Notes.

The first payment of interest on the A\$ Notes will occur on the first Payment Date.

No interest will accrue on any A\$ Note for the period after the Invested Amount in respect of that A\$ Note is reduced to zero.

Prior to the occurrence of a Series Event of Default and the enforcement of the Series Charge under the Series General Security Deed, interest on the A\$ Notes will be paid on each Payment Date in accordance with the order of priority described in section 17.2.

After the occurrence of a Series Event of Default and the enforcement of the Series Charge under the Series General Security Deed, interest on the A\$ Notes will be paid on in accordance with the order of priority described in section 17.6.

### **13.3 Calculating Interest**

Interest on each A\$ Note is calculated for each Payment Period:

- (a) at the Rate of Interest for the relevant Class of A\$ Note to which that A\$ Note belongs on the first day of that Payment Period;
- (b) in respect of:
  - (i) each Class of A\$ Notes (other than the Class G Notes), on the Invested Amount of the relevant Class of Notes on the first day of that Payment Period; and
  - (ii) the Class G Notes, on the Stated Amount of the Class G Notes on the first day of that Payment Period; and
- (c) on the actual number of days in that Payment Period and assuming a year of 365 days.

### **13.4 Call Option**

Liberty Funding will be entitled to redeem Notes in whole or in part on any Call Date.

If Liberty Funding exercises its right to redeem the Notes on a Call Date:

- (a) Liberty Funding will redeem the Notes at their then Invested Amount together with any accrued interest (if any) thereon to (but excluding) the date of redemption on the Call Date; and
- (b) Liberty Funding may not redeem the Notes in part:
  - (i) unless a Rating Notification has been provided in respect of the redemption; and
  - (ii) the Notes to be redeemed are the most senior Notes at that time (as determined in accordance with the order of priority set out in section 17 (“Cashflow Allocation Methodology – Series”)).

### **13.5 Payment Period**

The first Payment Period for the A\$ Notes commences on (and includes) the Issue Date and ends on (but excludes) the first Payment Date. Each succeeding Payment Period is the period from (and including) a Payment Date and up to (but excludes) the next Payment Date. The final Payment Period ends on (and includes) the date on which the A\$ Notes are redeemed in accordance with the Issue Supplement and the A\$ Note Conditions.

### **13.6 Rate of Interest**

The Rate of Interest for each Payment Period for:

- (a) each Class G Note is the aggregate of the Bank Bill Rate for that Payment Period and the Relevant Margin for the Class G Note; or
- (b) each A\$ Note (other than the Class G Note):
  - (i) for each Payment Period ending on or prior to the Step-Up Margin Date is the sum of:
    - (A) the Relevant Margin; and
    - (B) the Bank Bill Rate,for that A\$ Note and that Payment Period; or
  - (ii) for each Payment Period ending after the Step-Up Margin Date is the sum of:
    - (A) the Relevant Margin;
    - (B) the Step-Up Margin; and
    - (C) the Bank Bill Rate,

for that A\$ Note and that Payment Period.

### **13.7 Principal Repayment**

Subject to there being sufficient available funds for this purpose in accordance with the Issue Supplement and the A\$ Note Conditions, repayments of principal on the A\$ Notes will be made on each Payment Date to each Holder then entitled to receive such payments.

Repayments of principal in respect of the A\$ Notes, prior to the occurrence of a Series Event of Default and the enforcement of the Series Charge under the Series General Security Deed, will be made in accordance with the order of priority described in section 17.3.

Repayments of principal in respect of the A\$ Notes, after the occurrence of a Series Event of Default and the enforcement of the Series Charge under the Series General Security Deed, will be made in accordance with the order of priority described in section 17.6.

### **13.8 Limit on Rights**

Neither the Series Master Security Trust Deed nor the Series General Security Deed confers any right, power, or authority on the Holders to:

- (a) take any action, or to direct the Series Manager or Liberty Funding to take or refrain from taking any action, with respect to any Series Assets; or
- (b) remove the Series Manager, Liberty Funding (in its capacity as trustee of the Trust), or a Series Security Trustee; or
- (c) call or to attend certain meetings (other than under the Series General Security Deed); or
- (d) wind up Liberty Funding or the Trust; or
- (e) take any other action which would contravene the intent of the Series Master Security Trust Deed.

### **13.9 Registry**

The Series Registrar will maintain a register of Holders (“**Series Register**”) at its offices at Level 18, Angel Place, 123 Pitt Street, Sydney, NSW, 2000, Australia. Amongst other details, the Series Register will record the name and address of each Holder, the Class of A\$ Notes issued, the Initial Invested Amount and the Invested Amount of each holding.

The Series Register will be closed five Business Days prior to each Payment Date in order to calculate and make distributions to Holders. The Series Registrar also may close the Series Register at any other time, without prior notice to Holders, for such period as it may determine (but no longer than 30 days in aggregate in any calendar year).

The Series Registrar may establish any other rules reasonably required to maintain the Register in an orderly fashion, which rules can be inspected at the Series Registrar’s offices.

### **13.10 Registration and Transfer**

The Series Register will be conclusive as to the ownership of and entitlements under the A\$ Notes. No certificates will be issued in respect of the A\$ Notes. Liberty Funding may provide a Holder with an acknowledgment in respect of that Holder’s holding of A\$ Notes.

A transfer of A\$ Notes may be effected only by a Holder duly completing, stamping (as required), and lodging with the Series Registrar a transfer and acceptance form, copies of which may be obtained at the Series Registrar's offices together with the acknowledgment in respect of the A\$ Notes. A Holder may request that a transfer and acceptance form be marked, in which case the Series Registrar will not register any transfer of A\$ Notes, except as specified on the marked form, for a period of 90 days.

A transfer will take effect only when the transfer is registered, and the Series Registrar must issue within 10 Business Days of registration an acknowledgment in respect of the A\$ Notes. If a Holder transfers some but not all of its holdings, Liberty Funding also will issue an acknowledgment to the transferor in respect of the retained A\$ Notes.

An acknowledgment in respect of A\$ Notes is not a certificate of title to the A\$ Notes, nor may it be pledged or deposited as security. A Holder may request replacement acknowledgments, which the Series Registrar will issue for a fee not greater than A\$10 provided that certain conditions are met by the Holder.

No transfer will be recognised unless made pursuant to an offer or invitation which does not require disclosure pursuant to Part 6D.2 of the Corporations Act and provided that the A\$ Note is not transferred to a retail client for the purposes of Chapter 7 of the Corporations Act.

### **13.11 Austraclear**

It is expected that the A\$ Notes will be eligible to be lodged into the Austraclear system by registering Austraclear Limited as the holder of record, for custody in accordance with the Austraclear rules. All payments in respect of the A\$ Notes (lodged into Austraclear will be made to Austraclear Limited, for transfer in accordance with the Austraclear rules. All notices to the Holders of the A\$ Notes will be directed to Austraclear Limited.

In respect of each of the A\$ Notes that are lodged into the Austraclear system, Austraclear Limited will become the registered holder of those A\$ Notes in the Register of Holders. While those A\$ Notes remain in the Austraclear system:

- (a) all payments and notices required of Liberty Funding and the Series Manager in relation to those A\$ Notes will be directed to Austraclear Limited; and
- (b) all dealings and payments in relation to those A\$ Notes within the Austraclear system will be governed by the Austraclear Limited Regulations.

### **Governing Law and Jurisdiction**

Each A\$ Note and Trust Note is governed by the laws of New South Wales. Liberty Funding and Secure Funding irrevocably and unconditionally will submit to the non-exclusive jurisdiction of the courts of New South Wales.



## 14 TERMS AND CONDITIONS OF THE CLASS A1c NOTES

The following are the terms and conditions of the Class A1c Notes, as they will appear in schedule 2 of the Note Trust Deed.

### Condition 1. General

The following notes will be issued on the Issue Date by Liberty Funding Pty Ltd in respect of the Liberty Series 2018-1 (“**Series**”):

- (a) A\$150,000,000 Class A1a Notes (“**Class A1a Notes**”);
- (b) A\$691,500,000 Class A1b Notes (“**Class A1b Notes**”);
- (c) €3,400,000 Class A1c Notes (“**Class A1c Notes**” together with the Class A1a Notes and the Class A1b Notes, the “**Class A1 Notes**”);
- (d) A\$372,000,000 Class A2 Notes (“**Class A2 Notes**”);
- (e) A\$55,500,000 Class B Notes (“**Class B Notes**”);
- (f) A\$28,500,000 Class C Notes (“**Class C Notes**”);
- (g) A\$16,500,000 Class D Notes (“**Class D Notes**”);
- (h) A\$19,500,000 Class E Notes (“**Class E Notes**”);
- (i) A\$6,000,000 Class F Notes (“**Class F Notes**”); and
- (j) A\$27,000,000 Class G Notes (“**Class G Notes**”).

The Class A1 Notes and the Class A2 Notes, are together the “**Class A Notes**”. The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes, Class F Notes and Class G Notes are together the “**Notes**”. The Class A1a Notes, Class A1b Notes, Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, Class F Notes and Class G Notes are together the “**A\$ Notes**”.

The Class A1c Notes:

- (a) are constituted by a Note Trust Deed (“**Note Trust Deed**”) dated 4 May 2018 between Liberty Funding, Liberty Financial Pty Ltd (“**Manager**”) and DB Trustees (Hong Kong) Limited (“**Class A1c Note Trustee**”) as trustee for the several persons who are for the time being the registered holders of the Class A1c Notes;
- (b) are issued subject to, and with the direct or indirect benefit of, amongst other things:
  - (i) a Master Security Trust Deed (“**Master Security Trust Deed**”) dated 18 April 2008 between Liberty Funding, Liberty Financial Pty Ltd (“**Manager**”) and P.T. Limited (“**Security Trustee**”);
  - (ii) an Issue Supplement (“**Issue Supplement**”) dated 4 May 2018 between Liberty Funding, the Manager, the Security Trustee and Perpetual Trustee Company Limited;

- (iii) a Series General Security Deed (“**Series General Security Deed**”) dated 12 April 2018 between Liberty Funding and the Security Trustee;
- (iv) the Note Trust Deed;
- (v) the terms and conditions set out in the Note Trust Deed (“**Class A1c Note Conditions**”);
- (vi) an Agency Agreement (“**Agency Agreement**”) dated 4 May 2018 between Liberty Funding, the Class A1c Note Trustee, the Manager, Deutsche Bank AG, Hong Kong Branch, as the initial principal paying agent (“**Class A1c Note Principal Paying Agent**”), the initial Class A1c note registrar (“**Class A1c Note Registrar**”) and the Class A1c Note calculation agent (“**Class A1c Note Calculation Agent**”);
- (vii) the ISDA Master Agreement dated 4 May 2018 between the Manager, Liberty Funding and National Australia Bank Limited in respect of the currency swap.

Certain provisions of the Class A1c Note Conditions (including the definitions in the Class A1c Note Conditions) are summaries of the Transaction Documents (as defined in **Condition 3**) and are subject to the detailed provisions of the Transaction Documents, a copy of each of which may be inspected as indicated in **Condition 3**.

Payments of interest and principal, and the calculation of certain amounts and rates, under the Class A1c Note Conditions in respect of the Class A1c Notes will be made pursuant to the Issue Supplement and the Agency Agreement.

Liberty Funding has entered into an ISDA Master Agreement (“**Class A1c Currency Swap Agreement**”) with the Manager and the Currency Swap Provider together with a schedule, credit support annexes and confirmation in respect of the Class A1c Notes (such confirmation, the “**Currency Swap**”).

In the Class A1c Note Conditions:

“**A\$**” means the lawful currency for the time being of the Commonwealth of Australia.

“**€**” means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Union, as amended.

“**Class A1c Noteholders**” means:

- (a) in relation to Class A1c Notes represented by the Registered Global Note, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular outstanding principal amount of the Registered Global Note (other than Euroclear or Clearstream, Luxembourg) in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the outstanding principal amount of Class A1c Notes standing to the account of any person will be conclusive and binding for all purposes and such person will be treated by Liberty Funding, the Class A1c Note Trustee and each Class A1c Note Principal Paying Agent as the holder of such outstanding principal amount of such Class A1c Notes for all purposes, other than for the purpose of payments in respect thereof, the right to which will be vested, as against Liberty Funding, the Class A1c Note Trustee and each Class A1c Note Principal Paying Agent, solely in the person whose name is

registered in the Class A1c Note Register as the registered holder of the Registered Global Note in accordance with and subject to its terms and for which purpose “Class A1c Noteholder” means the registered holder of the Registered Global Note; and

- (b) in relation to any Definitive Class A1c Notes issued under **Condition 4.4**, the persons whose names are registered in the Class A1c Note Register as the registered holders of those Definitive Class A1c Notes,

and related expressions will be construed accordingly.

“**Currency Swap Provider**” means National Australia Bank Limited as provider of the Currency Swap or any replacement currency swap provider.

“**Issue Date**” means 8 May 2018, or such other date as may be notified as such in writing by the Manager to Liberty Funding.

## **Condition 2. Definitions and interpretation**

### **2.1 Incorporated terms**

Unless otherwise defined in the Class A1c Note Conditions or the context requires otherwise, and subject to **Condition 2.2** words and expressions which are defined in the Issue Supplement (including by incorporation) have the same meanings in the Class A1c Note Conditions.

### **2.2 Interpretation**

In the Class A1c Note Conditions, unless the context otherwise requires:

- (a) a reference to a party includes that party’s executors, administrators, successors, substitutes and assigns, including any person replacing that party by way of novation;
- (b) a reference to any regulation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted therefor and all ordinances, by-laws, regulations and other statutory instruments issued thereunder;
- (c) a reference to any document or agreement is a reference to such document or agreement as amended, varied, supplemented or replaced from time to time;
- (d) words importing the singular include the plural (and vice versa);
- (e) words denoting a given gender include all other genders; and
- (f) headings are for convenience only and do not affect the interpretation of the Class A1c Note Conditions.

### **2.3 Payment Calculations**

Except as expressly provided otherwise in the Class A1c Note Conditions, all payments in a given currency under the Class A1c Note Conditions will be rounded to the nearest cent in that currency.

### **Condition 3. Class A1c Noteholders Bound**

The Class A1c Noteholders are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents. A copy of each Transaction Document is available for inspection, upon reasonable prior notice, during normal business hours on Business Days at the registered office for the time being of the Class A1c Note Trustee (which is, at the date of the Class A1c Note Conditions, Level 52 International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong).

**“Transaction Documents”** means:

- (a) each of the following insofar as it applies to the Series:
  - (i) the Master Security Trust Deed;
  - (ii) the Management Deed;
  - (iii) the Master Registry Services Agreement;
- (b) the Issue Supplement;
- (c) the Series General Security Deed;
- (d) the Note Deed Poll (including the A\$ Note Conditions);
- (e) the Dealer Agreement;
- (f) the Note Trust Deed (including the Class A1c Note Conditions);
- (g) the Agency Agreement;
- (h) the Currency Swap Agreement;
- (i) the Currency Swap; and
- (j) any other document designated by Liberty Funding and the Manager as such from time to time.

## **4 Form, denomination and title**

### **4.1 Form and denomination**

Each of the Class A1c Notes sold in transactions in reliance on Regulation S or otherwise sold to persons who are not U.S. Persons (as defined under Regulation S) will be represented by one global note in fully registered form without “Coupons”, “Receipts” or “Talons” attached (the **“Registered Global Note”**). Until the first Business Day that is 40 days after the later of the commencement date of the Offering Circular and the Issue Date, interests in the Registered Global Note may not be sold to a U.S. Person (as defined under Regulation S) or for the account or benefit of a U.S. Person. The Class A1c Notes will be issued in minimum denominations of €100,000.

### **4.2 Registration with Common Depository**

The Registered Global Note will be registered in the name of the common depository (**“Common Depository”**) for Clearstream Banking, *société anonyme* (**“Clearstream,**

**Luxembourg**”) and Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) on the Issue Date. On deposit of the Registered Global Note, Euroclear and/or Clearstream, Luxembourg, as the case may be, will credit each subscriber for Class A1c Notes with the principal amount of €denominated Class A1c Notes equal to the principal amount thereof for which each subscriber has subscribed and paid. Beneficial interests in the Registered Global Note may be held only through Euroclear or Clearstream, Luxembourg.

#### **4.3 Title to the Class A1c Notes**

Title to the Class A1c Notes passes on registration of transfers thereof in the Class A1c Note Register. Except as ordered by a court of competent jurisdiction or as otherwise required by law, persons whose names are registered in the Class A1c Note Register as the registered holders of any Class A1c Note will be deemed to be its absolute owners for all purposes, irrespective of whether it is overdue, any notice of ownership, trust or any interest in it, any writing on it, its theft or its loss and no person will be liable for so deeming and dealing with the holder accordingly.

#### **4.4 Exchange Event**

If any of the following events (each an “**Exchange Event**”) occur in respect of the Registered Global Note, then Liberty Funding will issue the Class A1c Notes in fully registered definitive form (each a “**Definitive Class A1c Note**,”) in an aggregate principal amount equal to the principal amount of the Registered Global Note in exchange for the whole outstanding interest in the Registered Global Note within 30 days of the occurrence of the following events:

- (i) Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no internationally recognised alternative clearing system is available and in each case no alternative clearing system succeeds, and performs the obligations under the Registered Global Note of, the Clearing System that is so closed, makes such announcement or permanently ceases business; or
- (ii) as a result of any amendment to, or change in, the laws of the Commonwealth of Australia (or any political subdivision thereof) or of any authority in or of the Commonwealth of Australia (or any political subdivision thereof) having power to tax or in the interpretation by a revenue authority or a court or the administration of such laws or regulations which becomes effective on or after the Issue Date, Liberty Funding or the Class A1c Note Principal Paying Agent will be required to make any withholding or deduction from any payment in respect of the Registered Global Note which would not be required if the Registered Global Note was in definitive form.

#### **4.5 Form of Definitive Class A1c Notes**

If issued, Definitive Class A1c Notes will be:

- (i) issued in minimum denominations of €100,000;
- (ii) serially numbered with an identifying number which will be recorded in the note register (the “**Class A1c Note Register**”) which Liberty Funding will procure will be kept by the Class A1c Note Registrar; and

- (iii) issued in fully registered form.

#### **4.6 Transfers of Class A1c Notes**

Subject to the other provisions of the Class A1c Note Conditions, transfers of the Registered Global Note will be limited to transfers of the Registered Global Note to nominees of Euroclear or Clearstream, Luxembourg or to a successor of Euroclear or Clearstream, Luxembourg. Definitive Class A1c Notes may be transferred in whole or in part in nominal amounts equal to the applicable minimum denominations and integral multiples in excess thereof only on the surrender, at the Specified Office of the Class A1c Note Registrar, with the form of transfer endorsed on such Definitive Class A1c Note duly completed and executed and together with such other evidence as the Class A1c Note Registrar may reasonably require. In the case of a transfer of part only of a holding of Class A1c Notes represented by one Definitive Class A1c Note, a new Definitive Class A1c Note will be issued to the transferee in respect of the part transferred and a further new Definitive Class A1c Note will be issued to the transferor in respect of the balance of the holding.

#### **4.7 Delivery of new Definitive Class A1c Notes**

Each new Definitive Class A1c Note to be issued pursuant to **Condition 4.4** above will be available for delivery within five Business Days of receipt of the form of transfer or surrender of an existing Definitive Class A1c Note on partial redemption. Delivery of new Definitive Class A1c Notes will be made at the Specified Office of the Class A1c Note Registrar to whom delivery or surrender is made or, at the option of the Class A1c Noteholder making such delivery or surrender and as specified in the form of transfer or otherwise in writing, will be mailed by pre-paid first class post, at the risk of the Class A1c Noteholder entitled to the new Definitive Class A1c Note, to such address as specified by the relevant Class A1c Noteholder. For the purposes of this **Condition 4.7**, “**Business Day**” means a day (not being a Saturday, Sunday or public holiday) on which banks are open for general banking business in the place of the Specified Office of the Class A1c Note Registrar.

#### **4.8 Transfer of free of charge**

The transfer of the Registered Global Note and Definitive Class A1c Notes in accordance with the Class A1c Note Conditions on registration or transfer will be effected without charge by or on behalf of Liberty Funding or the Class A1c Note Registrar, but on payment (or the giving of such indemnity as Liberty Funding or the Class A1c Note Registrar may require in respect thereof) of any tax or other government charges which may be imposed in respect of it.

#### **4.9 Closed Periods**

Neither Liberty Funding nor the Class A1c Note Registrar may be required to register the transfer of a Class A1c Note during the period of:

- (i) 30 calendar days ending on the due date for redemption in full of that Class A1c Note;
- (i) 30 calendar days ending on (and including) any Quarterly Payment Date; or
- (ii) such number of days, not exceeding 30 days, specified by the Class A1c Note Trustee, prior to any meeting of the Class A1c Noteholders.

#### **4.10 Rules concerning transfer and registration**

All transfers of Class A1c Notes and entries on the Class A1c Note Register will be made subject to the rules concerning the transfer of Class A1c Notes set out in the Note Trust Deed and the Agency Agreement. A transfer in breach of certain of such rules may result in such Class A1c Notes being required to be sold. The rules may be changed by Liberty Funding, the Class A1c Note Registrar and the Class A1c Note Trustee in any manner which is reasonably required by Liberty Funding to reflect changes in legal requirements or in any other manner which, in the opinion of Liberty Funding and the Class A1c Note Trustee is not prejudicial to the interests of the Class A1c Noteholders. Copies of the Note Trust Deed and the Agency Agreement are available for inspection (with prior notice and proof of holding provided) during usual business hours at the principal office of the Class A1c Note Principal Paying Agent (presently at Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong).

### **Condition 5. Status, security and relationship between the Class A1c Notes and the A\$ Notes**

#### **5.1 Status**

The Class A1c Notes are direct, secured (as described in **Condition 5.2**), limited recourse (as described in **Condition 5.3** and **Condition 12.1**) obligations of Liberty Funding.

#### **5.2 Security**

The obligations of Liberty Funding under the Class A1c Notes are (amongst the other payment obligations of Liberty Funding comprising the Secured Moneys (as defined below)) secured, pursuant to the Master Security Trust Deed and the Series General Security Deed, in favour of the Security Trustee as trustee for the Secured Creditors (as defined below), by a security interest granted over all of the assets of the Series (“**Series Assets**”) (including choses in action and other rights) which Liberty Funding acquires or to which Liberty Funding becomes entitled on or after the date of the Series General Security Deed (“**Collateral**”).

“**Secured Creditors**” and “**Secured Moneys**” have the same respective meanings as in the Master Security Trust Deed and the Series General Security Deed.

#### **5.3 Limited Recourse**

The liability of Liberty Funding to make interest and principal payments on the Class A1c Notes is limited, except in certain circumstances described in **Condition 12**, to the Series Assets available for this purpose in accordance with, and subject to the order of priority of payments in, the Issue Supplement.

The net proceeds of realisation of the Series Assets (including following an Event of Default) may be insufficient to pay all amounts due to the Class A1c Noteholders and any other amounts ranking in priority to or equally with amounts due to the Class A1c Noteholders. The assets of Liberty Funding held in respect of any other series (including any other series established pursuant to the Master Security Trust Deed) will not in any circumstances be available to pay any amounts due to Class A1c Noteholders.

None of the Manager, the Currency Swap Provider, the Class A1c Note Trustee, the Security Trustee, the Class A1c Note Principal Paying Agent, the Joint Lead Managers, the Class A1c Note Calculation Agent or the Class A1c Note Registrar, amongst others,

have any obligation to any Class A1c Noteholder for payment of any amount owed by Liberty Funding in respect of the Class A1c Notes.

#### **5.4 No Preference within the Class A1c Notes**

The Class A1c Notes rank equally and rateably and without any preference or priority among themselves.

#### **5.5 Order of priority of payments**

- (a) Prior to the occurrence of an Event of Default and enforcement of the Series General Security Deed, payments under or in respect of the Class A1c Notes will be made by Liberty Funding in accordance with the order of priority set out in the Issue Supplement.
- (b) Following the occurrence of an Event of Default and enforcement of the Series General Security Deed, payments in respect of the Class A1c Notes will be made as described in **Condition 9.3**.

#### **5.6 Same rights**

The Class A1c Notes and the A\$ Notes enjoy the same rights, entitlements, benefits and restrictions except as expressly provided in the Transaction Documents.

### **Condition 6. Interest**

#### **6.1 Period of Accrual**

Each Class A1c Note accrues interest from (and including) its Issue Date and ceases to accrue interest on (but excluding) the date on which the Class A1c Note is redeemed in accordance with **Condition 7.5**.

**“Initial Invested Amount”** means in respect of each Class A1c Note, the amount of €100,000;

**“Invested Amount”** on any day in respect of:

- (a) a Class A1c Note, means an amount equal to the Initial Invested Amount of that Class A1c Note less the aggregate of any principal repayments made on or before that date in relation to that Class A1c Note pursuant to **Condition 7.2** and **Condition 7.3**; and
- (b) an A\$ Note, has the meaning set out in the A\$ Note Conditions (as defined in the Issue Supplement).

**“Stated Amount”** in respect of:

- (a) a Class A1c Note at any time, means an amount equal to:
  - (i) the Invested Amount of that Class A1c Note at that time; less
  - (ii) the €Equivalent of the amount of any charge-offs which have been allocated to that Class A1c Note, and which have not been reimbursed on or before that time, in accordance with the Issue Supplement; and



- (b) an A\$ Note, has the meaning set out in the A\$ Note Conditions (as defined in the Issue Supplement).

## 6.2 Quarterly Payment Periods

The period that a Class A1c Note accrues interest in accordance with Condition 6.1 is divided into periods (each a “**Quarterly Payment Period**”).

The first Quarterly Payment Period for a Class A1c Note commences on (and includes) the Issue Date and ends on (but does not include) the first Quarterly Payment Date thereafter. Each succeeding Quarterly Payment Period for a Class A1c Note commences on (and includes) a Quarterly Payment Date and ends on (but does not include) the next Quarterly Payment Date. The final Quarterly Payment Period for a Class A1c Note ends on (but does not include) the date on which interest ceases to accrue on the Class A1c Note pursuant to **Condition 6.1**.

“**Business Day**” means a day on which banks are open for business in Melbourne, Sydney and London (not being a Saturday, Sunday or public holiday in that place) provided that the day is also a TARGET Day.

“**Payment Date**” means the 10th day of each month or, if the 10th day is not a Business Day, then the next Business Day provided that the first Payment Date occurs on 12 June 2018.

“**Quarterly Payment Date**” means the Payment Date occurring in January, April, July and October of each year provided that the first Quarterly Payment Date occurs on 10 July 2018.

“**TARGET**” means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET 2) System.

“**TARGET Day**” means any day on which TARGET is open for the settlement of payments in Euro.

## 6.3 Interest Rate

The rate of interest payable from time to time in respect of a Class A1c Note (“Interest Rate”) and a Quarterly Payment Period:

- (a) commencing prior to the Step-up Margin Date, is the aggregate of:
  - (i) EUR-EURIBOR-Reuters (as defined below) for that Quarterly Payment Period; plus
  - (ii) the Margin (as defined below); or
- (b) commencing on or after the Step-up Margin Date is the aggregate of:
  - (i) EUR-EURIBOR-Reuters (as defined below) for that Quarterly Payment Period; plus
  - (ii) the Margin (as defined below); plus
  - (iii) the Step-up Margin (as defined below),

provided that if such calculation in respect of a Quarterly Payment Period produces a rate of less than zero percent, the Interest Rate for that Quarterly Payment Period will be zero percent.

**“Aggregate Adjusted Invested Amount”** means, in respect of a Determination Date, an amount equal to:

$$A - B$$

where:

A = the Aggregate Invested Amount of all Notes as at that Determination Date; and

B = the Class A1c Note Principal Ledger Balance as at that Determination Date.

**“Call Date”** means the earlier to occur of:

- (a) the Quarterly Payment Date immediately following the Determination Date on which the Aggregate Adjusted Invested Amount of all Notes on that Determination Date is less than, or equal to, 20% of the Aggregate Invested Amount of all Notes on the Issue Date; and
- (b) the Quarterly Payment Date scheduled to fall in April 2022,

and each Quarterly Payment Date thereafter.

**“EUR-EURIBOR-Reuters”** for a Quarterly Payment Period will be calculated by the Class A1c Note Calculation Agent in accordance with paragraph (a) (or, if applicable, paragraph (b)) below (subject, in the case of the first Quarterly Payment Period, to paragraph (c) below):

- (a) on the day that is two TARGET Settlement Days preceding the Rate Set Date the Class A1c Note Calculation Agent will determine the rate EUR-EURIBOR-Reuters as the applicable Floating Rate Option under the 2006 ISDA Definitions (the **“ISDA Definitions”**) of the International Swaps and Derivatives Association, Inc. being the rate applicable to any Quarterly Payment Period for three months deposits in euros in the Euro-zone interbank market which appears on the Rate Page as of 11:00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding the Rate Set Date;
- (b) if such rate does not appear on the Rate Page at that time, the EUR-EURIBOR-Reuters for that Quarterly Payment Period will be determined as if Liberty Funding and the Class A1c Note Calculation Agent had specified **“EUR-EURIBOR-Reference Banks”** as the applicable Floating Rate Option under the ISDA Definitions. For this purpose **“EUR-EURIBOR-Reference Banks”** means that the rate for a Quarterly Payment Period will be determined on the basis of the rates at which deposits in euros are offered by the Reference Banks (being four major banks in the Euro-zone interbank market selected by the Class A1c Note Calculation Agent) at approximately 11:00 a.m. Brussels time, on the day that is two TARGET Settlement Days preceding the Rate Set Date to prime banks in the Euro-zone interbank market for a period of three months commencing on that Rate Set Date and in a Representative Amount (as defined in the ISDA Definitions). The Class A1c Note Calculation Agent will request the principal Euro-zone (as defined in the ISDA Definitions) office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided,

the EUR-EURIBOR-Reuters for that Quarterly Payment Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Quarterly Payment Period will be the arithmetic mean of rates quoted by not less than two major banks in Euro-zone (as defined in the ISDA Definitions), selected by the Class A1c Note Calculation Agent, at approximately 11:00 a.m., Brussels time, on that Rate Set Date for loans in euros to leading European banks for a period of three months commencing on that Rate Set Date and in a Representative Amount (as defined in the ISDA Definitions). If no such rates are available in Euro-zone (as defined in the ISDA Definitions), then the EUR-EURIBOR-Reuters for such Quarterly Payment Period will be the rate determined by the Class A1c Note Calculation Agent as EUR-EURIBOR-Reuters (in accordance with paragraph (a) or this paragraph (b) as applicable) for the immediately preceding Quarterly Payment Period; and

- (c) EUR-EURIBOR-Reuters for the first Quarterly Payment Period will be the rate determined in accordance with paragraph (a) or, if applicable, paragraph (b) above with reference to the duration of the first Quarterly Payment Period except any reference to “three months” shall be construed as a reference to “two months”.

**“Margin”** means 0.50% per annum.

**“Rate Page”** means Reuters Screen EURIBOR01 Page or, if Reuters Screen EURIBOR01 Page ceased to quote the relevant rate, such other page, section or part of Reuters as quotes the relevant rate and is selected by the Class A1c Note Calculation Agent or, if there is no such page, section or part of Reuters, such other page, section or part of a different screen information service as quotes the relevant rate selected by the Class A1c Note Calculation Agent and approved by the Manager and the Currency Swap Provider.

**“Rate Set Date”** means the first day of the Quarterly Payment Period.

**“Step-up Margin Date”** means the first Quarterly Payment Date following the first Call Date.

**“Step-up Margin”** means 0.25% per annum.

**“€Equivalent”** means, in relation to an amount which is calculated, determined or expressed in A\$ or which includes a component determined or expressed in A\$, that A\$ amount or A\$ component (as the case may be) multiplied by the €Exchange Rate.

**“€Exchange Rate”** means the “€Exchange Rate” as specified in the confirmation for the Currency Swap.

#### 6.4 Calculation of Interest on the Class A1c Notes

Interest on each Class A1c Note for a Quarterly Payment Period (the **“Interest Amount”**) is calculated by applying the Interest Rate for that Class A1c Note for that Quarterly Payment Period to the Invested Amount of that Class A1c Note on the first day of the Quarterly Payment Period (after taking into account any reductions in the Invested Amount of that Class A1c Note on that day), by then multiplying such product by the actual number of days in the Quarterly Payment Period divided by 360.

If any Interest Amount is not paid on the date when it is due and payable, then such unpaid Interest Amount will accrue interest in accordance with the Class A1c Note Conditions until paid in full.

## **6.5 Determination of Interest Rate and Interest Amount**

The Class A1c Note Calculation Agent will, as soon as practicable after 11:00 am (London time) on each Rate Set Date, determine the Interest Rate in relation to the Class A1c Notes, and calculate the Interest Amount, for the immediately succeeding Quarterly Payment Period in accordance with, respectively, **Conditions 6.3** and **6.4**. The determination of the Interest Rate, and the calculation of the Interest Amount, by the Class A1c Note Calculation Agent in accordance with, respectively, **Conditions 6.3** and **6.4** will (in the absence of manifest error, wilful default or bad faith) be final and binding upon all parties.

## **6.6 Notification and Publication of Interest Rate and Interest Amount**

The Class A1c Note Calculation Agent will cause the Interest Rate and the Interest Amount in relation to the Class A1c Notes for each Quarterly Payment Period and the date of the next Quarterly Payment Date to be notified to Liberty Funding, the Manager, the Class A1c Note Trustee, the Currency Swap Provider and the Class A1c Note Principal Paying Agent on or as soon as practical after the Class A1c Note Calculation Agent has determined the Interest Rate and calculated the Interest Amount and will cause the same to be published in accordance with **Condition 11.1** as soon as possible after that notification. The Interest Amount and the Quarterly Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Quarterly Payment Period.

If following the occurrence of an Event of Default, the Security Trustee declares in accordance with the Master Security Trust Deed that the Class A1c Notes are immediately due and payable, the Interest Rate in respect of the Class A1c Notes will nevertheless continue to be calculated by the Class A1c Note Calculation Agent in accordance with this **Condition 6.6**, but no publication of the Interest Rate so calculated needs to be made unless the Class A1c Note Trustee otherwise requires.

## **6.7 Determination or Calculation by the Class A1c Note Trustee**

If the Class A1c Note Calculation Agent at any time for any reason does not determine the Interest Rate in respect of the Class A1c Notes, or calculate the Interest Amount, in accordance with this **Condition 6**, the Class A1c Note Trustee will do so and each such determination or calculation by the Class A1c Note Trustee will be as if made by the Class A1c Note Calculation Agent. In doing so, the Class A1c Note Trustee will apply the foregoing provisions of this **Condition 6**, with any necessary consequential amendments, to the extent that it can and in all other respects it will do so in such a manner as it considers to be fair and reasonable in all the circumstances.

## **6.8 Class A1c Note Calculation Agent**

Liberty Funding will procure that, for so long as any of the Class A1c Notes remain outstanding, there will at all times be a Class A1c Note Calculation Agent. The Manager may, with the prior written approval of Liberty Funding, terminate the appointment of the Class A1c Note Calculation Agent at any time by giving not less than 45 days' notice in writing to, amongst others, the Class A1c Note Calculation Agent. Notice of that termination will be given by Liberty Funding to the Class A1c Noteholders in accordance with **Condition 11.1**. If any person is unable or unwilling to continue to act as the Class A1c Note Calculation Agent, or if the appointment of the Class A1c Note Calculation Agent is terminated, Liberty Funding, at the direction of the Manager, will appoint a successor Class A1c Note Calculation Agent to act as such in its place, provided that

neither the resignation nor removal of the Class A1c Note Calculation Agent will take effect:

- (a) until a successor approved by the Manager has been appointed; and
- (b) if as a result there would cease to be Agents as required by the Class A1c Note Conditions.

The initial Class A1c Note Calculation Agent and its specified office are set out at the end of the Class A1c Note Conditions.

“**Agent**” has the meaning given to it in the Agency Agreement.

## **6.9 Payment of the Interest Amount – Class A1c Notes**

The Interest Amount for each Quarterly Payment Period in relation to a Class A1c Note is payable in arrears in € on the relevant Quarterly Payment Date. Manager agrees to on each Quarterly Payment Date:

- (a) direct Liberty Funding to pay on that Quarterly Payment Date an amount equal to the A\$ Class A1c Interest in relation to that Quarterly Payment Date to the Currency Swap Provider in accordance with the Currency Swap Agreement and the Currency Swap;
- (b) direct the Currency Swap Provider to pay on that Quarterly Payment Date to the Class A1c Note Principal Paying Agent an amount equal to the €Equivalent of the A\$ Class A1c Interest received by the Currency Swap Provider from Liberty Funding on that Quarterly Payment Date in accordance with paragraph (a) above; and
- (c) direct the Class A1c Note Principal Paying Agent to pay on that Quarterly Payment Date an amount equal to the €Equivalent of the A\$ Class A1c Interest received by the Class A1c Note Principal Paying Agent from the Currency Swap Provider on that Quarterly Payment Date, in accordance with paragraph (b) above, rateably amongst the Class A1c Notes based on their Invested Amounts towards the Interest Amount in relation to each Class A1c Note in relation to the relevant Quarterly Payment Period.

“**A\$ Class A1c Interest**” has the meaning given to it in the Issue Supplement.

## **Condition 7. Redemption**

### **7.1 Final redemption of the Class A1c Notes**

Unless previously redeemed (or deemed to be redeemed) in full, Liberty Funding will redeem the Class A1c Notes at their Invested Amount, together with all then accrued but unpaid interest, on the Quarterly Payment Date occurring in October 2049 (“**Final Maturity Date**”).

### **7.2 Partial redemption of the Class A1c Notes on each Quarterly Payment Date**

Prior to the occurrence of an Event of Default and enforcement of the Series General Security Deed, the Manager agrees to on each Quarterly Payment Date:

- (a) direct Liberty Funding to pay on that Quarterly Payment Date to the Currency Swap Provider in accordance with the Currency Swap, the A\$ Class A1c Principal in respect of the immediately preceding Determination Date; and
- (b) direct the Currency Swap Provider to pay on that Quarterly Payment Date to the Class A1c Note Principal Paying Agent an amount equal to the €Equivalent of the A\$ Class A1c Principal received by the Currency Swap Provider from Liberty Funding on that Quarterly Payment Date in accordance with paragraph (a) above; and
- (c) direct the Class A1c Note Principal Paying Agent to pay on that Quarterly Payment Date an amount equal to the €Equivalent of the A\$ Class A1c Principal received by the Class A1c Note Principal Paying Agent from the Currency Swap Provider on that Quarterly Payment Date, in accordance with paragraph (b) above, rateably to the Class A1c Noteholders towards the repayment of the Aggregate Invested Amount of the Class A1c Notes in accordance with, and subject to, the Class A1c Note Conditions and the Agency Agreement.
- (d) **“A\$ Class A1c Principal”** has the same meaning as in the Issue Supplement.

Such a payment towards the Invested Amount on a Class A1c Note will constitute a redemption of that Class A1c Note in part to the extent of such repayment and, upon such repayment, the obligations of Liberty Funding with respect to that Class A1c Note will be discharged to the extent of such repayment. For the avoidance of doubt, Liberty Funding’s obligations to make a payment in respect of a Class A1c Note will be discharged when it pays that amount to the Currency Swap Provider. The Currency Swap Provider’s obligations to make a payment in respect of a Class A1c Note will be discharged when it pays the €Equivalent of the amount it receives from Liberty Funding in respect of that Class A1c Note to the Class A1c Note Principal Paying Agent. To the extent that the amount paid, or payable, by Liberty Funding to the Currency Swap Provider under the Currency Swap is less than the corresponding amount payable by Liberty Funding under the Class A1c Note Conditions, Liberty Funding’s liability to pay any such shortfall will not be discharged.

### **7.3 Call Option**

Liberty Funding will be entitled to redeem Notes in whole or in part on any Quarterly Payment Date occurring on or after the Call Date.

If Liberty Funding exercises its right to redeem the Notes on a Call Date:

- (a) Liberty Funding will redeem the Notes at their then Invested Amount together with any accrued interest (if any) thereon to (but excluding) the date of redemption on the Call Date; and
- (b) Liberty Funding may not redeem the Notes in part:
  - (i) unless a Rating Notification has been provided in respect of the redemption; and
  - (ii) the Notes to be redeemed are the most senior Notes at that time (as determined in accordance with the order of priority set out in clause 4.5 (“Principal Distributions”) of the Issue Supplement.

## **7.4 Certification**

For the purpose of any redemption made under **Condition 7.3** of the Class A1c Note Conditions, Liberty Funding and the Class A1c Note Trustee may rely on a certificate from the Manager that Liberty Funding will be in a position to repay the Notes at their then Invested Amount, together with all accrued but unpaid interest up to (but excluding) the date of redemption and to discharge all its liabilities in respect of amounts required under the Transaction Documents to be paid in priority to or pari passu with the Notes as if the Series General Security Deed in respect of the Series was enforced.

## **7.5 Redemption on Final Payment**

A Class A1c Note will be finally redeemed, and the obligations of Liberty Funding with respect to the payment of the Invested Amount of that Class A1c Note will be finally discharged, on the date upon which the Invested Amount of that Class A1c Note is reduced to zero.

## **7.6 Cancellation**

All Class A1c Notes redeemed in full (or deemed to be redeemed in full) pursuant to the Class A1c Note Conditions will be cancelled and may not be resold or reissued.

## **7.7 No Payment in excess of Invested Amount**

No amount of principal will be paid in respect of a Class A1c Note in excess of the Invested Amount of the Class A1c Note.

## **7.8 Calculation of Invested Amounts, Stated Amounts and other amounts**

- (a) On each Determination Date immediately preceding a Quarterly Payment Date, the Manager will determine:
  - (i) the Stated Amount and Invested Amount of each Class A1c Note as at the first day of that Quarterly Payment Period (after making any adjustment to the Stated Amount or the Invested Amount (as the case may be) of the Class A1c Note in accordance with the Class A1c Note Conditions on or with effect from that Quarterly Payment Date); and
  - (ii) the amount of the Interest Amount payable in respect of each Class A1c Note on the next Quarterly Payment Date.
- (b) The Manager will notify Liberty Funding, the Class A1c Note Trustee, the Class A1c Note Principal Paying Agent, the Class A1c Note Calculation Agent and the Class A1c Note Registrar as soon as practical (and in any event by not later than three Business Days prior to the relevant Quarterly Payment Date) of each determination of an amount or percentage referred to in **Condition 7.8(a)** and will cause details of each of those determinations to be published in accordance with **Condition 11.2** as soon as practical after that notification.

## **Condition 8. Payments**

### **8.1 Method of Payment**

Any instalment on account of interest or principal payable on any Class A1c Note which is punctually paid or duly provided for by or on behalf of or at the direction of Liberty

Funding to the Class A1c Note Principal Paying Agent on the applicable Quarterly Payment Date shall be paid to the person in whose name such Class A1c Note is registered as at close of business on the relevant Record Date (as defined below), by wire transfer in immediately available funds to the account designated by such person or, if such person so requests in writing, by cheque mailed first-class, postage prepaid, to such person's address as it appears as at close of business on the Class A1c Note Register on such Record Date.

While the Class A1c Notes are represented by a Registered Global Note, Liberty Funding will discharge its payment obligation under the Class A1c Notes by making payments to Euroclear and Clearstream, Luxembourg. A holder of a beneficial interest in a Registered Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg and its participants to receive payments under the Class A1c Notes. Neither Liberty Funding nor the Class A1c Note Trustee has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Registered Global Note.

**“Record Date”** in relation to a Quarterly Payment Date or any other date for any payment to be made in respect of a Class A1c Note means:

- (a) in respect of a Class A1c Note represented by a Registered Global Note, the Clearing System Business Day immediately before a Quarterly Payment Date or other date on which the payment is to be made; or
- (b) in respect of a Class A1c Note represented by a Definitive Class A1c Note, the day which is 5 Business Days before a Quarterly Payment Date or other date on which the payment is to be made..

**“Clearing System Business Day”** means Monday to Friday inclusive except December 25 and January 1.

## **8.2 Surrender on Final Payment**

Prior to a final distribution being made in respect of the Class A1c Notes under clause 4 (“Cashflow Allocation Methodology”) of the Issue Supplement, the Class A1c Note Trustee must notify the Class A1c Noteholders on the relevant Record Date of the date upon which the Class A1c Note Trustee expects that final distribution to be made and specify if such final distribution will be payable only upon surrender of the relevant Class A1c Note to the Class A1c Note Principal Paying Agent at its Specified Office. No such final distribution will be made other than upon the surrender of the relevant Class A1c Notes and none of Liberty Funding, the Class A1c Note Trustee, the Security Trustee or the Class A1c Note Principal Paying Agent will be liable to pay any additional amount to any Class A1c Noteholder as a result of any delay in payment due to a Class A1c Note not having been surrendered in accordance with this **Condition 8.2**.

## **8.3 Class A1c Note Principal Paying Agent**

The initial Class A1c Note Principal Paying Agent and its specified office is set out at the end of the Class A1c Note Conditions.

Liberty Funding, at the direction of the Manager, may terminate the appointment of the Class A1c Note Principal Paying Agent in accordance with the Agency Agreement and appoint a replacement Class A1c Note Principal Paying Agent, provided that it will at all times maintain a Class A1c Note Principal Paying Agent having a specified office in Hong Kong. Notice of any termination or appointment of the Class A1c Note Principal



Paying Agent or of any change in the office through which the Class A1c Note Principal Paying Agent will act will be given to the Class A1c Noteholders in accordance with **Condition 11.1**.

#### **8.4 Taxation**

- (a) All payments in respect of the Class A1c Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless Liberty Funding or the Class A1c Note Principal Paying Agent is required by any applicable law to make such a withholding or deduction. In that event Liberty Funding or that the Class A1c Note Principal Paying Agent (as the case may be) will, after making such withholding or deduction, account to the relevant authorities for the amount so required to be withheld or deducted. Neither Liberty Funding, the Class A1c Note Principal Paying Agent or the Class A1c Note Trustee will be obliged to make any additional payments in respect of the relevant Class A1c Notes in relation to the withholding or deduction. Immediately after becoming aware that such a withholding or deduction is or will be required, Liberty Funding will notify the Class A1c Note Trustee, the Class A1c Note Principal Paying Agent and the Class A1c Noteholders in accordance with **Condition 11.1**, thereof.
- (b) For the avoidance of doubt, with respect to any withholding or deduction on payments to a Class A1c Noteholder on account of any taxes, duties, assessments or charges of whatever nature imposed under applicable law, no additional, make-whole or gross-up amounts for such withholding or deduction shall be payable to a Class A1c Noteholder where such withholding or deduction is imposed (i) under FATCA (defined below) or (ii) as a backup withholding tax. “**FATCA**” means sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulations or official interpretations issued with respect thereof or agreements thereunder, and any amended or successor provisions and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any published intergovernmental agreement entered into in connection with the implementation of such sections of the U.S. Internal Revenue Code of 1986.

#### **8.5 Prescription**

A Class A1c Note will become void in its entirety unless surrendered for payment within a period of 10 years from the Relevant Date in respect of any payment of principal or interest thereon, the effect of which will be to reduce the Invested Amount of, and all accrued but unpaid interest on, that Class A1c Note to zero. After the date on which a Class A1c Note becomes void in its entirety, no claim can be made in respect of it.

“**Relevant Date**” in respect of a Class A1c Note means the date on which a payment in respect thereof first becomes due or (if the full amount of the moneys payable in respect of the Class A1c Notes which is due on or before that date has not been duly received by the Class A1c Note Principal Paying Agent or the Class A1c Note Trustee on or prior to such date) the date on which the full amount of such moneys having been so received.

#### **8.6 Notify Late Payments**

In the event of the unconditional payment to the Class A1c Note Principal Paying Agent or the Class A1c Note Trustee of any sum due in respect of the Class A1c Notes or any of them being made after the due date for payment thereof, Liberty Funding will forthwith

give or procure to be given notice to the Class A1c Noteholders in accordance with **Condition 11.1** that such payment has been made.

## **8.7 Rounding of Payments**

All payments made to Class A1c Noteholders will be rounded down to the nearest cent.

## **Condition 9. Enforcement following occurrence of an Event of Default**

### **9.1 Enforcement**

The Master Security Trust Deed provides that at any time after the Security Trustee becomes aware of the occurrence of an Event of Default, the Security Trustee will (subject to **Condition 10.4** and subject to being appropriately indemnified), if so directed by an Extraordinary Resolution of the Voting Secured Creditors, declare the Notes immediately due and payable (in which case, subject to **Condition 12**, the Invested Amount of, and all accrued but unpaid interest in relation to, the Class A1c Notes will become immediately due and payable) and enforce the Series General Security Deed.

Subject to being indemnified in accordance with the Master Security Trust Deed and to the provisions of **Condition 9.2**, the Security Trustee will take all action necessary to give effect to any direction in accordance with the foregoing and will comply with all such directions.

“**Voting Secured Creditors**” has the same meaning as in the Issue Supplement.

### **9.2 Security Trustee may enforce Series General Security Deed without direction**

After the Security Trustee becomes aware of the occurrence of an Event of Default, the Security Trustee must not enforce the Series General Security Deed in accordance with the Master Security Trust Deed without an Extraordinary Resolution of the Voting Secured Creditors unless, in the opinion of the Security Trustee, the delay required to obtain the consent of the Voting Secured Creditors would be prejudicial to the interests of the Secured Creditors.

### **9.3 Priority of payments from Proceeds from the enforcement of the Series General Security Deed**

Following the occurrence of an Event of Default and enforcement of the Series General Security Deed, all moneys received in connection with the Master Security Trust Deed and the Series General Security Deed by the Security Trustee are to be applied, subject to the Master Security Trust Deed, in accordance with the order of priority contained in clause 4.8 (“Application of proceeds following an Event of Default”) of the Issue Supplement.

### **9.4 Class A1c Note Trustee Not Liable for Loss on enforcement**

The Class A1c Note Trustee is not liable for any decline in the value, nor any loss realised upon any sale or other disposition made under the Master Security Trust Deed of any Collateral or any other property which is charged to the Security Trustee in respect of or relating to the obligations of Liberty Funding or the Class A1c Notes or relating in any way to the Collateral. Without limitation, the Class A1c Note Trustee will not be liable for any such decline or loss directly or indirectly arising from its acting, or failing to act, as a consequence of an opinion reached by it which is based in good faith on advice received by it in accordance with the applicable requirements of the Note Trust Deed.

## **9.5 Directions from Class A1c Noteholders to Class A1c Note Trustee following Event of Default**

If an Event of Default has occurred and the Class A1c Note Trustee has received notice of the occurrence of such Event of Default from the Security Trustee, Liberty Funding or the Manager or otherwise has actual knowledge of such Event of Default, the Class A1c Note Trustee must:

- (a) notify each Class A1c Noteholder of the Event of Default within 10 Business Days, after receipt of that notice of the occurrence of the Event of Default, provided that, except in the case of a default in payment of principal or interest on any Class A1c Note, the Class A1c Note Trustee may withhold such notice if and for so long as its Authorised Officers in good faith determine that withholding the notice does not materially prejudice the interests of the Class A1c Noteholders;
- (b) if a meeting of Voting Secured Creditors is to be held under the Master Security Trust Deed, promptly convene a meeting of the Class A1c Noteholders to seek directions from the Class A1c Noteholders as to how to vote at that meeting and instruct the Security Trustee to delay the holding of that meeting while it obtains such directions from the Class A1c Noteholders; and
- (c) subject to the below, vote at any meeting of Voting Secured Creditors held under the Master Security Trust Deed. Any such votes by the Class A1c Note Trustee must be exercised for or against any proposal at the meeting of Voting Secured Creditors in the same proportion as that of the A\$ Equivalent of the aggregate Invested Amounts of the Class A1c Notes held by Class A1c Noteholders who have directed the Class A1c Note Trustee to vote for or against such a proposal.

In acting in accordance with the directions of the Class A1c Noteholders, the Class A1c Note Trustee must exercise its votes for or against any proposal to be put to a meeting of Voting Secured Creditors under the Master Security Trust Deed in the same proportion as that of the aggregate Invested Amounts of the Class A1c Notes held by Class A1c Noteholders who have directed the Class A1c Note Trustee to vote for or against such a proposal.

If any of the Class A1c Notes remain outstanding and are due and payable otherwise than by reason of a default in payment of any amount due on the Class A1c Notes, the Class A1c Note Trustee must not vote at a meeting of Voting Secured Creditors under the Master Security Trust Deed to, or otherwise direct the Security Trustee to, dispose of the Collateral or consent to the Security Trustee so disposing unless either:

- (i) a sufficient amount would be realised to discharge in full all amounts owing to the Class A1c Noteholders and any other amounts payable by Liberty Funding in respect of the Series to any other person ranking in priority to or *pari passu* with the Class A1c Notes; or
- (ii) the Class A1c Note Trustee is of the opinion (which will be binding on the Class A1c Noteholders), reached after considering at any time and from time to time the advice of a merchant bank or other financial adviser selected by the Class A1c Note Trustee in its absolute discretion, that the cash flow likely to be received by Liberty Funding (or the Security Trustee under the Master Security Trust Deed) from continuing to hold the Series Assets of the Series 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 Liberty Funding, to discharge in full in due course all the amounts referred to in paragraph (i) above,

and in either case, the Class A1c Note Trustee is so directed by an Extraordinary Resolution of the Class A1c Noteholders.

The Class A1c Note Trustee need not do anything to find out if an Event of Default has occurred. Until it has actual knowledge or express notice to the contrary, the Class A1c Note Trustee may assume that no such event has occurred and that Liberty Funding and each other party to the Transaction Documents is performing all its obligations under the Note Trust Deed and the Class A1c Notes.

#### **9.6 Only Security Trustee may enforce Series General Security Deed**

Subject to the Master Security Trust Deed and the Series General Security Deed, only the Security Trustee may enforce the provisions of the Master Security Trust Deed and the Series General Security Deed and neither the Class A1c Note Trustee nor any Class A1c Noteholders is entitled to proceed directly against Liberty Funding to enforce the performance of any of the provisions of the Master Security Trust Deed or the Series General Security Deed.

The Security Trustee is not obliged to do or not do anything in connection with the Transaction Documents unless it is indemnified against any liability or loss arising from, and any costs properly incurred in connection with, doing or not doing that thing in a manner consistent with the Master Security Trust Deed.

#### **9.7 Exercise of Class A1c Noteholder rights by Class A1c Note Trustee**

Only the Class A1c Note Trustee may on behalf of the Class A1c Noteholders:

- (a) direct the Security Trustee to enforce the provisions of the Master Security Trust Deed and the Series General Security Deed; or
- (b) enforce the obligations of Liberty Funding to the Class A1c Noteholders under the Class A1c Notes (including the Class A1c Note Conditions) or any other Transaction Document,

and no Class A1c Noteholder is entitled to take any of the above actions or to proceed directly against the Class A1c Note Trustee to enforce the performance of any of the provisions of the Class A1c Notes (including the Class A1c Note Conditions) or any other Transaction Document except that if the Class A1c Note Trustee, having become bound to take steps and/or proceed, fails to do so within a reasonable time and such failure is continuing, the Class A1c Noteholders may take such steps and/or proceedings directly but then only if and to the extent the Class A1c Noteholders are able to do so under Australian law.

The Security Trustee may rely on any instructions or directions given to it by the Class A1c Note Trustee as being given on behalf of the Class A1c Noteholders from time to time and need not inquire whether any such instructions or directions are in accordance with the Note Trust Deed, whether the Class A1c Note Trustee, the Class A1c Noteholders from time to time have complied with any requirements under the Note Trust Deed or as to the reasonableness or otherwise of the Class A1c Note Trustee.

## **Condition 10. Meetings of Voting Secured Creditors, directions of Class A1c Noteholders, modifications, consents, waivers and indemnities**

### **10.1 Meetings of Voting Secured Creditors**

The Master Security Trust Deed contains provisions for convening meetings of the Secured Creditors to, among other things, enable the Voting Secured Creditors to direct or consent to the Security Trustee taking or not taking certain actions under the Master Security Trust Deed and the Series General Security Deed; for example to enable the Voting Secured Creditors, following the occurrence of an Event of Default, to direct the Security Trustee to declare the Class A1c Notes immediately due and payable and/or to enforce the Series General Security Deed.

### **10.2 Directions of Class A1c Noteholders**

Under the Note Trust Deed, the Class A1c Note Trustee may seek directions from the Class A1c Noteholders from time to time, including following the occurrence of an Event of Default. The Class A1c Note Trustee shall not be responsible for having acted in good faith on a resolution purporting to have been passed at a meeting of Class A1c Noteholders in respect of which minutes have been made and signed even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Class A1c Noteholders.

If the Class A1c Note Trustee is entitled under the Master Security Trust Deed to vote at any meeting on behalf of Class A1c Noteholders, the Class A1c Note Trustee must vote in accordance with the directions of such Class A1c Noteholders. In acting in accordance with the directions of the relevant Class A1c Noteholders, the Class A1c Note Trustee must exercise its votes for or against any proposal to be put to a meeting in the same proportion as that of the aggregate Invested Amount of the Class A1c Notes held by the relevant Class A1c Noteholders who have directed the Class A1c Note Trustee to vote for or against that proposal. If no direction is given to the Class A1c Note Trustee, the Class A1c Note Trustee shall not vote on any such matter or take any other action relating thereto.

### **10.3 Amendments to Note Trust Deed and Class A1c Notes**

Pursuant and subject to the Note Trust Deed and subject to any approval required by law, the Class A1c Note Trustee, the Manager and Liberty Funding may together agree, without the consent or sanction of any Class A1c Noteholder, by way of supplemental deed to alter, add to or revoke (each a “**modification**”) any provision of the Note Trust Deed, the Class A1c Notes (including the Class A1c Note Conditions) so long as such modification is not a Payment Modification (as defined below) and such modification:

- (i) in the opinion of the Class A1c Note trustee (for which it may rely on an Opinion of Counsel) is necessary or expedient to comply with the provisions of any statute or regulation or with the requirements of any governmental agency;
- (ii) in the opinion of the Class A1c Note trustee (for which it may rely on an Opinion of Counsel) is made to correct a manifest error or ambiguity, or is to correct inconsistency between the provisions of any Transaction Document and the description of the provisions thereof in the related prospectus, or is of a formal, technical or administrative nature only;

- (iii) in the opinion of the Class A1c Note trustee (for which it may rely on an Opinion of Counsel) 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, without limitation, a modification which is in the opinion of the Class A1c Note Trustee appropriate or expedient as a consequence of the enactment of a statute or regulation or an amendment to any statute or regulation or ruling by the Australian Federal Commissioner of Taxation 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 or the trust constituted under the Note Trust Deed); or
- (iv) in the opinion of the Class A1c Note trustee (for which it may rely on an Opinion of Counsel) is otherwise desirable for any reason and:
  - (A) is not in the opinion of the Class A1c Note Trustee (for which it may rely on an Opinion of Counsel) likely, upon coming into effect, to be materially prejudicial to the interests of the Class A1c Noteholders as a whole; or
  - (B) if it is in the opinion of the Class A1c Note Trustee (for which it may rely on an Opinion of Counsel) likely, upon coming into effect, to be materially prejudicial to the interests of the Class A1c Noteholders as a whole, the consent of an Extraordinary Resolution of the Class A1c Noteholders to the alteration, addition or revocation has been obtained. For the purpose of determining whether there has been an Extraordinary Resolution of the Class A1c Noteholders consenting to an alteration, addition or revocation, Class A1c Notes which are beneficially owned by Liberty Funding or the Manager or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with Liberty Funding or the Manager, shall be disregarded.

The Manager must give the Designated Rating Agencies (as defined in the Issue Supplement) at least 5 Business Days' prior notice of any such alteration, addition or revocation.

Pursuant to the Note Trust Deed, the Class A1c Note Trustee may concur with Liberty Funding and the Manager in making or effecting any Payment Modification in respect of Class A1c Notes if and only if the consent to such Payment Modification has first been obtained by an Extraordinary Resolution of the Class A1c Noteholders to such Payment Modification.

In the Class A1c Note Conditions:

**“Extraordinary Resolution”** in respect of:

- (a) the Class A1c Noteholders, has the meaning given in the Note Trust Deed, and
- (b) the Voting Secured Creditors or any Class of A\$ Notes, has the meaning given in the Master Security Trust Deed.

**“Payment Modification”** means any alteration, addition or revocation of any provision of the Transaction Documents or the Class A1c Notes (including the Class A1c Note Conditions) which modifies:

- (a) the amount, timing, place, currency or manner of payment or allocation of principal or interest in respect of the Class A1c Notes including, without limitation, any modification to the Invested Amount, the Class A1c Note Interest Rate or Final Maturity Date or which would impair the rights of the Class A1c Noteholders to institute suit for enforcement of such payment on or after the due date for such payment;
- (b) the definition of the term “Extraordinary Resolution” (insofar as it relates to any Class A1c Notes, clause 12 (“Amendment”) of the Note Trust Deed or the circumstances in which the consent or direction of an Extraordinary Resolution of all Class A1c Noteholders is required);
- (c) the order of priority of any payment or allocation of principal or interest in respect of the Class A1c Notes under clause 4 (“Cashflow Allocation Methodology”) of the Issue Supplement; or
- (d) the requirements of altering, adding to or revoking any provision of the Note Trust Deed or Class A1c Notes (including the Class A1c Note Conditions).

#### **10.4 Waivers**

The Security Trustee may, in accordance with the Master Security Trust Deed and the Series General Security Deed and without the consent or sanction of the Secured Creditors (but not in contravention of an Extraordinary Resolution of the Voting Secured Creditors), waive or ignore an Event of Default if such action, in its opinion, will not be materially prejudicial to the interests of the Secured Creditors (as a whole or to a class of Secured Creditors).

The Class A1c Note Trustee may, without the consent of the Class A1c Noteholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the relevant Class A1c Noteholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by Liberty Funding of the Note Trust Deed or the Class A1c Note Conditions provided that the Class A1c Note Trustee shall not do so in contravention of an express direction given by an Extraordinary Resolution. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the relevant Class A1c Noteholders and, if the Class A1c Note Trustee so requires, will be notified to the Class A1c Noteholders as soon as practicable.

Where the Class A1c Note Trustee is required to express an opinion or make a determination or calculation under the Transaction Documents, the Class A1c Note Trustee may appoint or engage such independent advisors as the Class A1c Note Trustee reasonably requires to assist in the giving of that opinion or the making of that determination or calculation and any costs and expenses properly incurred by and payable to those advisors will be reimbursed to the Class A1c Note Trustee by Liberty Funding or, if another person is expressly stated in the relevant provision in a Transaction Document, that person, and the Class A1c Note Trustee will not be liable to any person for any loss such person may incur as a result of the Class A1c Note Trustee relying on such advice.

## **10.5 Indemnification and Exoneration of the Class A1c Note Trustee and the Security Trustee**

The Note Trust Deed and the Master Security Trust Deed contain provisions for the indemnification of the Class A1c Note Trustee and the Security Trustee (respectively) and for their relief from responsibility, including provisions relieving them from taking proceedings to realise the security and to obtain repayment of the Class A1c Notes unless indemnified to their satisfaction. Each of the Class A1c Note Trustee and the Security Trustee is entitled to enter into business transactions with Liberty Funding and/or any other party to the Transaction Documents without accounting for any profit resulting from such transactions.

The Class A1c Note Trustee shall not be responsible for any loss, expense or liability occasioned to the Collateral or any other property or in respect of all or any of the moneys which may stand to the credit of the Collections Account from time to time however caused (including, without limitation, where caused by an act or omission of the Security Trustee) unless that loss is occasioned by the fraud, gross negligence or wilful default of the Class A1c Note Trustee.

The Security Trustee will not be taken to be fraudulent, negligent or in wilful default because of acting, or not acting, in accordance with the instructions of the Voting Secured Creditors.

The Class A1c Note Trustee will not be taken to be fraudulent, grossly negligent or in wilful default because of acting in accordance with the instructions of the Class A1c Noteholders.

Except in the case of fraud, gross negligence or wilful default the Class A1c Note Trustee may act on the opinion or advice of, or information obtained from, any expert (including any lawyer, valuer, banker, broker, accountant, credit rating agency or lead manager) and shall not be responsible to anyone for any loss occasioned by so acting to the extent it complies with any applicable requirements of the Note Trust Deed.

Any such opinion, advice or information may be sent or obtained by letter, telex or facsimile transmission and the Class A1c Note Trustee will not be liable to any Class A1c Noteholder, amongst others, for acting in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error which is not a manifest error or is not authentic.

## **Condition 11. Notices**

### **11.1 General**

Subject to **Condition 11.2**, all notices, other than notices given in accordance with the following paragraph and **Condition 11.3**, to Class A1c Noteholders will be deemed given if in writing and mailed, first-class, postage prepaid to each Class A1c Noteholder, at his or her address as it appears on the Class A1c Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Class A1c Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Class A1c Noteholder will affect the sufficiency of such notice with respect to other Class A1c Noteholders, and any notice that is mailed in the manner herein provided will conclusively be presumed to have been duly given.



A notice may be waived in writing by the relevant Class A1c Noteholder, either before or after the event, and such waiver will be the equivalent of such notice. Waivers of notice by Class A1c Noteholders will be filed with the Class A1c Note Trustee but such filing will not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

Any such notice will be deemed to have been given on the date such notice is deposited in the mail.

In case, by reason of the suspension of regular mail services as a result of a strike, work stoppage or similar activity, it is impractical to mail notice of any event to Class A1c Noteholders when such notice is required to be given, then any manner of giving such notice as Liberty Funding directs the Class A1c Note Trustee will be deemed to be a sufficient giving of such notice.

In addition to the above, notices to the Class A1c Noteholders shall be valid if published in a leading daily newspaper in London. It is expected that publication will be made in London in the Financial Times. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication.

So long as the Class A1c Notes are represented by a Registered Global Note and such Registered Global Note is held on behalf of Euroclear or Clearstream, Luxembourg, notices to the Class A1c Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg (as applicable) for communication by it to entitled persons.

## **11.2 Registered Global Notes**

Unless and until the Class A1c Notes have been issued in definitive form, whenever a notice or other communication to the Class A1c Noteholders is required under the Note Trust Deed or any other Transaction Document all such notices and communications must be given to Euroclear and Clearstream, Luxembourg and are not required to be given to the beneficial owners of the Class A1c Notes.

## **11.3 Class A1c Note Information**

Any notice to Class A1c Noteholders specifying a Quarterly Payment Date, an Interest Rate, an Interest Amount, an Invested Amount, a Stated Amount, a principal payment or any other matter permitted to be given in accordance with this **Condition 11.3**, will be deemed to have been duly given if the information contained in such notice appears on:

- (a) the relevant page of the Reuters Screen or the Electronic information system made available to its subscribers by Bloomberg, L.P.; and
- (b) another similar electronic reporting service notified to Class A1c Noteholders pursuant to **Condition 11.1**,

(each a “**Relevant Screen**”).

Any such notice will be deemed to have been given on the first date on which such information appeared on the Relevant Screen. If it is impossible or impracticable to give notice in accordance with this paragraph then notice of the matters referred to in this Condition will be given in accordance with **Condition 11.1**.

## **Condition 12. Limitation of liability**

### **12.1 Limited recourse**

Liberty Funding's liability in connection with the Transaction Documents of the Series (including any transaction in connection with them) may be discharged from, and the recourse of the Security Trustee and the Secured Creditors is limited to, the Collateral of the Series.

The realisation of the Collateral of the Series and its application towards the Secured Money of the Series in accordance with the Transaction Documents of the Series constitutes a complete discharge of Liberty Funding's liability to the Security Trustee and each Secured Creditor of that Series in connection with the Transaction Documents of that Series (including any transaction in connection with them).

### **12.1 No proceedings**

The Security Trustee, a Secured Creditor of the Series or any person acting on their behalf may not seek to recover any shortfall in the amounts which would otherwise be owing by Liberty Funding in connection with the Transaction Documents of the Series if **Condition 12.1** did not apply (being the shortfall after the realisation of the Collateral of the Series and its application towards the Secured Money of the Series). This includes bringing proceedings against Liberty Funding or applying to have Liberty Funding wound up.

However, the Security Trustee, a Secured Creditor or any person acting on one or more of their behalf, may:

- (a) do anything necessary to enforce their rights in connection with the Collateral of the Series; and
- (b) take proceedings to obtain:
  - (i) an injunction or other order to restrain any breach of the Transaction Documents of the Series by Liberty Funding; or
  - (ii) declaratory relief or other similar judgment or order as to the obligations of Liberty Funding under the Transaction Documents of the Series.

### **12.3 All liabilities of Liberty Funding subject to limited recourse**

Despite any other provision of the Transaction Documents, neither the Security Trustee nor any other person (including any Attorney appointed under the Series General Security Deed or any Receiver appointed to the Collateral of the Series) may incur any liability on behalf of Liberty Funding except a liability which is subject to this condition.

### **12.4 Security Trustee liability**

Notwithstanding any other provision of the Transaction Documents, and without prejudice to any indemnity allowed by law, the Security Trustee will have no liability under or in connection with the Transaction Documents (whether to the Secured Creditors, Liberty Funding, the Manager or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the trust fund of the Security Trust from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it is not satisfied because, under the Transaction Documents or by operation of law, there is a

reduction in the extent of the Security Trustee's indemnification as a result of the Security Trustee's fraud, gross negligence or wilful default. Nothing in this **Condition 12.4** or any similar provision in any other Transaction Document limits or adversely affects the powers of the Security Trustee, any Receiver or attorney in respect of the Security or the Collateral.

## **12.5 Class A1c Note Trustee liability**

Notwithstanding any other provision of the Transaction Documents, and without prejudice to any indemnity allowed by law, the Class A1c Note Trustee will have no liability under or in connection with the Transaction Documents (whether to the Class A1c Noteholders, the Secured Creditors, Liberty Funding, the Manager or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the note trust from which the Class A1c Note Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Class A1c Note Trustee to the extent that it is not satisfied because, under the Transaction Documents or by operation of law, there is a reduction in the extent of the Class A1c Note Trustee's indemnification as a result of the Class A1c Note Trustee's fraud, gross negligence or wilful default. Nothing in this **Condition 12.5** or any similar provision in any other Transaction Document limits or adversely affects the powers of the Class A1c Note Trustee in respect of the Series General Security Deed or the Collateral.

## **Condition 13. Governing Law**

The Class A1c Notes and the Transaction Documents shall be construed in accordance with, the laws of New South Wales, Australia. Each of Liberty Funding and the Manager has in the Note Trust Deed irrevocably agreed for the benefit of the Class A1c Note Trustee and the Class A1c Noteholders that the courts of New South Wales are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Note Trust Deed and the Class A1c Notes.

### **Agents**

	<b>Agent</b>	<b>Specified Office</b>
<b>Class A1c Note Principal Paying Agent, Class A1c Note Registrar and Class A1c Note Calculation Agent:</b>	Deutsche Bank AG, Hong Kong Branch	Level 52 International Commerce Centre, 1 Austin Road West Kowloon Hong Kong

## **15 CREDIT SUPPORT**

### **15.1 Introduction**

The Cashflow Allocation Methodology has been structured to provide certain protections for each Class of Trust Notes. There are certain protections in place as follows:

1. Borrower Rates are required to be set at pre-determined levels in order to provide excess income that is intended to protect all Holders;
2. the Guarantee Fee Reserve Account;
3. subordination of the Class G Trust Notes to the Class A Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes (with corresponding features for the Notes) in certain circumstances;
4. subordination of the Class F Trust Notes to the Class A Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes and the Class E Trust Notes (with corresponding features for the Notes) in certain circumstances;
5. subordination of the Class E Trust Notes to the Class A Trust Notes, the Class B Trust Notes, the Class C Trust Notes and the Class D Trust Notes (with corresponding features for the Notes) in certain circumstances;
6. subordination of the Class D Trust Notes to the Class A Trust Notes, the Class B Trust Notes and the Class C Trust Notes (with corresponding features for the Notes) in certain circumstances;
7. subordination of the Class C Trust Notes to the Class A Trust Notes and the Class B Trust Notes (with corresponding features for the Notes) in certain circumstances;
8. subordination of the Class B Trust Notes to the Class A Trust Notes (with corresponding features for the Notes) in certain circumstances; and
9. subordination of the Class A2 Trust Notes to the Class A1 Trust Notes (with corresponding features for the Notes) in certain circumstances.

In addition, Principal Draws, Liquidity Draws and the Guarantee Fee Reserve Account are available to ensure the timely payment of interest to the Holders of the Class A Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes. See section 16.9, section 16.10, section 16.11 and section 16.12.

### **15.2 Excess Available Income**

The first layer of protection provided to Holders against any potential losses is provided by the allocation of excess income. Excess income is generated to the extent the Housing Loans generate more income than is required to meet the expected payments to be made in respect of the Trust. Income will be allocated in accordance with the Cashflow Allocation Methodology. See section 16. As part of the allocation of income, any excess income after meeting the Required Payments and reimbursing any outstanding Principal Draws (each as defined in section 16) is applied first in reinstating any Liquidation Losses from the current or previous Payment Periods. See section 16.15.

### **15.3 Guarantee Fee Reserve Account**

If the Trust Manager determines on any Determination Date that the aggregate of the Liquidation Losses for the immediately preceding Collection Period and any unreimbursed Carryover Charge-Offs from any preceding Payment Periods exceeds the amount available to be applied towards those Liquidation Losses and unreimbursed Carryover Charge-Offs, the Trust Manager will direct Secure Funding to make a First Guarantee Draw demand against the Guarantor as described in Section 16.11.

In addition, if the Trust Manager determines on any Determination Date that the aggregate of the Interest Collections for the relevant Payment Period and any Principal Draw and any Liquidity Draw to be made on the immediately following Payment Date are not sufficient to meet the Required Payments in full for that Payment Period, the Trust Manager will direct Secure Funding to make a Second Guarantee Draw demand against the Guarantor as described in Section 16.12.

To secure the Guarantor's obligations to make a First Guarantee Draw or a Second Guarantee Draw (as applicable), pursuant to the terms of the Deposit Deed, the Guarantor undertakes to pay into a specific bank account in its name (the "**Guarantee Fee Reserve Account**"), an amount equal to a certain portion of the Guarantee Fee (being the Adjusted Deposit Amount) it receives in accordance with section 16.15 and provided that the Guarantee Fee Reserve Account Balance will not exceed the Guarantee Fee Reserve Account Maximum Amount. Upon the occurrence of any First Guarantee Draw or Second Guarantee Draw, Secure Funding (or the Trust Security Trustee on behalf of Secure Funding) will be entitled to withdraw the requisite amounts directly from the Guarantee Fee Reserve Account and apply such amounts as part of Total Interest Collections or Principal Repayment Fund (as the case may be) in the manner described in section 16 in order to make payments on the Trust Notes.

### **15.4 The Subordination of the Class G Trust Notes to the Class A Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes**

The rights of Liberty Funding as the Class G Trust Note Holder to receive interest will be subordinated in priority of payments to the rights of Liberty Funding as the Class A Trust Note Holder, the Class B Trust Note Holder, the Class C Trust Note Holder, the Class D Trust Note Holder, the Class E Trust Note Holder and the Class F Trust Note Holder to receive interest. The Class G Trust Note Holder will not receive any interest unless Secure Funding has sufficient funds to make all payments ranking in order of priority ahead of the payment of interest to the Class G Trust Note Holder. See section 16.

The rights of the Class G Trust Note Holder to receive principal repayments will be subordinated to the rights of the Class A Trust Note Holder, the Class B Trust Note Holder, the Class C Trust Note Holder, the Class D Trust Note Holder, the Class E Trust Note Holder and the Class F Trust Note Holder to receive principal payments.

### **15.5 The Subordination of the Class F Trust Notes to the Class A Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes and the Class E Trust Notes**

The rights of Liberty Funding as the Class F Trust Note Holder to receive interest will be subordinated in priority of payments to the rights of Liberty Funding as the Class A Trust Note Holder, the Class B Trust Note Holder, the Class C Trust Note Holder, the Class D Trust Note Holder and the Class E Trust Note Holder to receive interest. The Class F Trust Note Holder will not receive any interest unless Secure Funding has sufficient funds to make all payments ranking

in order of priority ahead of the payment of interest to the Class F Trust Note Holder. See section 16.

The rights of the Class F Trust Note Holder to receive principal repayments will be subordinated to the rights of the Class A Trust Note Holder, the Class B Trust Note Holder, the Class C Trust Note Holder, the Class D Trust Note Holder and the Class E Trust Note Holder to receive principal payments.

#### **15.6 The Subordination of the Class E Trust Notes to the Class A Trust Notes, the Class B Trust Notes, the Class C Trust Notes and the Class D Trust Notes**

The rights of Liberty Funding as the Class E Trust Note Holder to receive interest will be subordinated in priority of payments to the rights of Liberty Funding as the Class A Trust Note Holder, the Class B Trust Note Holder, the Class C Trust Note Holder and the Class D Trust Note Holder to receive interest. The Class E Trust Note Holder will not receive any interest unless Secure Funding has sufficient funds to make all payments ranking in order of priority ahead of the payment of interest to the Class E Trust Note Holder. See section 16.

The rights of the Class E Trust Note Holder to receive principal repayments will be subordinated to the rights of the Class A Trust Note Holder, the Class B Trust Note Holder, the Class C Trust Note Holder and the Class D Trust Note Holder to receive principal payments if the Step Down Requirements are not satisfied on a Payment Date or following the occurrence of a Trust Event of Default and enforcement of the Trust Charge.

#### **15.7 The Subordination of the Class D Trust Notes to the Class A Trust Notes, the Class B Trust Notes and the Class C Trust Notes**

The rights of Liberty Funding as the Class D Trust Note Holder to receive interest will be subordinated in priority of payments to the rights of Liberty Funding as the Class A Trust Note Holder, the Class B Trust Note Holder and the Class C Trust Note Holder to receive interest. The Class D Trust Note Holder will not receive any interest unless Secure Funding has sufficient funds to make all payments ranking in order of priority ahead of the payment of interest to the Class D Trust Note Holder. See section 16.

The rights of the Class D Trust Note Holder to receive principal repayments will be subordinated to the rights of the Class A Trust Note Holder, the Class B Trust Note Holder and the Class C Trust Note Holder to receive principal payments if the Step Down Requirements are not satisfied on a Payment Date or following the occurrence of a Trust Event of Default and enforcement of the Trust Charge.

#### **15.8 The Subordination of the Class C Trust Notes to the Class A Trust Notes and the Class B Trust Notes**

The rights of Liberty Funding as the Class C Trust Note Holder to receive interest will be subordinated in priority of payments to the rights of Liberty Funding as the Class A Trust Note Holder and the Class B Trust Note Holder to receive interest. The Class C Trust Note Holder will not receive any interest unless Secure Funding has sufficient funds to make all payments ranking in order of priority ahead of the payment of interest to the Class C Trust Note Holder. See section 16.

The rights of the Class C Trust Note Holder to receive principal repayments will be subordinated to the rights of the Class A Trust Note Holder and the Class B Trust Note Holder to receive principal payments if the Step Down Requirements are not satisfied on a Payment Date or following the occurrence of a Trust Event of Default and enforcement of the Trust Charge.

### **15.9 The Subordination of the Class B Trust Notes to the Class A Trust Notes**

The rights of Liberty Funding as the Class B Trust Note Holder to receive interest will be subordinated in priority of payments to the rights of Liberty Funding as the Class A Trust Note Holder to receive interest. The Class B Trust Note Holder will not receive any interest unless Secure Funding has sufficient funds to make all payments ranking in order of priority ahead of the payment of interest to the Class B Trust Note Holder. See section 16.

The rights of the Class B Trust Note Holder to receive principal repayments will be subordinated to the rights of the Class A Trust Note Holder to receive principal payments if the Step Down Requirements are not satisfied on a Payment Date or following the occurrence of a Trust Event of Default and enforcement of the Trust Charge.

### **15.10 The Subordination of the Class A2 Trust Notes to the Class A1 Trust Notes**

The rights of Liberty Funding as the Class A2 Trust Note Holder to receive interest will be subordinated in priority of payments to the rights of Liberty Funding as the Class A1 Trust Note Holder to receive interest. The Class A2 Trust Note Holder will not receive any interest unless Secure Funding has sufficient funds to make all payments ranking in order of priority ahead of the payment of interest to the Class A2 Trust Note Holder. See section 16.

The rights of the Class A2 Trust Note Holder to receive principal repayments will be subordinated to the rights of the Class A1a Trust Note Holder to receive principal payments and to the rights of the Class A1b Trust Note Holder to receive principal payments if the Step Down Requirements are not satisfied on a Payment Date or following the occurrence of a Trust Event of Default and enforcement of the Trust Charge.

### **15.11 Weighted Average Borrower Rates**

The Trust Servicer will undertake that it will maintain the Borrower Rate in respect of each Housing Loan (where permitted under the related Loan Agreement) such that the weighted average Borrower Rate for the Housing Loans is a rate at least equal to the greater of:

- (a) the Threshold Rate; and
- (b) the aggregate of:
  - (i) the current Bank Bill Rate; and
  - (ii) the Required Margin.

The “**Threshold Rate**” means the minimum Borrower Rates required to be set on the Housing Loans which will ensure that Secure Funding has sufficient funds (from Collections on such Housing Loans as well as any net amounts due under any Interest Rate Swap Agreement) available to meet the Required Payments (assuming that all parties comply with their obligations under such documents and such Housing Loans) and taking into account Housing Loans where the Trust Servicer does not have the discretion under the related Loan Agreement to vary the interest rate of that Housing Loan and moneys held in Authorised Investments.

## **16 CASHFLOW ALLOCATION METHODOLOGY - TRUST**

### **16.1 Trust - General**

The Supplementary Terms Notice describes the way in which the Trust Manager will calculate and Secure Funding will pay amounts on each Payment Date to, among others, the Holders of the Trust Notes.

The Trust Manager will calculate and Secure Funding will pay interest and principal in respect of the Trust Notes in respect of each Payment Period or (in the case of the Class A1c Trust Notes) each Quarterly Payment Period.

### **16.2 Trust - Collections**

Collections in respect of principal and interest will be received by the Trust Servicer during each Trust Collection Period. The Trust Servicer will deposit all Collections into the Trust Collection Account within 2 Business Days of receipt. Prior to depositing Collections to the Collection Account, it will hold those Collections on trust for Secure Funding.

Collections are derived from receipts from the Assets of the Trust and other Authorised Investments of the Trust as selected by Secure Funding (at the direction of the Trust Manager) and any other amount payable to Secure Funding in respect of the Trust under the Transaction Documents. Collections may also be derived from other sources including, but not limited to, proceeds received under any Insurance Policy and proceeds from enforcement of the Assets of the Trust and Secure Funding (collectively, the “**Collections**”).

The Trust Manager will allocate all Collections received during a Trust Collection Period between interest and principal.

### **16.3 Trust - Application of issue proceeds**

The net proceeds from the issuance of the Trust Notes will be used:

- (a) first, to pay to the Seller the Purchase Price of the Housing Loans and Related Securities which are offered by the Seller to Secure Funding under the relevant Receivables Acquisition and Servicing Agreement, Sale Notice or Receivables Transfer Statement (as the case may be) on the Issue Date; and
- (b) second, to deposit the remaining net proceeds of issuance (if any) into the Trust Collection Account to be allocated to the Principal Repayment Fund on the immediately succeeding Determination Date and distributed in accordance with the Cashflow Allocation Methodology on the immediately succeeding Payment Date.

### **16.4 Trust - Application of termination payments under swaps**

Prior to the occurrence of a Trust Event of Default and enforcement of the Trust Charge under the Trust General Security Deed, any net termination payments that Secure Funding receives under any Interest Rate Swap Agreement will be applied towards paying any premium due and payable to a replacement Interest Rate Swap Provider required by Secure Funding to replace the terminated Interest Rate Swap Agreement. Any remaining amount will be allocated to the Interest Collections on the Determination Date after the relevant net termination payment is received by Secure Funding for payment on the following Payment Date in accordance with the Cashflow Allocation Methodology. If Secure Funding receives any net termination payments under any Interest Rate Swap Agreement and such net termination payments are less than the premium due and payable to a replacement Interest Rate Swap Provider, Secure Funding will pay the extent of



the shortfall to the replacement Interest Rate Swap Provider as an Expense of the Trust in accordance with the Cashflow Allocation Methodology.

#### **16.5 Trust - Accrued Interest Adjustment**

- (a) As soon as practicable after the Issue Date Secure Funding must calculate the Accrued Interest Adjustment on all Housing Loans and Related Securities which are acquired by Secure Funding from the Seller on the Issue Date.
- (b) The payment of the Accrued Interest Adjustment may be deferred until no later than the first Payment Date.
- (c) The Purchase Price for any Housing Loans and Related Securities acquired by Secure Funding from the Seller does not include an amount for any Accrued Interest Adjustment.

#### **16.6 Trust - Available Funds**

On each Determination Date, the Trust Manager will calculate (among other things):

- (a) the Interest Collections;
- (b) the Principal Collections;
- (c) the aggregate of the Other Income (if any) received by Secure Funding during the immediately preceding Collection Period;
- (d) the aggregate of the fixed rate break costs (if any) received from Debtors during the immediately preceding Collection Period;
- (e) the Principal Draw (if any);
- (f) the Class G Carryover Charge-Off (if any);
- (g) the Class G Charge-Off (if any);
- (h) the Class F Carryover Charge-Off (if any);
- (i) the Class F Charge-Off (if any);
- (j) the Class E Carryover Charge-Off (if any);
- (k) the Class E Charge-Off (if any);
- (l) the Class D Carryover Charge-Off (if any);
- (m) the Class D Charge-Off (if any);
- (n) the Class C Carryover Charge-Off (if any);
- (o) the Class C Charge-Off (if any);
- (p) the Class B Carryover Charge-Off (if any);
- (q) the Class B Charge-Off (if any);
- (r) the Class A2 Carryover Charge-Off (if any);

- (s) the Class A2 Charge-Off (if any);
- (t) the Class A1c Carryover Charge-Off (if any);
- (u) the Class A1c Charge-Off (if any);
- (v) the Class A1b Carryover Charge-Off (if any);
- (w) the Class A1b Charge-Off (if any);
- (x) the Class A1a Carryover Charge-Off (if any);
- (y) the Class A1a Charge-Off (if any);
- (z) the Liquidity Draw (if any);
- (aa) the First Guarantee Draw (if any); and
- (bb) the Second Guarantee Draw (if any).

#### **16.7 Trust - Calculation of Interest Collections**

On each Determination Date, the Interest Collections available to be distributed on a Payment Date will be calculated by the Trust Manager (without double counting) as the aggregate of the following amounts:

- (a) the Finance Charge Collections received by or on behalf of Secure Funding during the immediately preceding Collection Period;
- (b) any Other Income received in respect of the immediately preceding Collection Period;
- (c) any net payments to be received by Secure Funding under any Interest Rate Swap Agreement on the next Payment Date; and
- (d) all other amounts received by or on behalf of Secure Funding in respect of the Assets of the Trust and which are determined by Secure Funding to be in the nature of income during the immediately preceding Collection Period.

#### **16.8 Trust - Calculation of Principal Collections and Principal Repayment Fund**

On each Determination Date:

- (a) the Principal Collections available to be distributed on the next Payment Date will be calculated by the Trust Manager as all Collections received by Secure Funding in respect of the Assets of the Trust, excluding Interest Collections for that Collection Period; and
- (b) the Principal Repayment Fund available to be distributed on the following Payment Date will be calculated by the Trust Manager (without double counting) as the aggregate of the following amounts:
  - (i) the Principal Collections for that Determination Date;
  - (ii) the amount (if any) allocated to the Principal Repayment Fund in reimbursement of any outstanding Principal Draw calculated in accordance with section 16.9;

- (iii) any amount received as a First Guarantee Draw calculated in accordance with section 16.11;
- (iv) all amounts allocated to the Principal Repayment Fund to reimburse Class A1a Charge-Offs, Class A1b Charge-Offs, Class A1c Charge-Offs, Class A2 Charge-Offs, Class B Charge-Offs, Class C Charge-Offs, Class D Charge-Offs, Class E Charge-Offs, Class F Charge-Offs and Class G Charge-Offs (as the case may be) pursuant to section 16.15;
- (v) all amounts allocated to the Principal Repayment Fund to reimburse Class A1a Carryover Charge-Offs, Class A1b Carryover Charge-Offs, Class A1c Carryover Charge-Offs, Class A2 Carryover Charge-Offs, Class B Carryover Charge-Offs, Class C Carryover Charge-Offs, Class D Carryover Charge-Offs, Class E Carryover Charge-Offs, Class F Carryover Charge-Offs and Class G Carryover Charge-Offs pursuant to section 16.15; and
- (vi) in respect of the first Collection Period only, all amounts withdrawn from the Trust Collection Account and allocated to the Principal Repayment Fund in accordance with section 16.3.

## 16.9 Trust - Principal Draw

If the Trust Manager determines on any Determination Date that the Interest Collections for the relevant Payment Period to be made on the immediately following Payment Date are not sufficient to meet the Required Payments in full for that Payment Period, then the aggregate amount of the Principal Collections referred to in section 16.8 held by Secure Funding will be applied to meet that shortfall (a “**Principal Draw**”).

## 16.10 Trust - Liquidity Draw

If the Trust Manager determines, on any Determination Date, that the aggregate of the Interest Collections for the relevant Payment Period and any Principal Draws to be made on the immediately following Payment Date are not sufficient to meet the Required Payments in full for that Payment Period, then the Trust Manager shall advise Secure Funding of that insufficiency (“**Liquidity Shortfall**”) and must direct Secure Funding to request a drawing under the Liquidity Facility (a “**Liquidity Draw**”), in an amount equal to the lesser of:

- (a) the Available Liquidity Amount on that day; and
- (b) the amount of the Liquidity Shortfall on that day,

and to apply that amount towards the Total Interest Collections for that Payment Period.

The Liquidity Facility will be available to be drawn to fund Liquidity Shortfalls up to an aggregate amount equal to the Liquidity Limit.

## 16.11 Trust – First Guarantee Draw

If the Trust Manager determines on any Determination Date that the aggregate of the Liquidation Losses for the immediately preceding Collection Period and any unreimbursed Carryover Charge-Offs from any preceding Payment Periods exceeds the amount available to be applied towards those Liquidation Losses and unreimbursed Carryover Charge-Offs under section 16.15 on the immediately following Payment Date (such excess, a “**First Guarantee Draw Shortfall**”), the Trust Manager will direct Secure Funding to make a demand under the Guarantee (“**First Guarantee Draw**”) for payment on that Payment Date of an amount equal to the lesser of

- (a) an amount not exceeding the Guarantee Fee Reserve Account Balance on that Payment Date; and
- (b) the amount of the First Guarantee Draw Shortfall.

Secure Funding must apply the amount received from the Guarantor under the First Guarantee Draw in allocation to the Principal Repayment Fund on that Payment Date.

#### **16.12 Trust – Second Guarantee Draw**

If the Trust Manager determines on any Determination Date that the aggregate of the Interest Collections for the relevant Payment Period and any Principal Draw and any Liquidity Draw to be made on the immediately following Payment Date are not sufficient to meet the Required Payments in full for that Payment Period (such excess, a “**Second Guarantee Draw Shortfall**”), the Trust Manager will direct Secure Funding to make a demand under the Guarantee (“**Second Guarantee Draw**”) for payment on the following Payment Date of an amount equal to the lesser of:

- (a) an amount not exceeding the Guarantee Fee Reserve Account Balance on that Payment Date (less the amount of any First Guarantee Draw on that Payment Date); and
- (b) the amount of the Second Guarantee Draw Shortfall.

Secure Funding will apply the amount of that Second Guarantee Draw received from the Guarantor as part of the Total Interest Collections for that Payment Period.

#### **16.13 Trust - Final Distribution from Guarantee Fee Reserve Account**

On the Final Maturity Date, any funds remaining on deposit in the Guarantee Fee Reserve Account on such date after taking into account any First Guarantee Draw or Second Guarantee Draw to be made on that date will be paid to the Guarantor to be applied for its own purposes.

#### **16.14 Trust - Calculation and Application of Total Interest Collections**

On each Determination Date, the Total Interest Collections are calculated as the aggregate of:

- (a) any Interest Collections calculated in accordance with section 16.7 on that Determination Date;
- (b) any Principal Draw calculated in accordance with section 16.9 on that Determination Date; and
- (c) any Liquidity Draw calculated in accordance with section 16.10 on that Determination Date; and
- (d) any amount received as a Second Guarantee Draw calculated in accordance with section 16.12 on that Determination Date.

The Total Interest Collections in respect of a Determination Date must be applied on the immediately following Payment Date to meet payments in accordance with section 16.15.

## **16.15 Trust - Distribution of Total Interest Collections**

The Trust Manager must direct Secure Funding to pay (or direct payment of) the following items in the following order of priority out of Total Interest Collections (as calculated on the relevant Determination Date) on each Payment Date:

- (a) first, by way of distribution of the income of the Trust, to the Residual Income Unitholder, the amount of A\$100;
- (b) next, any Accrued Interest Adjustment payable to a Seller upon the Redesignation or transfer of any Housing Loans and Related Securities to the Trust;
- (c) next, in paying or providing for the payment of any Taxes owing by Secure Funding in respect of the Trust (after the application of the balance of the Tax Account towards payment of such Taxes);
- (d) next, *pari passu* and rateably, in payment of any fees of, and any expenses due to be reimbursed to, the Trust Security Trustee, the Trust Custodian, the Trust Registrar, the Trust Standby Trustee, the Trust Standby Servicer and the Trust Standby Manager in respect of the Trust;
- (e) next, in payment of any net payment due by Secure Funding under any Interest Rate Swap Agreement in respect of the Trust on that Payment Date (other than Excluded Termination Amounts) provided that the Early Prepayment Costs (as defined in the relevant Interest Rate Swap Agreement) are only payable to the relevant Interest Rate Swap Provider to the extent that they are actually received by Secure Funding from the relevant Debtors;
- (f) next, in payment of any fees of, or any expenses due to be reimbursed to, Secure Funding in respect of the Trust (in the amounts agreed in a letter between the relevant parties on or about the Issue Date);
- (g) next, in payment of any fees of, or any expenses due to be reimbursed to, the Trust Manager in respect of the Trust (in the amounts agreed in a letter between the relevant parties on or about the Issue Date);
- (h) next, in payment of any fees of, or any enforcement expenses due to be reimbursed to, the Trust Servicer in respect of the Trust (in the amounts agreed in a letter between the relevant parties on or about the Issue Date);
- (i) next, *pari passu* and rateably, in paying or providing for the payment or satisfaction of any Expenses of the Trust incurred during the Collection Period immediately preceding that Payment Date up to an agreed maximum amount of A\$10,000 per annum;
- (j) next, any interest and fees payable on or prior to that Payment Date to the Liquidity Facility Provider under the Liquidity Facility (excluding any amounts payable under clause 12 (“Changed costs event”) of the Liquidity Facility Agreement and any indemnity amounts payable under clause 24 (“Costs, Charges, Expenses and Indemnities”) of the Liquidity Facility Agreement));
- (k) next, to the Liquidity Facility Provider any outstanding Liquidity Draws;
- (l) next, *pari passu* and rateably:
  - (i) in payment of any Unpaid Interest on the Class A1a Trust Notes owing at that time;

- (ii) in payment of any Unpaid Interest on the Class A1b Trust Notes owing at that time; and
  - (iii) as an allocation to the Class A1c Trust Note Interest Ledger, an amount equal to the Class A1c Unpaid Accrued Interest Amount owing at that time;
- (m) next, pari passu and rateably:
  - (i) in payment of any interest due and payable to Holders of the Class A1a Trust Notes for the Payment Period ending on (but excluding) that Payment Date;
  - (ii) in payment of any interest due and payable to Holders of the Class A1b Trust Notes for the Payment Period ending on (but excluding) that Payment Date; and
  - (iii) as an allocation to the Class A1c Trust Note Interest Ledger, in an amount equal to the Class A1c Accrued Interest Amount for the Payment Period ending on (but excluding) that Payment Date;
- (n) next pari passu and rateably in payment of any Unpaid Interest on the Class A2 Trust Notes owing at that time;
- (o) next, pari passu and rateably in payment of any interest due and payable to Holders of Class A2 Trust Notes for the Payment Period ending on (but excluding) that Payment Date;
- (p) next, pari passu and rateably, in payment of any Unpaid Interest on the Class B Trust Notes owing at that time;
- (q) next, pari passu and rateably, in payment of any interest due and payable to the Holders of Class B Trust Notes for the Payment Period ending on (but excluding) that Payment Date;
- (r) next, pari passu and rateably, in payment of any Unpaid Interest on the Class C Trust Notes owing at that time;
- (s) next, pari passu and rateably, in payment of any interest due and payable to the Holders of Class C Trust Notes for the Payment Period ending on (but excluding) that Payment Date;
- (t) next, pari passu and rateably, in payment of any Unpaid Interest on the Class D Trust Notes owing at that time;
- (u) next, pari passu and rateably, in payment of any interest due and payable to the Holders of Class D Trust Notes for the Payment Period ending on (but excluding) that Payment Date;
- (v) next, pari passu and rateably, in payment of any Unpaid Interest on the Class E Trust Notes owing at that time;
- (w) next, pari passu and rateably, in payment of any interest due and payable to the Holders of Class E Trust Notes for the Payment Period ending on (but excluding) that Payment Date;
- (x) next, pari passu and rateably, in payment of any Unpaid Interest on the Class F Trust Notes owing at that time;
- (y) next, pari passu and rateably, in payment of any interest due and payable to the Holders of Class F Trust Notes for the Payment Period ending on (but excluding) that Payment Date;

- (z) next, as an allocation to Principal Repayment Fund in respect of that Payment Period, an amount in reimbursement of any outstanding Principal Draw;
- (aa) next, pari passu and rateably:
  - (i) in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class A1a Trust Notes on the preceding Determination Date;
  - (ii) in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class A1b Trust Notes on the preceding Determination Date; and
  - (iii) in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class A1c Trust Notes on the preceding Determination Date;
- (bb) next, pari passu and rateably:
  - (i) in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class A1a Carryover Charge-Offs that remain unreimbursed at that time;
  - (ii) in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class A1b Carryover Charge-Offs that remain unreimbursed at that time; and
  - (iii) in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class A1c Carryover Charge-Offs that remain unreimbursed at that time;
- (cc) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class A2 Trust Notes on the preceding Determination Date;
- (dd) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class A2 Carryover Charge-Offs that remain unreimbursed at that time;
- (ee) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class B Trust Notes on the preceding Determination Date;
- (ff) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class B Carryover Charge-Offs that remain unreimbursed at that time;
- (gg) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class C Trust Notes on the preceding Determination Date;
- (hh) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class C Carryover Charge-Offs that remain unreimbursed at that time;

- (ii) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class D Trust Notes on the preceding Determination Date;
- (jj) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class D Carryover Charge-Offs that remain unreimbursed at that time;
- (kk) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class E Trust Notes on the preceding Determination Date;
- (ll) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class E Carryover Charge-Offs that remain unreimbursed at that time;
- (mm) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class F Trust Notes on the preceding Determination Date;
- (nn) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class F Carryover Charge-Offs that remain unreimbursed at that time;
- (oo) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to all Liquidation Losses allocated to the Class G Trust Notes on the preceding Determination Date;
- (pp) next, pari passu and rateably, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class G Carryover Charge-Offs that remain unreimbursed at that time;
- (qq) next, in payment to the Guarantor of the Guarantee Fee which is due and payable on that Payment Date, until the Guarantee Fee Reserve Account Balance equals the Guarantee Fee Reserve Account Maximum Amount;
- (rr) next, to the Interest Rate Swap Provider (if any), Excluded Termination Amounts and Early Repayment Costs that are due and payable in respect of the relevant Interest Rate Swap Agreement which have not been paid under section 16.15(e) above;
- (ss) next, any other amounts payable on or prior to that Payment Date to the Liquidity Facility Provider under the Liquidity Facility Agreement to the extent not paid under paragraph (j) and paragraph (k) above;
- (tt) next, pari passu and rateably, in payment of any Unpaid Interest on the Class G Trust Notes owing at that time;
- (uu) next, pari passu and rateably, in payment of any interest due and payable to the Holders of Class G Trust Notes for the Payment Period ending on (but excluding) that Payment Date;
- (vv) next, to retain in the Tax Account an amount equal to the Tax Shortfall (if any) for that Payment Period;
- (ww) next, to retain in the Tax Account an amount equal to the Tax Amount (if any) for that Payment Period;



- (xx) next, in payment of any fees of and any expenses due to be reimbursed to, the Trust Originator; and
- (yy) next, in paying or providing for the payment or satisfaction of any Expenses of the Trust incurred during the Collection Period immediately preceding that Payment Date which have not been paid under section 16.15(i) above.

Secure Funding will only make a payment under any of section 16.15(a) to section 16.15(yy) inclusive to the extent that any Total Interest Collections remain from which to make the payment after amounts with priority to that amount have been paid and distributed in full.

#### **16.16 Trust - Distribution of Income of Trust**

On each Payment Date, after all amounts of Total Interest Collections are paid in accordance with section 16.15, Secure Funding must, to the extent any surplus amount remains, distribute such amount to the Residual Income Unitholder as a distribution of the income of the Trust.

#### **16.17 Trust - Allocation of Liquidation Losses**

On any Determination Date or on the Final Maturity Date (as the case may be), if the Trust Manager determines that there are Liquidation Losses in respect of any Housing Loan during the immediately preceding Collection Period, the Trust Manager must allocate those Liquidation Losses in the following order:

- (a) first, towards, pari passu and rateably, the Class G Trust Notes, until the Stated Amount of the Class G Trust Notes is reduced to zero (such amount allocated being a “**Class G Charge-Off**”);
- (b) next, towards, pari passu and rateably, the Class F Trust Notes, until the Stated Amount of the Class F Trust Notes is reduced to zero (such amount allocated being a “**Class F Charge-Off**”);
- (c) next, towards, pari passu and rateably, the Class E Trust Notes, until the Stated Amount of the Class E Trust Notes is reduced to zero (such amount allocated being a “**Class E Charge-Off**”);
- (d) next, towards, pari passu and rateably, the Class D Trust Notes, until the Stated Amount of the Class D Trust Notes is reduced to zero (such amount allocated being a “**Class D Charge-Off**”);
- (e) next, towards, pari passu and rateably, the Class C Trust Notes, until the Stated Amount of the Class C Trust Notes is reduced to zero (such amount allocated being a “**Class C Charge-Off**”);
- (f) next, towards, pari passu and rateably, the Class B Trust Notes, until the Stated Amount of the Class B Trust Notes is reduced to zero (such amount allocated being a “**Class B Charge-Off**”);
- (g) next, towards, pari passu and rateably the Class A2 Trust Notes until the Stated Amount of the Class A2 Trust Notes is reduced to zero (such amount allocated being a “**Class A2 Charge-Off**”); and
- (h) next, towards, pari passu and rateably:

- (i) the Class A1a Trust Notes until the Stated Amount of the Class A1a Trust Notes is reduced to zero (such amount allocated being a “**Class A1a Charge-Off**”);
- (ii) the Class A1b Trust Notes until the Stated Amount of the Class A1b Trust Notes is reduced to zero (such amount allocated being a “**Class A1b Charge-Off**”); and
- (iii) the Class A1c Trust Notes until the Adjusted Stated Amount of the Class A1c Trust Notes is reduced to zero (such amount allocated being a “**Class A1c Charge-Off**”).

#### **16.18 Trust - Carryover Charge-Offs**

If, on any Determination Date, the Liquidation Losses for the preceding Collection Period exceed the aggregate of the amount of the Total Interest Collections available for allocation to Liquidation Losses in section 16.15(aa), section 16.15(cc), section 16.15(ee), section 16.15(gg), section 16.15(ii), section 16.15(kk), section 16.15(mm) and section 16.15(oo) on that Determination Date and the amount of the First Guarantee Draw on that Determination Date, then the Trust Manager must direct Secure Funding to, on and with effect from the next Payment Date allocate that excess in the following order:

- (a) first, to reduce, pari passu and rateably, the aggregate Stated Amount of the Class G Trust Notes by the amount of that excess until the aggregate Stated Amount of the Class G Trust Notes is reduced to zero (such excess being a “**Class G Carryover Charge-Off**”);
- (b) next, to reduce, pari passu and rateably, the aggregate Stated Amount of the Class F Trust Notes by the amount of that excess until the aggregate Stated Amount of the Class F Trust Notes is reduced to zero (such excess being a “**Class F Carryover Charge-Off**”);
- (c) next, to reduce, pari passu and rateably, the aggregate Stated Amount of the Class E Trust Notes by the amount of that excess until the aggregate Stated Amount of the Class E Trust Notes is reduced to zero (such excess being a “**Class E Carryover Charge-Off**”);
- (d) next, to reduce, pari passu and rateably, the aggregate Stated Amount of the Class D Trust Notes by the amount of that excess until the aggregate Stated Amount of the Class D Trust Notes is reduced to zero (such excess being a “**Class D Carryover Charge-Off**”);
- (e) next, to reduce, pari passu and rateably, the aggregate Stated Amount of the Class C Trust Notes by the amount of that excess until the aggregate Stated Amount of the Class C Trust Notes is reduced to zero (such excess being a “**Class C Carryover Charge-Off**”);
- (f) next, to reduce, pari passu and rateably, the aggregate Stated Amount of the Class B Trust Notes by the amount of that excess until the aggregate Stated Amount of the Class B Trust Notes is reduced to zero (such excess being a “**Class B Carryover Charge-Off**”);
- (g) next, to reduce pari passu and rateably, the aggregate Stated Amount of the Class A2 Trust Notes by the amount of that excess until the aggregate Stated Amount of the Class A2 Trust Notes is reduced to zero (such excess being a “**Class A2 Carryover Charge-Off**”); and
- (h) next, to reduce pari passu and rateably:
  - (i) the aggregate Stated Amount of the Class A1a Trust Notes by the amount of that excess until the aggregate Stated Amount of the Class A1a Trust Notes is reduced to zero (such excess being a “**Class A1a Carryover Charge-Off**”);

- (ii) the aggregate Stated Amount of the Class A1b Trust Notes by the amount of that excess until the aggregate Stated Amount of the Class A1b Trust Notes is reduced to zero (such excess being a “**Class A1b Carryover Charge-Off**”); and
- (iii) the Aggregate Adjusted Stated Amount of the Class A1c Trust Notes by the amount of that excess until the Aggregate Adjusted Stated Amount of the Class A1c Trust Notes is reduced to zero (such excess being a “**Class A1c Carryover Charge-Off**”).

Charge-Off amounts may be reinstated. See section 16.19.

#### **16.19 Trust - Reinstatement of Carryover Charge-Offs**

To the extent that, on any Determination Date, amounts are available for allocation in section 16.15(bb), section 16.15(dd), section 16.15(ff), section 16.15(hh), section 16.15(jj), section 16.15(ll), section 16.15(nn) and section 16.15(pp), then such amounts together with the amount of any First Guarantee Draw on that Determination Date will be applied on the next Payment Date to increase respectively:

- (a) in respect of section 16.15(bb), *pari passu* and rateably:
  - (i) the aggregate Stated Amount of the Class A1a Trust Notes until the aggregate Stated Amount of the Class A1a Trust Notes equals the aggregate Invested Amount of the Class A1a Trust Notes;
  - (ii) the aggregate Stated Amount of the Class A1b Trust Notes until the aggregate Stated Amount of the Class A1b Trust Notes equals the aggregate Invested Amount of the Class A1b Trust Notes; and
  - (iii) the Aggregate Adjusted Stated Amount of the Class A1c Trust Notes until the Aggregate Adjusted Stated Amount of the Class A1c Trust Notes equals the aggregate Invested Amount of the Class A1c Trust Notes less the Class A1c Trust Note Principal Ledger Balance;
- (b) in respect of section 16.15(dd), *pari passu* and rateably, the aggregate Stated Amount of the Class A2 Trust Notes until the aggregate Stated Amount of the Class A2 Trust Notes equals the aggregate Invested Amount of the Class A2 Trust Notes;
- (c) in respect of section 16.15(ff), *pari passu* and rateably, the aggregate Stated Amount of the Class B Trust Notes until the aggregate Stated Amount of the Class B Trust Notes equals the aggregate Invested Amount of the Class B Trust Notes;
- (d) in respect of section 16.15(hh), *pari passu* and rateably, the aggregate Stated Amount of the Class C Trust Notes until the Stated Amount of the Class C Trust Notes equals the aggregate Invested Amount of the Class C Trust Notes;
- (e) in respect of section 16.15(jj), *pari passu* and rateably, the aggregate Stated Amount of the Class D Trust Notes until the Stated Amount of the Class D Trust Notes equals the aggregate Invested Amount of the Class D Trust Notes;
- (f) in respect of section 16.15(ll), *pari passu* and rateably, the aggregate Stated Amount of the Class E Trust Notes until the Stated Amount of the Class E Trust Notes equals the aggregate Invested Amount of the Class E Trust Notes;

- (g) in respect of section 16.15(nn), *pari passu* and rateably, the aggregate Stated Amount of the Class F Trust Notes until the aggregate Stated Amount of the Class F Trust Notes equals the aggregate Invested Amount of the Class F Trust Notes; and
- (h) in respect of section 16.15(pp), *pari passu* and rateably, the aggregate Stated Amount of the Class G Trust Notes until the aggregate Stated Amount of the Class G Trust Notes equals the aggregate Invested Amount of the Class G Trust Notes.

**16.20 Trust - Distribution of Principal Repayment Fund - Prior to the Occurrence of a Trust Event of Default and the enforcement of the Trust Charge under the Trust General Security Deed**

At the direction of the Trust Manager, Secure Funding must pay the following items in the following order of priority out of the Principal Repayment Fund on each Payment Date prior to the occurrence of a Trust Event of Default and the enforcement of the Charge under the Trust General Security Deed:

- (a) first, to allocate to Total Interest Collections the amount of any Principal Draw to be provided on that Payment Date under section 16.9;
- (b) next, if no Redraw Trigger is subsisting, to fund any Redraws;
- (c) next, to the Holders of Class A1a Trust Notes, until the Invested Amount of the Class A1a Trust Notes has been reduced to zero;
- (d) next, if the Step Down Requirements are satisfied on that Payment Date, *pari passu* and rateably:
  - (i) an amount equal to the Class A1b Trust Note Principal Allocation, to the Holders of the Class A1b Trust Notes, until the Invested Amount of the Class A1b Trust Notes has been reduced to zero;
  - (ii) an amount equal to the Class A1c Trust Note Principal Allocation to be allocated to the Class A1c Trust Note Principal Ledger, to be applied in accordance with section 16.22 until the Invested Amount of the Class A1c Trust Notes is reduced to zero;
  - (iii) an amount equal to the Class A2 Trust Note Principal Allocation, to the Holders of the Class A2 Trust Notes, until the Invested Amount of the Class A2 Trust Notes has been reduced to zero;
  - (iv) an amount equal to the Class B Trust Note Principal Allocation, to the Holders of the Class B Trust Notes, until the Invested Amount of the Class B Trust Notes has been reduced to zero;
  - (v) an amount equal to the Class C Trust Note Principal Allocation, to the Holders of the Class C Trust Notes, until the Invested Amount of the Class C Trust Notes has been reduced to zero;
  - (vi) an amount equal to the Class D Trust Note Principal Allocation, to the Holders of the Class D Trust Notes, until the Invested Amount of the Class D Trust Notes has been reduced to zero;

- (vii) an amount equal to the Class E Trust Note Principal Allocation, to the Holders of the Class E Trust Notes, until the Invested Amount of the Class E Trust Notes has been reduced to zero; and
  - (viii) an amount equal to the Class F Trust Note Principal Allocation, to the Holders of the Class F Trust Notes, until the Invested Amount of the Class F Trust Notes has been reduced to zero;
- (e) next, if the Step Down Requirements are not satisfied on that Payment Date, in the following order of priority:
  - (i) first, pari passu and rateably:
    - (A) an amount equal to the Class A1b Trust Note Principal Allocation, to the Holders of the Class A1b Trust Notes until the Invested Amount of the Class A1b Trust Notes has been reduced to zero; and
    - (B) an amount equal to the Class A1c Trust Note Principal Allocation to be allocated to the Class A1c Trust Note Principal Ledger, to be applied in accordance with section 16.22 until the Invested Amount of the Class A1c Trust Notes has been reduced to zero;
  - (ii) next, pari passu and rateably, to the Holders of the Class A2 Trust Notes until the Invested Amount of the Class A2 Trust Notes has been reduced to zero
  - (iii) next, pari passu and rateably, to the Holders of the Class B Trust Notes until the Invested Amount of the Class B Trust Notes has been reduced to zero;
  - (iv) next, pari passu and rateably, to the Holders of the Class C Trust Notes until the Invested Amount of the Class C Trust Notes has been reduced to zero;
  - (v) next, pari passu and rateably, to the Holders of the Class D Trust Notes until the Invested Amount of the Class D Trust Notes has been reduced to zero;
  - (vi) next, pari passu and rateably, to the Holders of the Class E Trust Notes until the Invested Amount of the Class E Trust Notes has been reduced to zero; and
  - (vii) next, pari passu and rateably, to the Holders of the Class F Trust Notes until the Invested Amount of the Class F Trust Notes has been reduced to zero;
- (f) next, pari passu and rateably, to the Holders of the Class G Trust Notes until the Invested Amount of the Class G Trust Notes has been reduced to zero; and
- (g) next, the balance to the Residual Income Unitholder.

Secure Funding will only make a payment under any of section 16.20(a) to section 16.20(g) inclusive to the extent that any funds comprising the Principal Repayment Fund remain from which to make the payment after accounts with priority to that amount have been paid and distributed in full.

## **16.21 Trust - Application of Proceeds Following a Trust Event of Default**

Following the occurrence of a Trust Event of Default and enforcement of the Trust Charge under the Trust General Security Deed, the Trust Security Trustee must (subject to section 16.25) apply all moneys received by it in respect of the Trust Collateral in the following order:

- (a) first, to each holder of an Encumbrance in which the Trust Security Trustee is aware and which has priority over the Trust Charge in relation to the Assets of the Trust;
- (b) next, *pari passu* and rateably, in payment of any fees and any liabilities, losses, costs, claims, expenses, actions, damages, demands, charges, stamp duties and other taxes due to the Trust Manager, Secure Funding, the Trust Servicer, the Trust Custodian, the Trust Security Trustee, the Trust Registrar, the Trust Standby Trustee, the Trust Standby Servicer and the Trust Standby Manager and the Receiver's remuneration;
- (c) next, *pari passu* and rateably, in payment of other outgoings and liabilities that the Receiver, Secure Funding, the Trust Manager or the Trust Security Trustee have incurred in acting under the Master Trust Deed and any other Transaction Document;
- (d) next, to pay all Secured Moneys owing to the Liquidity Facility Provider (excluding any amounts payable under clause 12 ("Changed costs event") of the Liquidity Facility Agreement);
- (e) next, to the Interest Rate Swap Provider in payment of all the Trust Secured Money Owing to the Interest Rate Swap Provider (if any) (other than Excluded Termination Amounts) provided that Early Repayment Costs (as defined in the Interest Rate Swap Agreement) are only payable to the Interest Rate Swap Provider (if any) to the extent that they are actually received by Secure Funding from the relevant Debtors;
- (f) next, *pari passu* and rateably:
  - (i) in payment of all the Trust Secured Money Owing to the Holders of the Class A1a Trust Notes;
  - (ii) in payment of all the Trust Secured Money Owing to the Holders of the Class A1b Trust Notes; and
  - (iii) in payment of all the Trust Secured Money owing to the Holders of the Class A1c Trust Notes;
- (g) next, *pari passu* and rateably in payment of all the Trust Secured Money Owing to the Holders of the Class A2 Trust Notes;
- (h) next, *pari passu* and rateably, in payment of all the Trust Secured Money owing to the Holders of the Class B Trust Notes;
- (i) next, *pari passu* and rateably, in payment of all the Trust Secured Money owing to the Holders of the Class C Trust Notes;
- (j) next, *pari passu* and rateably, in payment of all the Trust Secured Money owing to the Holders of the Class D Trust Notes;
- (k) next, *pari passu* and rateably in payment of all the Trust Secured Money owing to the Holders of the Class E Trust Notes;
- (l) next, *pari passu* and rateably in payment of all the Trust Secured Money owing to the Holders of the Class F Trust Notes;
- (m) next, *pari passu* and rateably, to the Interest Rate Swap Provider in payment of all the Trust Secured Money Owing to the Interest Rate Swap Provider (if any) to the extent not paid under paragraph (e);

- (n) next, pari passu and rateably, to the Liquidity Facility Provider in payment of any other amounts payable under the Liquidity Facility Agreement to the extent not paid under paragraph (d) above;
- (o) next, pari passu and rateably, in payment of all the Trust Secured Money owing to the Holders of the Class G Trust Notes;
- (p) next, pari passu and rateably, in payment of all amounts owing by Secure Funding to the Trust Manager and the Trust Servicer under the Master Management Deed and the Master Trust Servicer Deed (respectively) in respect of the Trust;
- (q) next, any remaining Trust Secured Money owing to the Trust Secured Creditors; and
- (r) next, to pay any surplus to Secure Funding to be distributed in accordance with the terms of the Master Trust Deed and the Supplementary Terms Notice.

#### **16.22 Trust - Application of Class A1c Principal**

- (a) On each Determination Date immediately prior to a Quarterly Payment Date, the Trust Manager will determine the “**Class A1c Principal**” which will be equal to the aggregate of the following:
  - (i) the amounts to be applied out of the Principal Repayment Fund to the Class A1c Trust Note Principal Ledger on that Quarterly Payment Date in accordance with section 16.20(d)(ii) or section 16.20(e)(i)(B); and
  - (ii) the Class A1c Trust Note Principal Ledger Balance on that Determination Date.
- (b) Prior to the occurrence of a Trust Event of Default and enforcement of the Trust General Security Deed, the Trust Manager agrees to, on each Quarterly Payment Date, direct Liberty Funding to pay on that Quarterly Payment Date to the Holders of the Class A1c Trust Notes towards the repayment of the aggregate Invested Amount of the Class A1c Trust Notes.

#### **16.23 Trust - Application of Class A1c Interest**

Prior to the occurrence of a Trust Event of Default and enforcement of the Trust General Security Deed, the Trust Manager agrees to, on each Quarterly Payment Date, direct Liberty Funding to pay on that Quarterly Payment Date, the aggregate of:

- (a) the amount of Total Interest Collections to be applied to the Class A1c Trust Note Interest Ledger on that Quarterly Payment Date in accordance with sections 16.15(l)(iii) and 16.15(m)(iii); and
- (b) the Class A1c Trust Note Interest Ledger Balance on that Determination Date,

to the Holders of the Class A1c Trust Notes towards the repayment of the interest due and payable on that Quarterly Payment Date.

#### **16.24 Trust – Class A1c Ledgers**

The Trust Manager will maintain:

- (a) the Class A1c Trust Note Principal Ledger which will record on each Payment Date:

- (i) as credits, all amounts allocated to the Class A1c Trust Note Principal Ledger on that Payment Date in accordance with section 16.20(d)(ii) or section 16.20(e)(i)(B); and
  - (ii) as debits, all amounts applied from the Class A1c Trust Note Principal Ledger as part of the Class A1c Principal in accordance with section 16.22; and
- (b) the Class A1c Trust Note Interest Ledger which will record on each Payment Date:
  - (i) as credits, all amounts allocated to the Class A1c Trust Note Interest Ledger on that Payment Date in accordance with sections 16.15(l)(iii) and 16.15(m)(iii); and
  - (ii) as debits, all amounts applied from the Class A1 Trust Note Interest Ledger in accordance with section 16.23.

### **16.25 Trust – Application of Class A1c Ledgers**

Following the occurrence of a Trust Event of Default and enforcement of the Trust Charge under the Trust General Security Deed, any amounts standing to the credit of the Class A1c Trust Note Interest Ledger or the Class A1c Trust Note Principal Ledger must be applied first towards repaying Secured Moneys owing to the Holders of the Class A1c Trust Notes pursuant to section 16.21(f)(iii), with the balance (if any) to then be applied in the order of priority set out in sections 16.21(a) to 16.21(r).

### **16.26 Collateral Support**

The proceeds of any Collateral Support will not be treated as collateral available for distribution in accordance with section 16.21. Following the occurrence of a Trust Event of Default and enforcement of the Trust Charge under the Trust General Security Deed, any such collateral Support shall, except to the extent that the relevant Support Facility requires it to be applied to satisfy any obligation owed to Secure Funding in connection with such Support Facility, be returned to the relevant Support Facility Provider.



## **17 CASHFLOW ALLOCATION METHODOLOGY - SERIES**

### **17.1 Series - Calculation of Available Income**

On each Payment Date, the Series Manager will calculate the Available Income (without double counting) as follows:

- (a) the aggregate Series Income Collections in respect of the Series Collection Period ending on that Payment Date; plus
- (b) the Other Income in respect of the Series Collection Period ending on that Payment Date; plus
- (c) all other amounts received by or on behalf of Liberty Funding in respect of the Series Assets in the nature of income during the Series Collection Period ending on that Payment Date.

### **17.2 Series - Payments (Interest Waterfall)**

Prior to the occurrence of a Series Event of Default and enforcement of the Series Charge, the Series Manager must direct Liberty Funding to pay the following items in the following order of priority out of the Available Income on each Payment Date:

- (a) first, any Taxes payable in relation to the Series;
- (b) next, pari passu and rateably:
  - (i) the Series Security Trustee's fee and any costs, charges, expenses or indemnities payable to the Series Security Trustee, on that Payment Date;
  - (ii) the Series Manager's fee and any costs, charges, expenses or indemnities payable to the Series Manager, on that Payment Date;
  - (iii) the Series Standby Manager's fee and any costs, charges, expenses or indemnities payable to the Series Standby Manager, on that Payment Date;
  - (iv) the Series Registrar's fee and any costs, charges, expenses or indemnities payable to the Series Registrar, on that Payment Date;
  - (v) the Class A1c Note Trustee's fees and any costs, charges, expenses or indemnities payable to the Class A1c Note Trustee, on that Payment Date;
  - (vi) each Agent's fee and any costs, charges, expenses or indemnities payable to that Agent, on that Payment Date; and
  - (vii) any other Expenses of the Series,except to the extent that they have been paid by or on behalf of Liberty Funding pursuant to the Cashflow Allocation Methodology (as defined in the Supplementary Terms Notice);
- (c) next, pari passu and rateably, towards payment to the Currency Swap Provider of any break costs in respect of the termination of the relevant Currency Swap excluding any break costs in respect of that termination to the extent that the Currency Swap Provider is the Defaulting Party or sole Affected Party;

- (d) next, pari passu and rateably:
  - (i) the interest on the Class A1a Notes pari passu and rateably to the Holders of the Class A1a Notes for the Series Payment Period ending on (but excluding) that Payment Date and any unpaid interest on the Class A1a Notes in respect of preceding Series Payment Periods;
  - (ii) the interest on the Class A1b Notes pari passu and rateably to the Holders of the Class A1b Notes for the Series Payment Period ending on (but excluding) that Payment Date and any unpaid interest on the Class A1b Notes in respect of preceding Series Payment Periods; and
  - (iii) an amount equal to the A\$ Class A1c Accrued Interest Amount for that Series Payment Period and any unpaid A\$ Class A1c Accrued Interest Amounts in respect of preceding Payment Dates to be allocated to the Class A1c Note Interest Ledger, to be applied in accordance with section 17.5;
- (e) next, the interest on the Class A2 Notes pari passu and rateably to the Holders of the Class A2 Notes for the Series Payment Period ending on (but excluding) that Payment Date and any unpaid interest on the Class A2 Notes in respect of preceding Series Payment Periods;
- (f) next, the interest on the Class B Notes pari passu and rateably to the Holders of the Class B Notes for the Series Payment Period ending on (but excluding) that Payment Date and any unpaid interest on the Class B Notes in respect of preceding Series Payment Periods;
- (g) next, the interest on the Class C Notes pari passu and rateably to the Holders of the Class C Notes for the Series Payment Period ending on (but excluding) that Payment Date and any unpaid interest on the Class C Notes in respect of preceding Series Payment Periods;
- (h) next, the interest on the Class D Notes pari passu and rateably to the Holders of the Class D Notes for the Series Payment Period ending on (but excluding) that Payment Date and any unpaid interest on the Class D Notes in respect of preceding Series Payment Periods;
- (i) next, the interest on the Class E Notes pari passu and rateably to the Holders of the Class E Notes for the Series Payment Period ending on (but excluding) that Payment Date and any unpaid interest on the Class E Notes in respect of preceding Series Payment Periods;
- (j) next, the interest on the Class F Notes pari passu and rateably to the Holders of the Class F Notes for the Series Payment Period ending on (but excluding) that Payment Date and any unpaid interest on the Class F Notes in respect of preceding Series Payment Periods;
- (k) next, pari passu and rateably, towards payment to the Currency Swap Provider of any outstanding break costs payable in relation to the Currency Swap (to the extent not otherwise paid under section 17.2(c);
- (l) next, the interest on the Class G Notes pari passu and rateably to the Holders of the Class G Notes for the Series Payment Period ending on (but excluding) that Payment Date and any unpaid interest on the Class G Notes in respect of preceding Series Payment Periods; and
- (m) next, pari passu and rateably:
  - (i) any indemnity amounts payable on or prior to that Payment Date to the Dealers under clause 15.1 (“Indemnity by Liberty Funding and the Manager”) of the Dealer Agreement; and

- (ii) any other amounts payable under a Transaction Document in respect of the Series to the extent not paid under the preceding paragraphs (excluding any principal payment in respect of the Invested Amount of any Notes); and
- (n) next, the remaining amount as a subordinated management fee to the Series Manager.

Liberty Funding, on the direction of the Series Manager, will only make a payment under any of section 17.2(a) to section 17.2(n) inclusive to the extent that any Available Income remains from which to make the payment after amounts with priority to that amounts have been paid and distributed.

### **17.3 Series - Principal Distributions**

Prior to the occurrence of a Series Event of Default and enforcement of the Series Charge, the Series Manager must direct Liberty Funding to pay the Series Principal Collection on each Payment Date in the following order of priority:

- (a) first, pari passu and rateably to the Holders of the Class A1a Notes until the Invested Amount of the Class A1a Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
- (b) next, if the Step Down Requirements are satisfied on that Payment Date, pari passu and rateably:
  - (i) an amount equal to the Class A1b Note Principal Allocation to the Holders of the Class A1b Notes until the Invested Amount of those Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (ii) an amount equal to the Class A1c Note Principal Allocation to be allocated to the Class A1c Note Principal Ledger, to be applied in accordance with section 17.4 until the Invested Amount of those Notes (taking into account the payments made on the relevant Quarterly Payment Date) is reduced to zero;
  - (iii) an amount equal to the Class A2 Note Principal Allocation to the Holders of the Class A2 Notes until the Invested Amount of those Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (iv) an amount equal to the Class B Note Principal Allocation to the Holders of the Class B Notes, until the Invested Amount of those Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (v) an amount equal to the Class C Note Principal Allocation to the Holders of the Class C Notes, until the Invested Amount of those Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (vi) an amount equal to the Class D Note Principal Allocation to the Holders of the Class D Notes, until the Invested Amount of those Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (vii) an amount equal to the Class E Note Principal Allocation to the Holders of the Class E Notes, until the Invested Amount of those Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero; and

- (viii) an amount equal to the Class F Note Principal Allocation to the Holders of the Class F Notes, until the Invested Amount of those Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
- (c) next, if the Step Down Requirements are not satisfied on that Payment Date, in the following order of priority:
  - (i) first, pari passu and rateably:
    - (A) an amount equal to the Class A1b Note Principal Allocation to the Holders of the Class A1b Notes, until the Invested Amount of the Class A1b Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero; and
    - (B) an amount equal to the Class A1c Note Principal Allocation to be allocated to the Class A1c Note Principal Ledger, to be applied in accordance with section 17.4, until the Invested Amount of the Class A1c Notes (taking into account the payments made on the relevant Quarterly Payment Date) is reduced to zero;
  - (ii) next, pari passu and rateably to the Holders of the Class A2 Notes, until the Invested Amount of the Class A2 Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (iii) next, pari passu and rateably to the Holders of the Class B Notes, until the Invested Amount of the Class B Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (iv) next, pari passu and rateably to the Holders of the Class C Notes, until the Invested Amount of the Class C Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (v) next, pari passu and rateably to the Holders of the Class D Notes, until the Invested Amount of the Class D Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (vi) next, pari passu and rateably to the Holders of the Class E Notes, until the Invested Amount of the Class E Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
  - (vii) next, pari passu and rateably to the Holders of the Class F Notes, until the Invested Amount of the Class F Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero;
- (d) next, pari passu and rateably to the Holders of the Class G Notes, until the Invested Amount of the Class G Notes (taking into account the payments made on the relevant Payment Date) is reduced to zero; and
- (e) next, the balance, if any, to the Series Manager.

Liberty Funding, on the direction of the Series Manager, will only make a payment under any of section 17.3(a) to section 17.3(e) inclusive to the extent that any Series Principal Collections remains from which to make the payment after amounts with priority to that amounts have been paid and distributed.

#### **17.4 Series - Application of A\$ Class A1c Principal**

- (a) On each Determination Date immediately prior to a Quarterly Payment Date, the Series Manager will determine the “**A\$ Class A1c Principal**” which will be equal to the aggregate of the following:
  - (i) the amount of Principal Collections (if any) to be applied to the Class A1c Note Principal Ledger on that Quarterly Payment Date in accordance with sections 17.3(b)(ii) and 17.3(c)(i)(B); and
  - (ii) the Class A1c Note Principal Ledger Balance on that Determination Date.
- (b) Prior to the occurrence of an Event of Default and enforcement of the Series General Security Deed, the Series Manager agrees to on each Quarterly Payment Date:
  - (i) direct Liberty Funding to pay on that Quarterly Payment Date to the Currency Swap Provider in accordance with the Currency Swap, the A\$ Class A1c Principal in respect of the immediately preceding Determination Date and Liberty Funding agrees to comply with any such written direction; and
  - (ii) direct the Currency Swap Provider to pay on that Quarterly Payment Date to the Class A1c Note Principal Paying Agent the €Equivalent of the A\$ Class A1c Principal referred to in section 17.4(b)(i) (“**€Class A1c Principal**”); and
  - (iii) direct the Class A1c Note Principal Paying Agent to pay the €Class A1c Principal referred to in section 17.4(b)(ii) to the Holders of the Class A1c Notes towards the repayment of the Aggregate Invested Amount of the Class A1c Notes in accordance with, and subject to, the Class A1c Note Conditions and the Agency Agreement.

#### **17.5 Series - Application of A\$ Class A1c Interest**

- (a) On each Determination Date immediately prior to a Quarterly Payment Date, the Series Manager will determine the “**A\$ Class A1c Interest**” which will be equal to the aggregate of the following:
  - (i) the amount of Available Income to be applied to the Class A1c Note Interest Ledger on that Quarterly Payment Date in accordance with section 17.2(d)(iii); and
  - (ii) the Class A1c Note Interest Ledger Balance on that Determination Date.
- (b) Prior to the occurrence of a Series Event of Default and enforcement of the Series General Security Deed, the Series Manager agrees to on each Quarterly Payment Date:
  - (i) direct Liberty Funding to pay on that Quarterly Payment Date to the Currency Swap Provider in accordance with the Currency Swap, the A\$ Class A1c Interest in respect of the immediately preceding Determination Date and Liberty Funding agrees to comply with any such written direction; and
  - (ii) direct the Currency Swap Provider to pay on that Quarterly Payment Date to the Class A1c Note Principal Paying Agent the €Equivalent of the A\$ Class A1c Interest referred to in section 17.5(b)(i) (“**€Class A1c Interest**”); and

- (iii) direct the Class A1c Note Principal Paying Agent to pay the €Class A1c Interest referred to in section 17.5(b)(ii) to the Holders of the Class A1c Notes.

#### **17.6 Series - Application of proceeds following a Series Event of Default**

Following the occurrence of a Series Event of Default and enforcement of the Series Charge, the Series Security Trustee must (subject to section 17.9(b) and section 17.11) apply all moneys received by it in respect of the Series Collateral in the following order:

- (a) first, to any person with a prior ranking claim to the extent of that claim;
- (b) next, to any Series Receiver appointed to the Series Collateral for its Costs and remuneration in connection with exercising, enforcing or preserving rights (or considering doing so) in connection with the Transaction Documents;
- (c) next, to pay all the Series Secured Moneys owing to the Series Security Trustee;
- (d) next, to pay *pari passu* and rateably:
  - (i) all the Series Secured Moneys owing to the Series Registrar;
  - (ii) all the Series Secured Moneys owing to the Class A1c Note Trustee; and
  - (iii) all the Series Secured Moneys owing to each Agent;
- (e) next, to pay *pari passu* and rateably:
  - (i) all Series Secured Moneys owing to the Series Manager;
  - (ii) all Series Secured Moneys owing to the Series Standby Manager;
- (f) next, *pari passu* and rateably all Series Secured Moneys owing to the Currency Swap Provider (excluding any break costs in respect of the termination of the relevant Currency Swap to the extent that the Currency Swap Provider is the Defaulting Party or sole Affected Party);
- (g) next, to pay all Series Secured Moneys owing to the Holders of the Notes to be applied in the following order:
  - (i) first, *pari passu* and rateably:
    - (A) towards all unpaid interest on the Class A1a Notes;
    - (B) towards all unpaid interest on the Class A1b Notes; and
    - (C) subject to section 17.8, towards all unpaid interest on the Class A1c Notes
  - (ii) next, *pari passu* and rateably:
    - (A) to reduce the Invested Amount of the Class A1a Notes;
    - (B) to reduce the Invested Amount of the Class A1b Notes; and
    - (C) subject to section 17.8, to reduce the Invested Amount of the Class A1c Notes;

- (iii) next, pari passu and rateably, towards all unpaid interest on the Class A2 Notes;
- (iv) next, pari passu and rateably, to reduce the Invested Amount of the Class A2 Notes;
- (v) next, pari passu and rateably, towards all unpaid interest on the Class B Notes;
- (vi) next, pari passu and rateably, to reduce the Invested Amount of the Class B Notes;
- (vii) next, pari passu and rateably, towards all unpaid interest on the Class C Notes;
- (viii) next, pari passu and rateably, to reduce the Invested Amount of the Class C Notes;
- (ix) next, pari passu and rateably, towards all unpaid interest on the Class D Notes;
- (x) next, pari passu and rateably, to reduce the Invested Amount of the Class D Notes;
- (xi) next, pari passu and rateably, towards all unpaid interest on the Class E Notes;
- (xii) next, pari passu and rateably, to reduce the Invested Amount of the Class E Notes;
- (xiii) next, pari passu and rateably, towards all unpaid interest on the Class F Notes;
- (xiv) next, pari passu and rateably, to reduce the Invested Amount of the Class F Notes;
- (xv) next, to pay pari passu and rateably, all Series Secured Money owing to the Currency Swap Provider under the Currency Swap to the extent not paid under the preceding paragraphs;
- (xvi) next, pari passu and rateably, towards all unpaid interest on the Class G Notes;
- (xvii) next, pari passu and rateably, to reduce the Invested Amount of the Class G Notes; and
- (xviii) next, any other Series Secured Money owing to the Holders of the Notes;
- (h) next, to pay pari passu and rateably all Series Secured Money owing to the Series Secured Creditors to the extent not paid under the preceding paragraphs; and
- (i) next, to pay the balance, if any, as a subordinated management fee to the Series Manager.

## 17.7 Series - Charge-Offs

If, at any time:

- (a) the Aggregate Stated Amount of the Class G Trust Notes is less than the Aggregate Invested Amount of the Class G Trust Notes (such shortfall being the “**Corresponding Class G Charge-Off**”), the Stated Amount of each Class G Note will be taken to equal:

$$A - (A/B \times C)$$

where:

A = the Invested Amount of the relevant Class G Note at that time.

B = the Aggregate Invested Amount of all Class G Notes at that time.

C = the Corresponding Class G Charge-Off.

- (b) the Aggregate Stated Amount of the Class F Trust Notes is less than the Aggregate Invested Amount of the Class F Trust Notes (such shortfall being the “**Corresponding Class F Charge-Off**”), the Stated Amount of each Class F Note will be taken to equal:

$$A - (A/B \times C)$$

where:

A = the Invested Amount of the relevant Class F Note at that time.

B = the Aggregate Invested Amount of all Class F Notes at that time.

C = the Corresponding Class F Charge-Off.

- (c) the Aggregate Stated Amount of the Class E Trust Notes is less than the Aggregate Invested Amount of the Class E Trust Notes (such shortfall being the “**Corresponding Class E Charge-Off**”), the Stated Amount of each Class E Note will be taken to equal:

$$A - (A/B \times C)$$

where:

A = the Invested Amount of the relevant Class E Note at that time.

B = the Aggregate Invested Amount of all Class E Notes at that time.

C = the Corresponding Class E Charge-Off.

- (d) the Aggregate Stated Amount of the Class D Trust Notes is less than the Aggregate Invested Amount of the Class D Trust Notes (such shortfall being the “**Corresponding Class D Charge-Off**”), the Stated Amount of each Class D Note will be taken to equal:

$$A - (A/B \times C)$$

where:

A = the Invested Amount of the relevant Class D Note at that time.

B = the Aggregate Invested Amount of all Class D Notes at that time.

C = the Corresponding Class D Charge-Off.

- (e) the Aggregate Stated Amount of the Class C Trust Notes is less than the Aggregate Invested Amount of the Class C Trust Notes (such shortfall being the “**Corresponding Class C Charge-Off**”), the Stated Amount of each Class C Note will be taken to equal:

$$A - (A/B \times C)$$

where:

A = the Invested Amount of the relevant Class C Note at that time.



B = the Aggregate Invested Amount of all Class C Notes at that time.

C = the Corresponding Class C Charge-Off.

- (f) the Aggregate Stated Amount of the Class B Trust Notes is less than the Aggregate Invested Amount of the Class B Trust Notes (such shortfall being the “**Corresponding Class B Charge-Off**”), the Stated Amount of each Class B Note will be taken to equal:

$$A - (A/B \times C)$$

where:

A = the Invested Amount of the relevant Class B Note at that time.

B = the Aggregate Invested Amount of all Class B Notes at that time.

C = the Corresponding Class B Charge-Off.

- (g) the Aggregate Stated Amount of the Class A2 Trust Notes is less than the Aggregate Invested Amount of the Class A2 Trust Notes (such shortfall being the “**Corresponding Class A2 Charge-Off**”), the Stated Amount of each Class A2 Note will be taken to equal:

$$A - (A/B \times C)$$

where:

A = the Invested Amount of the relevant Class A2 Note at that time.

B = the Aggregate Invested Amount of all Class A2 Notes at that time.

C = the Corresponding Class A2 Charge-Off.

- (h) the Aggregate Adjusted Stated Amount of the Class A1c Trust Notes is less than the Aggregate Invested Amount of the Class A1c Trust Notes (such shortfall being the “**Corresponding Class A1c Charge-Off**”), the Stated Amount of each Class A1b Note will be taken to equal:

$$A - (A/B \times C)$$

where:

A = the Invested Amount of the relevant Class A1c Note at that time.

B = the Aggregate Invested Amount of all Class A1c Notes at that time.

C = the €Equivalent of the Corresponding Class A1c Charge-Off.

- (i) the Aggregate Stated Amount of the Class A1b Trust Notes is less than the Aggregate Invested Amount of the Class A1b Trust Notes (such shortfall being the “**Corresponding Class A1b Charge-Off**”), the Stated Amount of each Class A1b Note will be taken to equal:

$$A - (A/B \times C)$$

where:

- A = the Invested Amount of the relevant Class A1b Note at that time.
- B = the Aggregate Invested Amount of all Class A1b Notes at that time.
- C = the Corresponding Class A1b Charge-Off.

- (j) the Aggregate Stated Amount of the Class A1a Trust Notes is less than the Aggregate Invested Amount of the Class A1a Trust Notes (such shortfall being the “**Corresponding Class A1a Charge-Off**”), the Stated Amount of each Class A1a Note will be taken to equal:

$$A - (A/B \times C)$$

where:

- A = the Invested Amount of the relevant Class A1a Note at that time.
- B = the Aggregate Invested Amount of all Class A1a Notes at that time.
- C = the Corresponding Class A1a Charge-Off.

## 17.8 Conversion of Notes denominated in €

- (a) In calculating any amount to be distributed to the Holders of the Class A1c Notes in accordance with sections 17.6(g)(i)(C) and 17.6(g)(ii)(C), the Series Security Trustee will convert (on a date selected by it in its discretion prior to such distribution or at the direction of the Voting Secured Creditors) such amounts owing in respect of the Class A1c Notes from € to A\$ by reference to:
- (i) if the Currency Swap has not been terminated, the A\$ Exchange Rate; or
  - (ii) if the Currency Swap has been terminated, the following exchange rate which produces the lower amount in Australian Dollars:
    - (A) the A\$ Exchange Rate; or
    - (B) at the spot rate of exchange at which the Series Security Trustee is able to acquire € in the spot foreign exchange market at that time.
- (b) All payments to the Holders of the Class A1c Notes by the Series Security Trustee pursuant to section 17.6 must be made in € as follows:
- (i) if the Currency Swap has not been terminated, the Series Security Trustee must pay to the Currency Swap Provider (for conversion and payment to the Holders of the Class A1c Notes or to the Class A1c Note Principal Paying Agent on their behalf) all A\$ amounts payable to the Holders of the Class A1c Notes under sections 17.6(g)(i)(C) and 17.6(g)(ii)(C);
  - (ii) if the Currency Swap has been terminated, the Series Security Trustee must convert (and pay to the Holders of the Class A1c Notes or to the Class A1c Note Principal Paying Agent on their behalf) all A\$ amounts payable to the Holders of the Class A1c Notes under 17.6(g)(i)(C) and 17.6(g)(ii)(C) and, if applicable, section 17.6(g)(xviii) to € at the spot rate of exchange at which the Security Trustee is able to acquire € in the spot foreign exchange market at that time.

## **17.9 Application of Currency Swap Termination Proceeds**

- (a) Prior to a Series Event of Default and enforcement of the Series General Security Deed, Liberty Funding will apply (at the direction of the Series Manager) any Currency Swap Termination Proceeds received by it:
  - (i) towards paying any premium payable to the replacement Currency Swap Provider; or
  - (ii) if a replacement Currency Swap is not entered into, to be retained by Liberty Funding until required to be paid by it to the Series Security Trustee in accordance with section 17.917.9(b).
- (b) Following a Series Event of Default and enforcement of the Series General Security Deed, Liberty Funding must pay all Currency Swap Termination Proceeds to the Series Security Trustee. The Series Security Trustee must then apply those amounts in the following order of priority:
  - (i) first, if there are any Series Secured Moneys owing in respect of the Class A1c Notes, towards satisfaction of any Series Secured Moneys owing in relation to the Class A1c Notes; and
  - (ii) next, the Series Security Trustee shall convert the balance of the Currency Swap Termination Proceeds to A\$ at the rate it is able to acquire A\$ in the spot foreign exchange market and apply that A\$ amount in accordance with the order of priority set out in section 17.6.

## **17.10 Series - Class A1c Ledgers**

The Series Manager will maintain:

- (a) the Class A1c Note Principal Ledger which will record on each Payment Date:
  - (i) as credits, all amounts allocated to the Class A1c Note Principal Ledger on that Payment Date in accordance with sections 17.3(b)(ii) and 17.3(c)(i)(B); and
  - (ii) as debits, all amounts applied from the Class A1c Note Principal Ledger as part of the A\$ Class A1c Principal in accordance with section 17.4; and
- (b) the Class A1c Note Interest Ledger which will record on each Payment Date:
  - (i) as credits, all amounts allocated to the Class A1c Note Interest Ledger on that Payment Date in accordance with section 17.2(d)(iii); and
  - (ii) as debits, all amounts applied from the Class A1 Note Interest Ledger as part of the A\$ Class A1c Interest in accordance with section 17.5.

## **17.11 Series – Application of Class A1c Ledgers**

If at the time for distribution under section 17.6, the obligations of the Currency Swap Provider under the Currency Swap have terminated and no Series Secured Money remains owing to the Currency Swap Provider in respect of the Currency Swap, any amounts standing to the credit of the Class A1c Note Interest Ledger or the Class A1c Note Principal Ledger must be applied first towards repaying Series Secured Moneys owing to

the Holders of the Class A1c Notes pursuant to sections 17.6(g)(i)(C) and 17.6(g)(ii)(C), with the balance (if any) to then be applied in the order of priority set out in sections 17.6(a) to 17.6(i).

#### **17.12 Cash Collateral**

The proceeds of any Cash Collateral will not be treated as Collateral available for distribution in accordance with section 17.6.

Following a Series Event of Default and enforcement of the Series General Security Deed, any such Cash Collateral shall (subject to the operation of any netting provisions in the Currency Swap) be returned to the Currency Swap Provider except to the extent that the Currency Swap requires it to be applied to satisfy any obligation owed to Liberty Funding under the Currency Swap.

## **18 TRANSACTION STRUCTURE - TRUST**

### **18.1 Master Trust Program**

The Secure Funding Master Trust Program (the “**Program**”) was established by the Trust Manager to originate and securitise, among other things, Housing Loans and Related Securities. Separate trusts may, from time to time, be constituted under the Program. Each trust is separate and distinct from any other trust under the Program and the assets of each trust will not be available to meet the liabilities of any other trust. The terms of each trust will be governed by the Master Trust Deed and the specific terms of each trust will be set out in a supplementary terms notice for such trust.

### **18.2 The Trust**

Liberty Series 2018-1 Trust will be a common law trust established by the Trust Manager under the laws of New South Wales. The Trust may only act through Secure Funding as trustee of the Trust. Accordingly references to actions or obligations of Secure Funding refer to such actions or obligations of the Trust.

#### ***Purpose of the Trust***

The sole purpose of the Trust is to enter into the transactions contemplated by the Transaction Documents.

#### ***Capital***

The beneficial interest in the trust will initially be represented by two (2) units:

- (a) a residual capital unit; and
- (b) a residual income unit.

Both units will be held by Liberty Financial Group Pty Limited (as trustee) who will pay an initial subscription amount of A\$5 in respect of them. The interest of Liberty Financial Group Pty Limited (as trustee) in each unit is transferable provided that such transfer does not have an Adverse Rating Effect.

#### ***Office***

All communication in respect of the Trust must flow through Secure Funding. The Trust does not have, nor is it required under Australian law to have, a separate registered office.

#### ***Debt Securities***

Other than the Trust Notes, Secure Funding will not issue any other debt securities in respect of the Trust.

#### ***Management***

Liberty Financial has been appointed as Trust Manager and will carry on the day to day administration, supervision and management of the Trust. See section 18.5.

### **18.3 Secure Funding**

Secure Funding is appointed as trustee of the Trust, pursuant to the Notice of Creation, on the terms set out in the Master Trust Deed and the Supplementary Terms Notice. Secure Funding is paid a regular periodic fee (as agreed from time to time between Secure Funding and the Trust Manager).

#### ***Duties of Secure Funding***

Under the Master Trust Deed, Secure Funding undertakes to (among other things):

- (a) act continuously as trustee of the Trust until the Trust is terminated in accordance with the Master Trust Deed or until it has retired or has been removed in accordance with the Master Trust Deed;
- (b) not create any security interest over, charge, or deal with, the Assets of the Trust except in the manner permitted by the Transaction Documents;
- (c) not to, except in the manner contemplated by the Transaction Documents, transfer or deal with the Assets of the Trust or merge the Assets of the Trust with any other assets of Secure Funding (in its personal capacity or in its capacity as trustee of another trust);
- (d) prepare proper and adequate books of account for the Trust in accordance with the Corporations Act; and
- (e) notify the Trust Security Trustee as soon as practicable after becoming aware of a Trust Event of Default.

#### ***Powers of Secure Funding***

Secure Funding has all the powers in respect of the Trust that it is legally possible for a natural person or corporation to have and as though it were the absolute and beneficial owner of the Assets of the Trust. Such powers include the ability and power to borrow and raise funds (subject to the Transaction Documents) on the security of the Assets of the Trust.

Secure Funding may delegate its powers and will not be liable for the acts or omissions of any agent or delegate provided that:

- (a) Secure Funding appoints the agent or delegate in good faith and using due care; and
- (b) the agent or delegate is not a related entity of Secure Funding.

The Master Trust Deed contains customary provisions for a document of this type that regulate the performance by Secure Funding of its duties and obligations and the protections afforded to Secure Funding. In general, Secure Funding's liability in all circumstances (and the recourse of the Trust Secured Creditors) will be limited to the Assets of the Trust unless Secure Funding is fraudulent, grossly negligent or there is wilful default on the part of Secure Funding.

#### ***Limited Recourse to Secure Funding***

Secure Funding's liability in its capacity as trustee of the Trust is limited to and can only be enforced against Secure Funding to the extent to which it can be satisfied out of Assets of the Trust out of which Secure Funding is actually indemnified for the liability and the fees it has received as trustee of the Trust. However, this limitation does not apply to the extent that the

liability is not satisfied because there is a reduction in the extent of Secure Funding's right of indemnity as a result of fraud, gross negligence or wilful default on the part of Secure Funding.

No person (including, without limitation, the Trust Secured Creditors) may sue Secure Funding in any capacity other than as trustee of the Trust, including seeking the appointment of a Trust Receiver (except in relation to the Assets of the Trust), a liquidator, an administrator or any similar person to Secure Funding or prove in any liquidation, administration or arrangement of, or affecting, Secure Funding (except in relation to the Assets of the Trust).

Secure Funding has the particular role and obligations specifically set out in the Transaction Documents. The Trust Manager and other parties are responsible for different aspects of the operation of the Trust and its assets. Secure Funding has no liability for any loss, costs, liabilities or expenses arising from the Trust Manager or any other person failing to perform their obligations under or in connection with the Trust except to the extent such loss, cost, liability or expense is caused by fraud, gross negligence or wilful default on the part of Secure Funding.

### ***Termination***

Secure Funding must immediately retire as trustee of the Trust if:

- (a) Secure Funding (in its personal capacity) is insolvent;
- (b) Secure Funding is in breach of a material obligation under the Transaction Documents and, where such breach is remediable, Secure Funding has not remedied such breach within 90 days of becoming aware of it; or
- (c) required by law,

(each a "**Trustee Termination Event**").

Secure Funding may also retire as trustee of the Trust upon giving 3 months' notice in writing to the Unitholders and Trust Secured Creditors. The retirement takes effect on the later to occur of the retirement date specified in the notice and the appointment of a replacement trustee.

### ***Trust Standby Trustee***

If Secure Funding's appointment is terminated due to the occurrence of a Trustee Termination Event then, from the date of termination until the earlier of:

- (a) the appointment of a replacement trustee; and
- (b) the retirement of the Trust Standby Trustee under the Master Trust Deed,

the Trust Standby Trustee (or any other person appointed to act as its agent) must use its best endeavours to act as the standby trustee of the Trust with respect to the Transaction Documents in relation to the Trust upon the terms specified in the Master Trust Deed and to carry on and conduct its business in a proper and efficient manner as standby trustee of the Trust.

The Trust Standby Trustee shall, regardless of the scope of its obligations from time to time, have all the rights and powers of Secure Funding (in its capacity as trustee of the Trust) under the Transaction Documents which it may or may not exercise at its discretion. Neither the Trust Standby Trustee nor its agent is liable for any loss, costs, liabilities or expenses arising out of it exercising or failing to exercise any powers or rights, or performing or failing to perform its obligations or duties as Trust Standby Trustee, except where such acts or omissions amount to gross negligence, wilful default or fraud of the Trust Standby Trustee or its agent.

#### **18.4 Housing Loans and Related Securities - Housing Loan Eligibility Criteria**

The Housing Loans to be acquired by the Trust will be originated by the Trust Originator and will meet certain criteria and parameters approved by each Current Rating Agency, including without limitation:

- (a) the Housing Loan is secured by a valid and perfected first ranking mortgage registered in favour of Secure Funding;
- (b) the Housing Loan is secured by a mortgage in relation to which relevant documents have been or will be lodged with, and which have been retained by, the Trust Custodian;
- (c) the Housing Loan is a loan having a maturity date of no later than 30 years after the date of the relevant loan agreement;
- (d) the mortgaged property in respect of the Housing Loan is covered by general property insurance;
- (e) the Housing Loan satisfies the loan to value ratio criteria set out in the current policies and procedures of the Trust Originator; and
- (f) the interest payable under the Housing Loan is based on a floating rate of interest or fixed rate of interest in respect of which Secure Funding has entered into a fixed to floating interest rate swap (and the ability of the Debtor to convert the variable to a fixed rate is subject to entry into such interest rate swap agreement).

See section 5.7.

Any Related Securities will also be assigned to the Trust upon transfer of the Housing Loans.

In addition, under the Supplementary Terms Notice, the Trust Originator will give the following representations and warranties in relation to the Housing Loans to be acquired by the Trust:

- (a) the Seller did not enter into the Housing Loan in contravention with any applicable law in a manner which would result in a Material Adverse Effect;
- (b) the Housing Loan is enforceable in accordance with its terms against the relevant Debtor;
- (c) the Housing Loan satisfies the Eligibility Criteria;
- (d) at the time the Seller entered into the Housing Loan, it did so in good faith;
- (e) at the time that the Seller entered into the Housing Loan, the Housing Loan was originated in the ordinary course of the Seller's business;
- (f) the Trust Servicer has, from the time that the Seller entered into the Housing Loan, complied with the Servicing Procedures;
- (g) at the time the Seller entered into the Housing Loan, it had not received any notice of the insolvency or bankruptcy of the Debtor or that the Debtor did not have the legal capacity to enter into the Housing Loan;
- (h) the Seller is the sole legal owner of the Housing Loan and that, to its knowledge, on the date that the Housing Loan is acquired by Secure Funding, no Encumbrance other than a charge over a Seller Trust or a Seller Series that will be released on the Issue Date when



the Housing Loan and the Related Security become Assets of the Trust exists in relation to its right, title and interests in the Housing Loan;

- (i) the Seller holds, in accordance with the Servicing Procedures, all documents necessary to enforce the provisions of, and the security created by, the Housing Loan and each Related Security (if any);
- (j) other than in respect of priorities granted by statute, it has not received notice from any person that claims to have an Encumbrance other than a charge over a Seller Trust or a Seller Series that will be released on the Issue Date when the Housing Loan and the Related Security become Assets of the Trust ranking in priority to or equal with the Housing Loan or Related Security;
- (k) except as may be provided by applicable laws or any provision of any law, regulation or code of conduct which is binding on the Seller, the interest payable on the Housing Loan is not subject to any limitation and no consent, additional memoranda or other writing is required from the Debtor to give effect to a change in the interest rate payable on the Housing Loan and any change will be effective on notice being given to the Debtor in accordance with the terms of the Housing Loan;
- (l) the Seller is lawfully entitled to assign the Housing Loan and no consent to the sale and assignment of the Housing Loan or notice of that sale and assignment is required to be given by or to any person including, without limitation, any Debtor;
- (m) at the time the Seller entered into the Housing Loan, all necessary steps were taken to ensure that the related Mortgage complied with all legal requirements applicable at that time for that Mortgage to be a first ranking registered mortgage (subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or otherwise) secured over the relevant Land, subject to stamping (where applicable) and registration in due course;
- (n) upon the acceptance of the offer contained in the Sale Notice, Receivables Transfer Statement or Receivables Acquisition and Servicing Agreement (as the case may be), beneficial ownership of the Housing Loan will vest in Secure Funding in respect of the Trust free and clear of all Encumbrances;
- (o) the sale of the Housing Loan will not be held by a court to constitute a transaction at an undervalue, a fraudulent conveyance or a voidable preference under any insolvency laws; and
- (p) the Seller is not subject to an Insolvency Event.

## **18.5 The Trust Manager**

Liberty Financial has been appointed as Trust Manager under the Master Management Deed and the Supplementary Terms Notice to carry on the day to day administration, supervision and management of the Trust. The Trust Manager is paid a regular periodic fee (as agreed from time to time between Secure Funding and the Trust Manager, but not to be increased without the consent of each Current Rating Agency).

### ***Duties of the Trust Manager***

Under the Master Management Deed, the Trust Manager agrees to undertake the following duties (among others):

- (a) take all steps as it considers necessary or desirable to enable Secure Funding to perform its obligations under the Transaction Documents or exercise its rights in respect of any present and future right, property or undertaking of Secure Funding of whatever kind and wherever situated;
- (b) evaluate proposals in relation to the acquisition of Housing Loans and Related Securities;
- (c) open, close, maintain and operate the bank account of the Trust;
- (d) maintain appropriate records and prepare accounts and reports in respect of the Trust as required;
- (e) notify the Trust Security Trustee, Secure Funding and each Current Rating Agency as soon as practicable after becoming aware of a Trust Event of Default, a Trust Manager Termination Event or a Trust Servicer Termination Event (each as defined below); and
- (f) comply with the requirements of any relevant laws (including, where relevant, the requirements of the National Credit Code) in exercising its rights and carrying out its obligations under the Master Management Deed.

### ***Termination***

Upon the occurrence of certain events (each a “**Trust Manager Termination Event**”), the appointment of the Trust Manager may be terminated. The Trust Manager may also retire from the management of the Trust upon giving 3 months’ notice in writing, or such lesser time as the Trust Manager, the Trust Standby Manager and Secure Funding agree, provided that the Trust Manager may not retire unless:

- (a) it has appointed a replacement Trust manager which is acceptable to Secure Funding, the Trust Security Trustee and each Current Rating Agency; and
- (b) the replacement Trust manager executes a deed under which it covenants to act as Trust Manager on, substantially, the same terms and for a fee determined on a market basis.

### ***Trust Standby Manager***

If the Trust Manager’s appointment is terminated due to the occurrence of a Trust Manager Termination Event, then from the date of termination until the earlier of:

- (a) the appointment of a replacement Trust manager; and
- (b) the retirement of the Trust Standby Manager under the Master Management Deed,

the Trust Standby Manager (or any other person appointed to act as its agent) must act as standby Trust manager with respect to the Transaction Documents in relation to the Trust and is required to carry on and conduct its business in a proper and efficient manner as standby Trust manager.

The Trust Standby Manager shall, regardless of the scope of its obligations from time to time, have all the rights and powers of the Trust Manager under the Transaction Documents which it may or may not exercise at its discretion. Neither the Trust Standby Manager nor its agent is

liable for any loss, costs, liabilities or expenses arising out of its exercising or failing to exercise any powers or rights, or performing or failing to perform its obligations or duties as Trust Standby Manager, except where such acts or omissions amount to fraud, gross negligence or wilful default of the Trust Standby Manager or its agent.

## **18.6 The Trust Servicer**

Under the Master Servicer Deed and the Supplementary Terms Notice, Liberty Financial is appointed as Trust Servicer to service, manage and administer the Housing Loans and Related Securities in respect of the Trust until a Trust Servicer Termination Event occurs or where its appointment is terminated in respect of the Trust. The Trust Servicer agrees to service, manage and administer the Housing Loans and Related Securities at its expense using all proper care, skill and diligence, and all its experience and expertise in the management of Housing Loans and Related Securities, in accordance with (among other things) the Master Servicer Deed, the requirements of the Servicing Procedures and any written instructions given by Secure Funding. The Trust Servicer is paid a regular periodic fee (as agreed from time to time between Secure Funding and the Trust Servicer, but not to be increased without the consent of each Current Rating Agency).

### ***Duties***

Under the Master Servicer Deed and the Supplementary Terms Notice the Trust Servicer agrees to undertake the following duties in respect of the Trust (among others):

- (a) take action to protect or enforce the terms of any Housing Loan or otherwise exercise any rights conferred under documentation or at law in relation to the Housing Loan and take such action and incur such expenses as are necessary for such protection, enforcement or exercise of rights in accordance with the Servicing Procedures;
- (b) set any fees payable in respect of, each Housing Loan on the instructions of the Trust Manager;
- (c) prepare and collate all reasonably necessary performance statistics of the Housing Loans;
- (d) provide to Secure Funding promptly from time to time such information, documents, records, reports or other information relating to the Housing Loans or the operations of the Trust Servicer as may be reasonably requested by Secure Funding;
- (e) on behalf of Secure Funding, collect all Collections received by it in respect of each Housing Loan and remit any such Collections in the manner required by the Supplementary Terms Notice;
- (f) maintain any loan account in respect of any Housing Loan of the Trust and give all notices, documents or statement required to be given under the Servicing Procedures to the relevant debtor; and
- (g) notify the Trust Security Trustee, Secure Funding and each Current Rating Agency as soon as practicable after becoming aware of a Trust Servicer Termination Event.

### ***Termination***

Upon the occurrence of certain events (each a “**Trust Servicer Termination Event**”), the appointment of the Trust Servicer may be terminated. The Trust Servicer may also retire upon giving to Secure Funding 3 months notice in writing, or such lesser time as the Trust Servicer and Secure Funding agree, provided that the Trust Servicer may not retire unless:

- (a) it has appointed a replacement Trust Servicer which is acceptable to Secure Funding, the Trust Security Trustee and each Current Rating Agency; and
- (b) the replacement Trust Servicer executes a deed under which it covenants to act as Trust Servicer on, substantially, the same terms and for a fee determined on a market basis.

### ***Trust Standby Servicer***

If the Trust Servicer's appointment is terminated due to the occurrence of a Trust Servicer Termination Event, then from the date of termination until the earlier of:

- (a) the appointment of a replacement Trust Servicer; and
- (b) the retirement of the Trust Standby Servicer under the Master Trust Servicer Deed,

the Trust Standby Servicer (or any another person appointed to act as its agent) must act as standby Trust Servicer with respect to the Transaction Documents in relation to the Trust and is required to carry on and conduct its business in a proper and efficient manner as standby Trust Servicer. The Trust Standby Servicer is only required to perform the services specified in the Master Trust Servicer Deed (including without limitation, collecting Collections, preparing and issuing notices to debtors and setting the interest rate on Housing Loans in accordance with the relevant loan agreement) and shall only be required to perform such other services as agreed with the Trust Manager in writing from time to time.

The Trust Standby Servicer shall, regardless of the scope of its obligations from time to time, have all the rights and powers of the Trust Servicer under the Transaction Documents which it may or may not exercise at its discretion. Neither the Trust Standby Servicer nor its agent is liable for any loss, costs, liabilities or expenses arising out of its exercising or failing to exercise any powers or rights, or performing or failing to perform its obligations or duties as Trust Standby Servicer, except where such acts or omissions amount to fraud, gross negligence or wilful default of the Trust Standby Servicer or its agent.

## **18.7 Security Structure**

### ***Trust Security Trustee***

P.T. Limited is appointed as Trust Security Trustee on the terms set out in the Master Trust Deed. The Trust Security Trustee is a professional trustee company and operates as a limited liability public company under the Corporations Act.

The Master Trust Deed contains customary provisions for a document of this type that regulate the performance by the Trust Security Trustee of its duties and obligations and the protections afforded to the Trust Security Trustee. In addition, it contains provisions which regulate the steps that are to be taken by the Trust Security Trustee upon the occurrence of a Trust Event of Default. In general, if a Trust Event of Default occurs, the Trust Security Trustee will convene a meeting of the Trust Secured Creditors of the Trust to obtain directions as to what actions the Trust Security Trustee should take in respect of the Trust Collateral.

### ***Trust General Security Deed***

The Holders of Trust Notes have the benefit of a security interest over all the Trust Collateral under the Trust General Security Deed and the Master Trust Deed. The Trust Security Trustee holds this security interest on behalf of the Trust Secured Creditors (including the Holders of Trust Notes) pursuant to the Master Trust Deed and may (or, if directed to do so by an

Extraordinary Resolution of Trust Secured Creditors, the Trust Security Trustee must) enforce the security interest upon the occurrence of a Trust Event of Default (as defined below).

***Trust Event of Default***

A “**Trust Event of Default**” in respect of the Trust occurs if:

- (a) **(failure to pay)** Secure Funding fails to make a payment in accordance with the Transaction Documents on its due date (or within 3 Business Days of its due date) but excluding:
  - (i) a failure by Secure Funding to pay any amount that ranks junior (in accordance with section 16.15) to interest on the Class A1 Trust Notes, for so long as the Invested Amount of the Class A1 Trust Notes is greater than zero;
  - (ii) a failure by Secure Funding to pay any amount that ranks junior (in accordance with section 16.15) to interest on the Class A2 Trust Notes, for so long as the Invested Amount of the Class A2 Trust Notes is greater than zero;
  - (iii) a failure by Secure Funding to pay any amount that ranks junior (in accordance with section 16.15) to interest on the Class B Trust Notes, for so long as the Invested Amount of the Class B Trust Notes is greater than zero;
  - (iv) a failure by Secure Funding to pay any amount that ranks junior (in accordance with section 16.15) to interest on the Class C Trust Notes, for so long as the Invested Amount of the Class C Trust Notes is greater than zero;
  - (v) a failure by Secure Funding to pay any amount that ranks junior (in accordance with section 16.15) to interest on the Class D Trust Notes, for so long as the Invested Amount of the Class D Trust Notes is greater than zero;
  - (vi) a failure by Secure Funding to pay any amount that ranks junior (in accordance with section 16.15) to interest on the Class E Trust Notes, for so long as the Invested Amount of the Class E Trust Notes is greater than zero; and
  - (vii) a failure by Secure Funding to pay any amount that ranks junior (in accordance with section 16.15) to interest on the Class F Trust Notes, for so long as the Invested Amount of the Class F Trust Notes is greater than zero;
- (b) **(insolvency event):**
  - (i) an Insolvency Event occurs in respect of Secure Funding (in its capacity as trustee of the Trust); or
  - (ii) an Insolvency Event occurs in respect of Secure Funding (in its personal capacity) and a new trustee or the Trust Standby Trustee is not appointed within 60 days of the occurrence of the Insolvency Event to act as trustee of the Trust;
- (c) **(illegality of a Transaction Document)** all or any part of a Transaction Document (other than an Exempted Transaction Document) is terminated or is or becomes void, illegal, unenforceable or of limited force or effect, or any party becomes entitled to terminate, rescind or avoid all or any part of that Transaction Document where such event will have a Material Adverse Payment Effect;

- (d) **(illegality of an Exempted Transaction Document)** each of the following occurs in respect of an Exempted Transaction Document:
- (i) all or any part of an Exempted Transaction Document is terminated or is or becomes void, illegal, unenforceable or of limited force or effect, or any party becomes entitled to terminate, rescind or avoid all or any part of that Exempted Transaction Document (an “**Affected Transaction Document**”);
  - (ii) a new agreement substantially in the form of the Affected Transaction Document and which achieves substantially the same effect as the Affected Transaction Document (a “**Replacement Transaction Document**”) is not executed and delivered by the relevant parties within 10 Business Days of the relevant Exempted Transaction Document becoming an Affected Transaction Document; and
  - (iii) any failure by the relevant parties to execute and deliver the relevant Replacement Transaction Document causes a Material Adverse Payment Effect;
- (e) **(non-exercise of indemnity)** Secure Funding is (for any reason) not entitled to fully exercise the right of indemnity conferred on it under the Master Trust Deed against the Assets of the Trust to satisfy any liability to a Trust Secured Creditor and the circumstances are not rectified to the reasonable satisfaction of the Trust Security Trustee within 30 days of the Trust Security Trustee requiring Secure Funding in writing to rectify them; or
- (f) **(General Security Deed)** the Trust General Security Deed is not or ceases to be valid and enforceable or (unless Secure Funding is expressly permitted to do so under the Transaction Documents or the Trust Security Trustee, at the direction of an Extraordinary Resolution of Secured Creditors, consents) Secure Funding agrees, attempts or takes any step to:
- (i) create or allow to exist another Encumbrance over the Trust Collateral other than any Permitted Encumbrance (for a period of more than 10 Business Days following Secure Funding becoming aware of the creation or existence of such Encumbrance); or
  - (ii) assign or otherwise deal in any way with the General Security Deed or any interest in it, or allow any interest in it to arise or be varied,

where such event will have a Material Adverse Payment Effect.

### ***Limited Recourse to Trust Security Trustee***

The Trust Security Trustee’s liability under the Transaction Documents is limited to the amount which it receives from Secure Funding or a Trust Receiver in respect of the Trust Collateral under the Master Trust Deed. This limitation will not apply to a liability of the Trust Security Trustee to the extent that it is caused by the Trust Security Trustee’s fraud, gross negligence or wilful default.

### ***Fees and indemnities***

Secure Funding, under the Master Trust Deed, has agreed to pay to the Trust Security Trustee from time to time a fee (as agreed to between Secure Funding and the Trust Security Trustee). Secure Funding must also pay or reimburse the Trust Security Trustee for all costs, charges and expenses incurred by the Trust Security Trustee in connection with its obligations under the

Transaction Documents, except to the extent such cost, charge or expense was incurred directly as a result of the Trust Security Trustee's fraud, gross negligence or wilful default.

### ***Application of Proceeds Following a Trust Event of Default***

Following the occurrence of a Trust Event of Default and enforcement of the Trust Charge under the Trust General Security Deed, the Trust Security Trustee must apply all moneys received by it in respect of the Trust Collateral in the order described in section 16.21.

## **18.8 The Interest Rate Swap**

### ***Purpose of Interest Rate Swap***

Secure Funding will enter into interest rate swaps with an eligible swap provider acceptable to each Current Rating Agency ("**Interest Rate Swap Provider**") to hedge the interest rate risk in respect of the fixed rate Housing Loans.

One or more fixed rate swap transactions will be entered into to hedge the fixed rate portion of the Housing Loans provided to Debtors. The rate of interest on a Housing Loan will be fixed for the life of the swap transaction relating to it and will be set having regard to the ongoing obligations of Secure Funding.

### ***Interest Rate Swap Provider***

The initial Interest Rate Swap Provider is Commonwealth Bank of Australia. Commonwealth Bank of Australia currently has a long-term counterparty credit rating of "Aa3" from Moody's and a short-term rating of "P-1" from Moody's and long-term counterparty credit rating of "AA-" from Fitch and a short-term rating of "F1+" from Fitch.

Except for the information provided in the preceding paragraph, the Interest Rate Swap Provider has not been involved in the preparation of, and does not accept responsibility for, this Offering Circular.

### ***Termination by the Interest Rate Swap Provider***

The Interest Rate Swap Provider will have the right to terminate the Interest Rate Swap Agreement in certain circumstances including:

- (a) if Secure Funding fails to make a payment under the Interest Rate Swap within 3 Business Days after notice of failure is given to Secure Funding;
- (b) certain bankruptcy related events occur in relation to Secure Funding and the obligations of Secure Funding have not been transferred to a replacement trustee within the prescribed period;
- (c) if a force majeure or act of state occurs under the Interest Rate Swap Agreement;
- (d) if, due to a change in law, it becomes illegal for the Interest Rate Swap Provider to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of the Interest Rate Swap Agreement. However, the Interest Rate Swap Provider must make efforts to transfer its rights and obligations to another office or an affiliate to avoid the illegality subject to and condition upon provision of a Rating Notification; and

- (e) if a Trust Event of Default occurs and the Trust Security Trustee takes action to enforce the Trust General Security Deed.

### ***Termination by Secure Funding***

Secure Funding will have the right to terminate the Interest Rate Swap Agreement in certain circumstances, including the following:

- (i) if the Interest Rate Swap Provider fails to make a payment under the Interest Rate Swap Agreement within 3 Business Days after notice of failure is given to the Interest Rate Swap Provider;
- (j) if certain bankruptcy related events occur in relation to the Interest Rate Swap Provider;
- (k) if the Interest Rate 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 Interest Rate Swap Provider under the Interest Rate Swap or any associated credit support document;
- (l) if, due to a change in law, it becomes illegal for Secure Funding to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of the Interest Rate Swap Agreement. However, Secure Funding must make certain efforts to transfer its rights and obligations to another office or affiliate to avoid the illegality, provided that each Current Rating Agency has confirmed in writing that this will not have an Adverse Rating Effect; and
- (m) if the Interest Rate Swap Provider fails to perform its obligations under the Interest Rate Swap Agreement following the withdrawal or downgrade of the Interest Rate Swap Provider's credit rating below the prescribed rating by each Current Rating Agency (see "Downgrade of Interest Rate Swap Provider" below).

### ***Withholding Tax***

If the Interest Rate Swap Provider is required to withhold or deduct from any payment under the Interest Rate Swap Agreement an amount for or on account of any present or future taxes, duties, levies, imposts, charges, assessments or tax imposed by any government or taxing authority it will not be required to gross up such payments.

### ***Downgrade of Interest Rate Swap Provider***

If, as a result of the withdrawal or downgrade of the Interest Rate Swap Provider's credit rating by a Current Rating Agency, the Interest Rate Swap Provider does not have a short term credit rating or long term credit rating as designated in the Interest Rate Swap Agreement, the Interest Rate Swap Provider may be required to, at its cost, take certain action within certain timeframes specified in the Interest Rate Swap Agreement.

This action may include in respect of the particular downgrade one of the following:

- (a) lodging collateral as determined under the Interest Rate Swap Agreement;
- (b) entering into an agreement novating the Interest Rate Swap Agreement to a replacement counterparty which holds the relevant ratings;



- (c) procuring another person to become a co-obligor or unconditionally and irrevocably guarantee the obligations of the Interest Rate Swap Provider under the Interest Rate Swap Agreement; or
- (d) entering into other arrangements in respect of which a Rating Notification has been given.

Additionally, in respect of the downgrade of the Interest Rate Swap Provider below certain credit ratings, the Interest Rate Swap Provider may be required to both lodge collateral and to take one of the other courses of action described in paragraphs (b) to (d) (inclusive) above.

If the Interest Rate Swap Provider lodges collateral with Secure Funding, any interest or income on that cash collateral will be paid to the Interest Rate Swap Provider, provided that any such interest or income will only be payable to the extent that any payment will not reduce the balance of the collateral to less than the amount required to be maintained under the Interest Rate Swap Agreement.

Secure Funding may only make withdrawals of the collateral if directed to do so by the Trust Manager for certain prescribed purposes.

The complete obligations of the Interest Rate Swap Provider following the downgrade of its credit rating are set out in the Interest Rate Swap Agreement.

## **18.9 Liquidity Facility**

The Liquidity Facility will be available to be drawn to fund Liquidity Shortfalls provided that the aggregate of drawings to fund such Liquidity Shortfalls does not exceed the Liquidity Limit.

### ***Liquidity Advances***

If, on any Determination Date during the Liquidity Availability Period, the Trust Manager determines that there is a Liquidity Shortfall under the Supplementary Terms Notice, then the Trust Manager must request an advance to be made under the Liquidity Facility Agreement on the Payment Date immediately following that Determination Date in accordance with the Liquidity Facility Agreement and equal to the lesser of:

- (a) the Liquidity Shortfall; and
- (b) the Available Liquidity Amount.

### ***Interest***

Interest accrues on a daily basis on each Liquidity Advance from and including its drawdown date until the Liquidity Advance is repaid in full, at a rate equal to the sum of the bank bill rate (as determined in accordance with the Liquidity Facility Agreement) on the first day of the Liquidity Interest Period plus a margin. It will be calculated by reference to a year of 365 days.

Interest is payable in arrears on each Payment Date.

### ***D downgrade of the Liquidity Facility Provider***

If at any time (for so long as any Notes are outstanding) the Liquidity Facility Provider does not have:

- (a) in the case of Moody's, a short term counterparty risk assessment of at least P-1(cr) or, if a short term counterparty risk assessment is not available for that financial institution, a short term deposit rating of at least P-1 assigned to the Liquidity Facility Provider; and
- (b) in the case of Fitch, a long term credit rating of at least A or a short term credit rating of at least F1,

or such other credit rating or ratings by the relevant Current Rating Agency as may be agreed by the Trust Manager and the Liquidity Facility Provider from time to time provided that the Trust Manager has delivered a Rating Notification in respect of such other credit rating or ratings, then the Liquidity Facility Provider must within 30 calendar days (or such longer period as may be agreed by the Trust Manager and the Liquidity Facility Provider and provided Rating Notification has been given in respect of that longer period) of such downgrade do one of the following (as determined by the Liquidity Facility Provider in its discretion):

- (a) procure a replacement Liquidity Facility;
- (b) request the Series Manager to make a collateral drawing for an amount equal to the Liquidity Limit at that time less the Liquidity Principal Outstanding at that time; or
- (c) implement such other structural changes in respect of which a Rating Notification has been given.

#### ***Availability Fee***

Secure Funding will pay an availability fee (calculated on the un-utilised portion of the Liquidity Limit) in arrears to the Liquidity Facility Provider on each Payment Date out of Total Available Income in accordance with the Supplementary Terms Notice.

#### ***Liquidity Event of Default***

A Liquidity Event of Default occurs if:

- (a) Secure Funding fails to pay:
  - (i) subject to paragraph (ii) below any amount owing under the Liquidity Facility Agreement where funds are available for that purpose under the Supplementary Terms Notice; or
  - (ii) any amount due under the Liquidity Facility Agreement in respect of interest and fees, irrespective of whether funds are available for that purpose under the Supplementary Terms Notice,

in the manner contemplated by the Liquidity Facility Agreement, in each case within 3 Business Days of the due date for payment of such amount;
- (b) Secure Funding alters or the Trust Manager instructs it to alter the priority of payments under the Transaction Documents without the consent of the Liquidity Facility Provider or Secure Funding breaches any of its undertakings under the Liquidity Facility Agreement and that breach has a Material Adverse Effect in respect of the Liquidity Facility Provider;
- (c) a Trust Event of Default occurs and the Trust Security Trustee enforces the Trust Charge;

- (d) an Insolvency Event occurs in respect of Secure Funding in its capacity as trustee of the Trust and Secure Funding is not replaced in accordance with the Master Trust Deed within 60 days of the Insolvency Event; or
- (e) a representation or warranty made or taken to be made by Secure Funding in connection with the Liquidity Facility Agreement is found to have been incorrect or misleading when made or taken to be made and that breach has a Material Adverse Effect in respect of the Liquidity Facility Provider.

***Termination and Extension of Liquidity Facility***

The Liquidity Facility will terminate on the earlier of:

- (a) the Liquidity Facility Termination Date; and
- (b) the Liquidity Facility Provider Termination Date.

The “**Liquidity Facility Termination Date**” is the earliest of:

- (a) the Availability Termination Date;
- (b) the date which is one month after the date upon which all Trust Notes have been fully and finally redeemed in full in accordance with the Transaction Documents and the Trust Manager has notified Secure Funding that it does not intend that any further Notes will be issued in respect of the Trust;
- (c) the date on which the Liquidity Facility Provider terminates the Liquidity Facility where, as a result of a change in law, the Liquidity Facility Provider has determined that it will be impossible or illegal for the Liquidity Facility Provider to provide financial accommodation or otherwise observe its obligations under the terms of the Liquidity Facility Agreement;
- (d) the date upon which the Liquidity Limit is cancelled or reduced to zero by notice from Secure Funding (provided that a Rating Notification has been given in respect of such cancellation or reduction); and
- (e) the date upon which the Liquidity Facility Provider terminates the Liquidity Facility following the occurrence of a Liquidity Event of Default.

The “**Liquidity Facility Provider Termination Date**” is the later of:

- (a) the Payment Date declared by the Trust Manager in accordance with the Liquidity Facility Agreement; and
- (b) the date upon which Secure Funding has paid or repaid to the Liquidity Facility Provider all Liquidity Draws outstanding on the Payment Date declared under paragraph (a) above together with all accrued but unpaid interest and all other money outstanding under the Liquidity Facility Agreement.

The “**Liquidity Availability Period**” means the period from the date of the Liquidity Facility Agreement to (and including) the Final Maturity Date.

The “**Availability Termination Date**” means the last day of the Liquidity Availability Period.

### ***Collateral drawings***

The proceeds of any collateral drawing must be deposited into an account (“**Collateral Account**”) in the name of Secure Funding with an Eligible Bank. The Collateral Account may only be operated in accordance with the terms of the Liquidity Facility Agreement.

If, on any Determination Date after a collateral drawing has been made, the Trust Manager would, but for the fact that the Liquidity Facility has been fully drawn, be required to arrange for a Liquidity Advance in accordance with the Supplementary Terms Notice, then the Trust Manager must direct Secure Funding to transfer from the Collateral Account into the Collection Account an amount equal to the lesser of:

- (a) the Liquidity Advance; and
- (b) the Collateral Account balance,

by no later than 11.30 am (Sydney time) on the immediately following Payment Date.

If:

- (a) at any time after a collateral drawing has been made the credit rating of the Liquidity Facility Provider becomes equal to a:
  - (i) in the case of Moody’s, short term counterparty risk assessment of P-1(cr) or, if a short term counterparty risk assessment is not available for that financial institution, a short term deposit rating of P-1; and
  - (ii) in the case of Fitch, long term credit rating of A or a short term credit rating of F1,or such other credit rating or ratings by the relevant Current Rating Agency as may be agreed by the Trust Manager and the Liquidity Facility Provider from time to time; or
- (b) the Liquidity Facility is terminated in accordance with its terms (other than as a result of the occurrence of the Availability Termination Date),

then the Liquidity Facility Provider must notify the Trust Manager of that event and the Trust Manager must then direct Secure Funding to, and Secure Funding must, repay to the Liquidity Facility Provider the balance of the Collateral Account (if any) within 1 Business Day of being so directed by the Trust Manager such amount being applied towards repayment of the then outstanding Collateral Advances.

All interest or other returns accrued (net of all costs properly incurred by Secure Funding) on the balance of the Collateral Account, or any Authorised Investments purchased with the Collateral Account Balance, belong to the Liquidity Facility Provider and all such interest or returns which have been credited to the Collateral Account must be paid to the Liquidity Facility Provider on each Payment Date.

### **18.10 The Guarantee Fee Reserve Account**

The credit support provided by the Guarantee Fee Reserve Account is regulated by the following documents.

### ***Deed of Covenant***

Under the Deed of Covenant, the Guarantor covenants in favour of Secure Funding to pay into the Guarantee Fee Reserve Account, on each Payment Date, a certain portion of the Guarantee Fee (being the Adjusted Deposit Amount) paid to it by Secure Funding on that Payment Date up to the amount needed to increase the Guarantee Fee Reserve Account Balance to be an amount equal to the Guarantee Fee Reserve Account Maximum Amount.

### ***Specific Security Deed***

Under the Specific Security Deed, the Guarantor mortgages all of its right, title and interest in the Guarantee Fee Reserve Account to Secure Funding. The Specific Security Deed provides Secure Funding with security over the Guarantee Fee Reserve Account Balance and permits Secure Funding to withdraw amounts from the Guarantee Fee Reserve Account if that mortgage is enforced or to invest in Authorised Investments which mature on or prior to the immediately succeeding Payment Date provided that all amounts received by the Guarantor on that maturity must be credited to the Guarantee Fee Reserve Account.

### ***Deposit Deed***

Under the Deposit Deed, the Guarantor, the bank with which the Guarantee Fee Reserve Account is maintained, Secure Funding and the Trust Security Trustee agree the terms upon which the Guarantee Fee Reserve Account will be opened, maintained and operated by Secure Funding and the Guarantor. Under the Deposit Deed, the Guarantor may withdraw money standing to the credit of the Guarantee Fee Reserve Account only for the purpose of making a payment under the Guarantee, if Secure Funding consents to the withdrawal and where Rating Notification has been provided or to invest in Authorised Investments which mature on or prior to the immediately succeeding Payment Date provided that all amounts received by the Guarantor on that maturity must be credited to the Guarantee Fee Reserve Account.

### ***Guarantee***

Under the Guarantee, the Guarantor provides a guarantee in favour of Secure Funding in relation to:

- (a) certain Liquidation Losses and any unreimbursed Carryover Charge-Offs incurred on the Housing Loans. To the extent that the aggregate of the Liquidation Losses for a Collection Period and any unreimbursed Carryover Charge-Offs from preceding Payment Periods exceeds the amount available to be applied to restore such Liquidation Losses and unreimbursed Carryover Charge-Offs in accordance with section 16, then Secure Funding may make a claim under the Guarantee as a First Guarantee Draw; and
- (b) certain income shortfalls incurred by the Trust. To the extent that the Required Payments as calculated on a Determination Date exceed the aggregate of the Interest Collections, any Principal Draw and any Liquidity Draw (each as calculated on that Determination Date), then Secure Funding may make a claim under the Guarantee as a Second Guarantee Draw.

## **18.11 Australian Financial Services Licence**

Perpetual Trustee Company Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643). Perpetual Trustee Company Limited has appointed P.T. Limited to act as its authorised representative under that licence (Authorised Representative No. 266797).

## **19 TRANSACTION STRUCTURE - SERIES**

### **19.1 Master Corporate Program**

The Liberty Funding Master Corporate Program (the “**Corporate Program**”) was established by the Series Manager to issue Notes. Each series established under the Corporate Program is separate and distinct from any other series under the Corporate Program and the assets of each series will not be available to meet the liabilities of any other series. The terms of each series will be governed by the Series Master Security Trust Deed and the specific terms of each series will be set out in an issue supplement, note conditions and note deed poll for the series.

### **19.2 The Series**

Liberty Series 2018-1 has been established as a series under the Corporate Program by Liberty Funding under the laws of New South Wales.

### **19.3 Subscription Agreement**

Liberty Funding has entered into the Subscription Agreement with Secure Funding to subscribe for the Trust Notes from Secure Funding. Liberty Funding’s rights in respect of the Trust Notes, the Subscription Agreement and any other Authorised Investments are, collectively, the Series Assets.

### **19.4 Note Trust Deed**

#### ***Powers of the Class A1c Note Trustee***

The Class A1c Note Trustee is appointed to act as trustee on behalf of the Holders of the Class A1c Notes on the terms and conditions of the Note Trust Deed.

The Class A1c Note Trustee must comply with the duties imposed on it by the Note Trust Deed, the Class A1c Notes (including the Class A1c Note Conditions) and each other Transaction Document to which it is a party and must in the exercise of all discretions vested in it by the Note Trust Deed and all other Transaction Documents except where expressly provided otherwise, have regard to the interest of the Holders of the Class A1c Notes.

#### ***Directions of the Class A1c Noteholders***

The Class A1c Note Trustee must seek directions from the Holders of the Class A1c Notes from time to time, including following the occurrence of a Series Event of Default if a meeting of Voting Secured Creditors is to be held under the Master Security Trust Deed, as to how to vote at that meeting and instruct the Security Trustee to delay the holding of that meeting while it obtains such directions from the Class A1c Noteholders. The Class A1c Note Trustee shall not be responsible for having acted in good faith on a resolution purporting to have been passed at a meeting of Holders of the Class A1c Notes in respect of which minutes have been made and signed even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Holders of the Class A1c Notes.

If the Class A1c Note Trustee is entitled under the Master Security Trust Deed or the Series General Security Deed to vote at any meeting on behalf of Holders of the Class A1c Notes, the Class A1c Note Trustee must vote in accordance with the directions of the Holders of the Class A1c Notes. In acting in accordance with the directions of Holders of the Class A1c Notes, the Class A1c Note Trustee must exercise its votes for or against any proposal to be put to a meeting in the same proportion as that of the aggregate Invested Amounts of the Class A1c Notes held by Holders of the Class A1c Notes who have directed the Class A1c Note Trustee to vote for or

against that proposal. If no direction is given to the Class A1c Note Trustee, the Class A1c Note Trustee shall not vote on any such matter or take any other action relating thereto.

#### ***Agency or Delegation by the Class A1c Note Trustee***

Whenever it considers it expedient in the interests of the Holders of the Class A1c Notes, the Class A1c Note Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Class A1c Note Trustee (including the receipt and payment of money). The Class A1c Note Trustee remains liable for the acts or omissions of an agent except where the Class A1c Note Trustee has acted in good faith and without fraud, gross negligence or wilful default in relation to the appointment of the agent. The Class A1c Note Trustee shall not have any obligation to supervise such agent.

Whenever it considers it expedient in the interests of the Holders of the Class A1c Notes, the Class A1c Note Trustee may delegate to any person on any terms (including power to sub-delegate) all or any of its functions. The Class A1c Note Trustee remains liable for the acts or omissions of a delegate except where the Class A1c Note Trustee has acted in good faith and without fraud, gross negligence or wilful default in relation to the appointment of the delegate. The Class A1c Note Trustee shall not have any obligation to supervise such delegate.

#### ***Note Trustee Fees and Expenses***

So long as any Class A1c Note is outstanding, Liberty Funding shall pay the Class A1c Note Trustee a fee as remuneration for its services as Class A1c Note Trustee (as agreed between the Class A1c Note Trustee, Liberty Funding and the Series Manager). Such remuneration shall accrue from day to day from the date of Note Trust Deed until the Series is terminated. Subject to the immediately following paragraph, any increase to that fee must not be agreed unless a Rating Notification has been provided in respect of the increase.

At any time after so far as Liberty Funding is aware:

- (a) the occurrence of a Series Event of Default;
- (b) an event with which the passing of time or the giving of notice or both would constitute a Series Event of Default;
- (c) Liberty Funding has failed to pay any sums due under the Class A1c Notes; or
- (d) the Class A1c Note Trustee undertakes duties which it considers necessary or expedient under Note Trust Deed, or is requested by Liberty Funding to undertake duties, and such duties are of an exceptional nature or otherwise outside the scope of the Class A1c Note Trustee's normal duties under the Note Trust Deed,

Liberty Funding must pay such additional remuneration as Liberty Funding (at the direction of the Series Manager) and the Class A1c Note Trustee may agree (and as notified by the Series Manager to each Current Rating Agency).

Liberty Funding shall also, on each Payment Date, pay all costs, charges, liabilities and expenses properly incurred by the Class A1c Note Trustee (except for any overhead or general operating expenses incurred by the Class A1c Note Trustee) in the preparation and execution of the Note Trust Deed and the performance of its functions under the Note Trust Deed including, but not limited to, legal expenses in connection with any legal proceedings properly brought by the Class A1c Note Trustee against Liberty Funding to enforce any provision of the Note Trust Deed, the

Class A1c Notes, and any stamp, documentary, registration or other taxes or duties including any GST paid by the Class A1c Note Trustee in connection with those documents and its supply of services.

Subject to the section limiting Liberty Funding's liability set forth in certain headings under Section 19.8 (the "Limited recourse – Series"), Liberty Funding shall indemnify the Class A1c Note Trustee in respect of all liabilities and expenses properly incurred by it or by anyone appointed by it or to whom any of its functions may be delegated by it in the carrying out of its functions and against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all proper costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) which any of them may incur or which may be made against any of them arising out of or in relation to or in connection with, its appointment or the exercise of its functions under the Note Trust Deed or any other Transaction Document to which the Class A1c Note Trustee is party, except such as may result from the Class A1c Note Trustee's own fraud, gross negligence or wilful default or that of its directors, officers, employees or agents.

#### ***Class A1c Note Trustee's Voluntary Retirement***

The Class A1c Note Trustee may retire at any time as note trustee upon giving 3 months (or such lesser time as the Series Manager, Liberty Funding and the Class A1c Note Trustee agree) notice in writing to Liberty Funding, the Series Manager and the Series Security Trustee (and the Series Manager shall provide such notice to each Current Rating Agency), without giving any reason and without being responsible for any liabilities incurred by reason of such retirement provided that such retirement is in accordance with the Note Trust Deed, provided further that no such period of notice of retirement may expire within the period of 10 days preceding each Payment Date. Upon such retirement, Liberty Funding (or the Series Manager on its behalf), subject to any approval required by law, may appoint in writing any other person as substitute Note Trustee (provided that Rating Notification has been provided in respect of that appointment). If Liberty Funding does not propose a replacement by the date which is one month prior to the date of its proposed retirement, the Series Manager is entitled to appoint a substitute Class A1c Note Trustee (provided that Rating Notification has been provided in respect of that appointment).

The Class A1c Note Trustee covenants that it will retire as Class A1c Note Trustee if:

- (a) the Class A1c Note Trustee becomes Insolvent 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);
- (b) it ceases to carry on business;
- (c) it is so directed by an Extraordinary Resolution of the Holders of the Class A1c Notes;
- (d) it fails to comply with any of its obligations under any Transaction Document and Liberty Funding and the Series Manager determines that this failure has had, or if continued, is likely to have, an Adverse Rating Effect, and if capable of remedy, the Class A1c Note Trustee does not remedy this failure within 14 days after the earlier of the following:
  - (i) the Class A1c Note Trustee having actual knowledge of this failure; and
  - (ii) receipt by the Class A1c Note Trustee of written notice with respect to this failure from either Liberty Funding or the Series Manager,

provided that the Class A1c Note Trustee is not required to retire in such circumstances if there is an Extraordinary Resolution from the Holders of the Class A1c Notes affirming



its appointment notwithstanding such notice from Liberty Funding or the Series Manager; and

(e)

- (i) the Class A1c Note Trustee is or becomes a “foreign financial institution” as such term is defined pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986 and any regulations thereunder or official interpretations thereof, and such trustee is not or does not become a “participating foreign financial institution” as such term is defined pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986 and any regulations thereunder or official interpretations thereof (including a financial institution deemed to be compliant with the provisions of Section 1471(b) of the Code or treated as compliant on the basis of an applicable agreement between the United States and another jurisdiction) or otherwise FATCA compliant from the effective date(s) of any applicable withholding or deduction imposed pursuant to FATCA; and
- (ii) the Class A1c Note Trustee receives written notice from the Series Manager that the Class A1c Note Trustee no longer qualifies under the preceding sub-paragraph (i).

Any corporation into which the Class A1c Note Trustee or its business is merged, sold or converted or any corporation with which the Class A1c Note Trustee is consolidated or any corporation resulting from any merger, conversion or consolidation to which the Class A1c Note Trustee is a party shall, to the extent permitted by law, be the successor Class A1c Note Trustee under the Note Trust Deed without any further formality.

#### ***Removal of the Class A1c Note Trustee***

If the Class A1c Note Trustee refuses to retire when required to do so, Liberty Funding at the direction of the Series Manager is entitled to remove the Class A1c Note Trustee from office immediately by notice in writing to the Class A1c Note Trustee if any event referred to above has occurred. On the retirement or removal of the Class A1c Note Trustee:

- (a) the Series Manager must promptly notify each Current Rating Agency of such retirement or removal; and
- (b) subject to any approval required by law, Liberty Funding is entitled to and must use reasonable endeavours to appoint, and will at the direction of the Series Manager appoint, in writing some other person to be the substitute Class A1c Note Trustee (provided that Rating Notification has been provided in respect of that appointment).

#### ***Limitation of the Class A1c Note Trustee’s Obligation***

The Class A1c Note Trustee is not required to:

- (a) do anything which may be contrary to any applicable law or regulation; or
- (b) expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers (including, without limitation, complying with any resolution or direction of the Holders of the Class A1c Notes) unless it is indemnified to its 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 by so doing and, if required, is put in funds to the extent to which it may be liable (including costs and expenses); or

- (c) enter into any document or instrument relating to the Note Trust Deed or any other Transaction Document except in its capacity as Class A1c Note Trustee and in no other capacity.

## **19.5 Agency Agreement**

### ***Appointment of Agents***

The Agency Agreement provides for the appointment of each of the Class A1c Note Principal Paying Agent, the Class A1c Note Registrar and the Class A1c Note Calculation Agent (each an “Agent”).

The Class A1c Note Principal Paying Agent will make payments to the Holders of the Class A1c Notes on behalf of Liberty Funding.

The Class A1c Note Calculation Agent will make all such calculations and determinations in respect of the Class A1c Notes.

The Class A1c Note Registrar will maintain the Class A1c Note Register in respect of the Class A1c Notes, which will record (amongst other things) all payments made in respect of the Class A1c Notes, the aggregate Invested Amount of the Class A1c Notes, the aggregate Stated Amount of the Class A1c Notes and such other information as the Series Manager reasonably requires or the Class A1c Note Registrar considers in its absolute discretion appropriate or desirable.

### ***Removal of and Resignation of an Agent***

The appointment of an Agent immediately terminates if the Agent becomes Insolvent.

Liberty Funding or the Series Manager with the consent of Liberty Funding, with the prior written approval of the Class A1c Note Trustee, may immediately terminate the appointment of an Agent if:

- (a) the Agent ceases to conduct business; or
- (b) the Agent fails to remedy within 5 Business Days after prior written notice by Liberty Funding or the Series Manager any material breach of the Agency Agreement on the part of the Agent;
- (c) in the reasonable opinion of Liberty Funding, the new Specified Office of such Agent is moved to a city which would cause such Agent or Liberty Funding to breach the Transaction Documents or the Class A1c Note Conditions; or
- (d) the appointment of that Agent causes or will cause a suspension, reduction, qualification or withdrawal assigned to any of the Class A1c Notes by any Designated Rating Agency.

An Agent may resign its appointment under the Agency Agreement and Liberty Funding or the Series Manager (with the consent of Liberty Funding) may, with the prior written approval of the Class A1c Note Trustee, terminate the appointment of an Agent at any time by giving not less than 60 days’ written notice to that effect to the Series Manager or the Agent respectively (which shall not expire less than 15 days before after any Quarterly Payment Date).

Liberty Funding acting on the direction of the Series Manager may appoint a successor Agent which shall be a reputable financial institution of good standing acceptable to the Class A1c Note Trustee.

No resignation or termination of an Agent shall take effect until a successor Agent has been appointed by Liberty Funding (at the direction of the Series Manager) on terms approved in writing by the Class A1c Note Trustee and Liberty Funding (at the direction of the Series Manager) and provided that:

- (a) each Current Rating Agency has been notified of any such appointment by the Series Manager;
- (b) notice of the appointment of such successor Agent has been given to the Holders of the Class A1c Notes in accordance with Condition 11 (“Notices”) of the Class A1c Note Conditions; and
- (c) the requirements of Condition 8 (“Payments”) of the Class A1c Note Conditions are satisfied.

In the case of the resignation of a Class A1c Note Principal Paying as described above, if the Series Manager does not appoint a successor Class A1c Note Principal Paying Agent by the day falling 10 days before the expiration of such 45 days’ written notice, the relevant Agent may appoint as a successor Class A1c Note Principal Paying Agent, a reputable financial institution of good standing which Liberty Funding approves (such approval not to be unreasonably withheld) or it may petition a court of competent jurisdiction to do so.

If the appointment of the Class A1c Note Principal Paying Agent terminates or the Class A1c Note Principal Paying Agent resigns, the Class A1c Note Principal Paying Agent shall, on the date on which that termination takes effect, pay to the successor Class A1c Note Principal Paying Agent all amounts held by it for payment of principal or interest in respect of any Class A1c Note.

***Payments of amounts due by the Class A1c Note Principal Paying Agent***

Liberty Funding shall (at the direction of the Series Manager) pay to or to the order of the Class A1c Note Principal Paying Agent (or procure the payment to or to the order of the Class A1c Note Principal Paying Agent), to such account of the Class A1c Note Principal Paying Agent as the Class A1c Note Principal Paying Agent shall specify to Liberty Funding in writing in € in same day funds, no later than 11:00am (London time) on each Quarterly Payment Date, an amount sufficient to pay the interest on the aggregate Invested Amount of the Class A1c Notes as set out in the Class A1c Note Conditions.

The Class A1c Note Principal Paying Agent will promptly notify each of the other Agents, the Class A1c Note Trustee, the Series Security Trustee and Liberty Funding by facsimile or email if it has not, by 2:00 p.m. (London time) on any Quarterly Payment Date, received in full the amount so due.

If Liberty Funding fails to make any payment or fails to make the full amount of such payment in respect of the Class A1c Notes, unless and until the full amount of the payment has been made under the terms of the Agency Agreement (except as to the time of making the payment) or other arrangements satisfactory to the Class A1c Note Principal Paying Agent have been made, the Class A1c Note Principal Paying Agent is not bound to make any payment that Liberty Funding fails to pay in respect of the Class A1c Notes (but may, in its discretion, make any such payment).

### ***Duties of the Class A1c Note Calculation Agent***

The Class A1c Note Calculation Agent shall perform such duties and make all such determinations and calculations (howsoever described) as it is required to do under the Class A1c Note Conditions.

The Class A1c Note Calculation Agent shall, as soon as practicable after their determination or calculation notify Liberty Funding, the Series Manager, the Class A1c Note Principal Paying Agent, the Currency Swap Provider and the Class A1c Note Trustee of, inter alia, the Interest Rate (as defined in the Class A1c Note Conditions), the Interest Amount (as defined in the Class A1c Note Conditions) for the Class A1c Notes and the Quarterly Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Class A1c Note Conditions and of any subsequent amendment to such amounts pursuant to the Class A1c Note Conditions. The Class A1c Note Calculation Agent will publish the same in accordance with the Class A1c Note Conditions.

If the Class A1c Note Calculation Agent at any time for any reason does not determine and/or calculate and/or publish, inter alia, the Interest Rate (as defined in the Class A1c Note Conditions) or the Interest Amount (as defined in the Class A1c Note Conditions) for the Class A1c Notes and/or the Quarterly Payment Date in respect of any Quarterly Payment Period or any other amount, rate or dates as provided in the Agency Agreement, the Series Manager will do so and each such determination or calculation by the Series Manager will be as if made by the Class A1c Note Calculation Agent.

### ***Agents Fees and Expenses***

Liberty Funding will pay to each Agent from the Series Assets such fees and commissions as Liberty Funding and that Agent shall separately agree in respect of the services of that Agent under the Agency Agreement together with any reasonable out-of-pocket expenses (including legal, printing, postage, fax, cable and advertising expenses and GST (if any)) incurred by that Agent in connection with the Agency Agreement and its supply of services. Subject to the immediately following paragraph, any increase to that fee must not be agreed unless a Rating Notification has been provided in respect of the increase.

At any time after (so far as Liberty Funding is aware):

- (a) the occurrence of a Series Event of Default;
- (b) an event with which the passing of time or the giving of notice or both would constitute a Series Event of Default;
- (c) Liberty Funding has failed to pay any sums due under the Class A1c Notes; or
- (d) an Agent undertakes duties which it considers necessary or expedient under the Agency Agreement, or is requested by Liberty Funding or the Series Manager to undertake duties, and such duties are of an exceptional nature or otherwise outside the scope of such Agent's normal duties under the Agency Agreement,

Liberty Funding must pay such additional remuneration as the Series Manager may agree with such Agent.

## **19.6 Currency Swap Agreement**

### ***Currency Swaps***

The parties to the Currency Swap are the Currency Swap Provider, Liberty Funding and the Series Manager.

Liberty Funding enters into the Currency Swap to hedge the currency risk between the collections which are denominated in Australian Dollars and the obligation of Liberty Funding to pay interest and principal on the Class A1c Notes which are denominated in Euro.

#### ***Payments by the Currency Swap Provider***

See section 17.4(b) (“Series - Application of A\$ Class A1 Principal”) and section 17.5(b) (“Series - Application of A\$ Class A1 Interest”) for a description of the payments to be made by the Currency Swap Provider under the Currency Swap on each Quarterly Payment Date.

#### ***Currency Swap Provider Downgrade***

If, as a result of the withdrawal or downgrade of the Currency Swap Provider’s current credit rating by any Current Rating Agency, the Currency Swap Provider has a rating that is lower than the required rating, the Currency Swap Provider will be required to lodge collateral, in an amount and within the timeframes specified within the Currency Swap.

Additionally, if the Currency Swap Provider has a rating that is further lowered below the required rating, the Currency Swap Provider must (in addition to its obligation to lodge collateral) also take (or, where applicable, use commercially reasonable efforts to take) one of the following courses of action in relation to the Currency Swap within the specified timeframes:

- (a) novate its rights and obligations under that Currency Swap to a replacement counterparty which holds the relevant ratings (or a counterparty whose obligations under the Currency Swap are irrevocably guaranteed by another person that holds the relevant ratings);
- (b) arrange for its obligations under that Currency Swap to be irrevocably guaranteed by a person that holds the relevant ratings; or
- (c) entering into other arrangements as agreed with the relevant Current Rating Agency or in respect of which a Rating Notification has been given.

If the Currency Swap Provider lodges collateral with Liberty Funding, any interest or income on that cash collateral will be paid to the Currency Swap Provider, provided that any such interest or income will only be payable to the extent that any payment will not reduce the balance of the collateral to less than the amount required to be maintained.

Liberty Funding may only dispose of any investment acquired with the collateral lodged in accordance with the first paragraph of this section (“Currency Swap Provider Downgrade”) or make withdrawals of the collateral lodged in accordance with the first paragraph of this section (“Currency Swap Provider Downgrade”) if directed to do so by the Series Manager for certain purposes prescribed in the Currency Swap.

The complete obligations of the Currency Swap Provider following the downgrade of its credit rating is set out in the Currency Swap Agreement.

See section 11 (“Description of the Currency Swap Provider”) for a description of the long-term senior unsecured credit ratings of National Australia Bank Limited (being the initial Currency Swap Provider) as at the date of this Offering Circular.

#### ***Early Termination***

A party to a Currency Swap may have the right to terminate a Currency Swap if (among other things):

- (a) the other party fails to make a payment under such Currency Swap within 3 Business Days after notice of failure given to it;
- (b) certain insolvency related events occur in relation to the other party;
- (c) the other party merges with, or otherwise transfers all or substantially all of its assets to, another entity and the new entity does not assume all of that party's obligations under such Currency Swap;
- (d) a force majeure event occurs; and
- (e) due to a change in or a change in interpretation of law, it becomes illegal for the other party to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of such Currency Swap.

The Currency Swap Provider will also have the right to terminate the Currency Swap if a Series Event of Default occurs under the Master Security Trust Deed and the Series Security Trustee has declared the Offered Notes immediately due and payable.

Liberty Funding will also have the right to terminate the Currency Swap if (among other things) the Currency Swap Provider fails to comply with or perform any agreement or its obligations referred to in paragraphs (a) to (c) (inclusive) under the heading "Currency Swap Provider Downgrade" above within the timeframes specified in the Currency Swap.

## **19.7 Security Structures - Series**

### ***Series Security Trustee***

P.T. Limited has been appointed as Series Security Trustee on the terms set out in the Series Master Security Trust Deed. The Series Security Trustee is a professional trustee company and operates as a limited liability public company under the Corporations Act.

The Series Master Security Trust Deed contains customary provisions for a document of this type that regulate the performance by the Series Security Trustee of its duties and obligations and the protections afforded to the Series Security Trustee in doing so. In addition, it contains provisions which regulate the steps that are to be taken by the Series Security Trustee upon the occurrence of a Series Event of Default. In general, if a Series Event of Default occurs, the Series Security Trustee will convene a meeting of the Series Secured Creditors to obtain directions as to what actions the Series Security Trustee should take in respect of the Series Collateral.

### ***Series General Security Deed***

The Holders of the Notes have the benefit of a security interest over all Series Collateral under the Series General Security Deed and the Series Master Security Trust Deed. The security interest is a charge. The Series Security Trustee holds this security interest on behalf of the Series Secured Creditors (including the Holders of the Notes) pursuant to the Series Master Security Trust Deed and may (or, if directed to do so by an Extraordinary Resolution of Voting Secured Creditors, the Series Security Trustee must) enforce the security interest upon the occurrence of a Series Event of Default.

### ***Series Event of Default***

A “**Series Event of Default**” in respect of the Series occurs if:

- (a) **(non-payment)** Liberty Funding does not pay any amount payable by it in respect of the Series under any Transaction Document of the Series on time and in the manner required under the Transaction Document (or within 3 Business Days) but excluding:
  - (i) a failure by Liberty Funding to pay any amount that ranks junior (in accordance with section 17.2) to interest on the Class A1 Notes for so long as the Invested Amount of the Class A1 Notes is greater than zero;
  - (ii) a failure by Liberty Funding to pay any amount that ranks junior (in accordance with section 17.2) to interest on the Class A2 Notes for so long as the Invested Amount of the Class A2 Notes is greater than zero;
  - (iii) a failure by Liberty Funding to pay any amount that ranks junior (in accordance with section 17.2) to interest on the Class B Notes for so long as the Invested Amount of the Class B Notes is greater than zero;
  - (iv) a failure by Liberty Funding to pay any amount that ranks junior (in accordance with section 17.2) to interest on the Class C Notes for so long as the Invested Amount of the Class C Notes is greater than zero;
  - (v) a failure by Liberty Funding to pay any amount that ranks junior (in accordance with section 17.2) to interest on the Class D Notes for so long as the Invested Amount of the Class D Notes is greater than zero;
  - (vi) a failure by Liberty Funding to pay any amount that ranks junior (in accordance with section 17.2) to interest on the Class E Notes for so long as the Invested Amount of the Class E Notes is greater than zero; and
  - (vii) a failure by Liberty Funding to pay any amount that ranks junior (in accordance with section 17.2) to interest on the Class F Notes for so long as the Invested Amount of the Class F Notes is greater than zero;
- (b) **(non-compliance with other obligations)** Liberty Funding, except in respect of paragraph (a) above, does not comply with any other obligation relating to the Series under any Transaction Document of the Series where such non-compliance will have a Material Adverse Payment Effect:
  - (i) if the non-compliance cannot be remedied; or
  - (ii) and if the non-compliance can be remedied, does not remedy the non-compliance within 20 Business Days;
- (c) **(Insolvency)** an Insolvency Event occurs in respect of Liberty Funding (unless the Insolvency Event only affects assets or liabilities of Liberty Funding which do not relate to the Series);
- (d) **(voidable Transaction Document)** a Transaction Document of the Series, or a transaction in connection with it, is or becomes (or is claimed to be) wholly or partly void, voidable or unenforceable or does not have (or is claimed not to have) the priority the Series Security Trustee intended it to have (“claimed” in this paragraph means claimed by

Liberty Funding or anyone on its behalf) where such event will have a Material Adverse Payment Effect; or

- (e) **(Series General Security Deed)** the Series General Security Deed is not or ceases to be valid and enforceable or (unless Liberty Funding is expressly permitted to do so under the Transaction Documents or the Series Security Trustee, at the direction of an Extraordinary Resolution of Voting Secured Creditors, consents) Liberty Funding agrees, attempts or takes any step to:
  - (i) create or allow to exist another Encumbrance over the Series Collateral other than any Permitted Encumbrance (for a period of more than 10 Business Days following Secure Funding becoming aware of the creation or existence of such Encumbrance); or
  - (ii) assign or otherwise deal in any way with the General Security Deed or any interest in it, or allow any interest in it to arise or be varied,

where such event will have a Material Adverse Payment Effect.

## **19.8 Limited Recourse - Series**

Liberty Funding's liability in connection with the Series may be discharged from, and the recourse of the Series Security Trustee and the Series Secured Creditors of the Series is limited to, the Series Collateral of the Series only.

The realisation of the Series Collateral and its application towards the Series Secured Money of the Series in accordance with the Series Documents constitutes a complete discharge of Liberty Funding's liability to the Series Security Trustee and each Series Secured Creditor in connection with the Series.

The Series Security Trustee, a Series Secured Creditor or any person acting on their behalf may not seek to recover any shortfall in the amounts which would otherwise be owing by Liberty Funding in connection with the Series if Liberty Funding's limited recourse here did not apply (being the shortfall after the realisation of the Series Collateral and its application towards the Series Secured Money of the Series). This includes bringing proceedings against Liberty Funding or applying to have Liberty Funding wound up.

However, the Series Security Trustee, a Series Secured Creditor or any person acting on their behalf, may:

- (a) do anything necessary to enforce their rights in connection with the Series Collateral; and
- (b) take proceedings to obtain:
  - (i) an injunction or other order to restrain any breach of the Transaction Documents of the Series by Liberty Funding; or
  - (ii) declaratory relief or other similar judgment or order as to the obligations of Liberty Funding under the Transaction Documents of the Series.

## **19.9 The Series Manager**

Liberty Financial has been appointed as Series Manager under the Series Management Deed and the Issue Supplement to carry on the day to day administration, supervision and management of the Series. The Series Manager is paid a regular periodic fee (as agreed from time to time



between Liberty Funding and the Series Manager, but not to be increased without the consent of each Current Rating Agency).

### ***Duties of the Series Manager***

Under the Series Management Deed, the Series Manager agrees to undertake the following duties (among others):

- (a) comply with its obligations under the Transaction Documents for the Series;
- (b) carry on the day-to-day administration, supervision and management of the Series Business of each Series in accordance with the Transaction Documents for that Series (including keeping accounting records and other records);
- (c) give Liberty Funding financial product advice in connection with the Series Business of each Series; and
- (d) give Liberty Funding any document or information in the Series Manager's possession or control that Liberty Funding reasonably requests relating to any Series.

### ***Termination***

Upon the occurrence of certain events (each a “**Series Manager Termination Event**”), the appointment of the Series Manager may be terminated. The Series Manager may also retire from the management of the Series upon giving 3 months notice in writing, or such lesser time as the Series Manager, the Series Standby Manager and Liberty Funding agree, provided that the Series Manager may not retire unless:

- (a) a successor manager is appointed; and
- (b) the successor manager and each other party to the Transaction Documents to which the Series Manager is a party in its capacity as manager have the same rights and obligations among themselves as they would have had if the successor manager had been party to them at the dates of those documents.

### ***Series Standby Manager***

If the Series Manager's appointment is terminated due to the occurrence of a Series Manager Termination Event, then from the date of termination until the earlier of:

- (a) the appointment of a replacement manager in respect of the Series; and
- (b) the retirement of the Series Standby Manager in respect of the relevant Series,

the Series Standby Manager (or any other person appointed to act as its agent) must act as standby Series manager of the Series Business in accordance with the Transaction Documents in relation to the Series and to carry on and conduct its business in a proper and efficient manner as standby Series manager.

The Series Standby Manager shall, regardless of the scope of its obligations from time to time, have all the rights and powers of the Series Manager under the Transaction Documents which it may or may not exercise at its discretion. Neither the Series Standby Manager nor its agent is liable for any loss, costs, liabilities or expenses arising out of it exercising or failing to exercise any powers or rights, or performing or failing to perform its obligations or duties as Series

Standby Manager, except where such acts or omissions amount to fraud, gross negligence or wilful default of the Series Standby Manager or its agent.

## 20 TAXATION CONSIDERATIONS

### Material Australian Tax Consequences

#### 20.1 Australian Taxation

The following is a summary of the material Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”) and the Taxation Administration Act 1953 of Australia (“**TAA**”), as at the date of this Offering Circular, of payments of interest on the Offered Notes, the purchase, ownership and disposal of the Offered Notes by Holders who purchase Offered Notes upon original issuance at the stated offering price and hold the Offered Notes on capital account, and certain other Australian tax matters.

This summary is not exhaustive and, in particular, does not deal with the position of certain classes of Holders of Offered Notes (including, dealers in securities, custodians or other third parties who hold Offered Notes on behalf of any Holders).

The following is a general guide and should be treated with appropriate caution. This summary is not intended to be, nor should it be construed as legal or tax advice to any particular Holder of the Offered Notes. Each Holder should seek professional tax advice in relation to their particular circumstances.

#### *Interest Withholding Tax - Offshore Holders*

An exemption from Australian interest withholding tax (“**IWT**”) is available, in respect of the Offered Notes issued by Liberty Funding, under section 128F of the Australian Tax Act if the following conditions are met:

- (a) Liberty Funding is a company as defined in section 128F(9) (which includes certain companies in their capacity as trustee) and a resident of Australia when it issues those Offered Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- (b) the Offered Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that Liberty Funding is offering those Offered Notes for issue. In summary, the five methods are:
  - (i) offers to 10 or more unrelated financiers, securities dealers or entities that carry on a business of investing in securities in the course of operating in financial markets;
  - (ii) offers to 100 or more investors of a certain type;
  - (iii) offers of listed notes;
  - (iv) offers via publicly available information sources; and
  - (v) offers to a dealer, manager or underwriter who offers to sell those notes within 30 days by one of the preceding methods.

The issue of any of those Offered Notes (whether in global form or otherwise) and the offering of interests in any of those Offered Notes by one of these methods should satisfy the public offer test;

- (c) Liberty Funding does not know, or have reasonable grounds to suspect, at the time of issue, that those Offered Notes or interests in those Offered Notes were being, or would later be, acquired, directly or indirectly, by an “associate” (as defined in section 128F(9) of the Australian Tax Act – see below discussions) of Liberty Funding, except as permitted by section 128F(5) of the Australian Tax Act; and
- (d) at the time of the payment of interest, Liberty Funding does not know, or have reasonable grounds to suspect, that the payee is an “associate” (as defined in section 128F(9) of the Australian Tax Act – see below discussions) of Liberty Funding, except as permitted by section 128F(6) of the Australian Tax Act.

### *Associates*

An “associate” of Liberty Funding for the purposes of section 128F of the Australian Tax Act includes (i) a person or entity which holds more than 50% of the voting shares in, or otherwise controls, Liberty Funding, (ii) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, Liberty Funding, (iii) a trustee of a trust where Liberty Funding is capable of benefiting (whether directly or indirectly) under that trust, and (iv) a person or entity which is an “associate” of another person or entity which is an “associate” of Liberty Funding under (i) above.

However, the issue of Offered Notes to, and the payment of interest under the Offered Notes to, the following associates is permitted under section 128F(5) and section 128F(6) respectively of the Australian Tax Act:

- (a) onshore associates (i.e. Australian resident associates who do not hold the Offered Notes in carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Offered Notes in carrying on business at or through a permanent establishment in Australia); or
- (b) offshore associates (i.e. Australian resident associates that hold the Offered Notes in carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Offered Notes in carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:
  - (i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Offered Notes or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act); or
  - (ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act).

### *Compliance with section 128F of the Australian Tax Act*

Liberty Funding intends to issue the Offered Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

### *Exemptions under certain tax treaties*

The Australian Government has signed new or amended double tax conventions (“**Specified Treaties**”) with a number of countries (each a “**Specified Country**”), which contain certain exemptions from IWT.

In broad terms, the Specified Treaties effectively prevent IWT being imposed on interest derived by either:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or
- (b) a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with Liberty Funding. The term “financial institution” refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and producing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at the Federal Treasury’s Department’s website at: <http://www.treasury.gov.au/Policy-Topics/Taxation/Tax-Treaties/HTML/Income-Tax-Treaties>.

#### *No payment of additional amounts*

Despite the fact that the Offered Notes are intended to be issued in a manner which will satisfy the requirements of section 128F of the Australian Tax Act, if Liberty Funding is at any time compelled or authorised by law to withhold or deduct an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Offered Notes, Liberty Funding will withhold or deduct the appropriate amount and pay the net amount to the Holder. Liberty Funding is not obliged to pay any additional amounts in respect of such withholding or deduction.

## **20.2 Other tax matters**

Subject to the discussion in this section 20.2 below, under Australian laws as presently in effect:

- (a) *income tax - offshore Holders* - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Offered Notes, payment of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a Holder, who is a non-resident of Australia and who, during the taxable year, does not hold the Offered Notes in carrying on business at or through a permanent establishment in Australia or an Australian resident who holds the Offered Notes in carrying on business at or through a permanent establishment outside Australia (“**Non-Australian Holders**”), will not be subject to Australian income taxes;
- (b) *income tax - Australian Holders* - Australian residents who do not hold the Offered Notes in carrying on business at or through a permanent establishment outside Australia or non-Australian residents who hold the Offered Notes in carrying on business at or through a permanent establishment in Australia (“**Australian Holders**”), will be assessed for Australian tax purposes on income either received or accrued to them in respect of the Offered Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Holder and the terms and conditions of the Offered Notes. Special rules apply to the taxation of Australian residents who hold the Offered Notes in carrying on business at or through a permanent establishment outside Australia, which may vary depending on the country in which that permanent establishment is located;

- (c) *gains on disposal or redemption of Offered Notes - offshore Holders* - Non-Australian Holders will not be subject to Australian income tax on gains realised during that year on a sale or redemption of the Offered Notes, provided such gains do not have an Australian source. A gain arising on the sale of Offered Notes by a non-Australian resident Holder to another non-Australian resident where the Offered Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia should not be regarded as having an Australian source;
- (d) *gains on disposal or redemption of Offered Notes - Australian Holders* - Australian Holders will be required to include any gain or loss on disposal or redemption of the Offered Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Offered Notes in carrying on business at or through a permanent establishment outside Australia, which may vary depending on the country in which that permanent establishment is located;
- (e) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Offered Notes as interest for IWT purposes when certain Offered Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian Holder. As the Offered Notes are not issued at a discount, do not have a maturity premium and pay interest at least annually, these rules should not apply to the Offered Notes. These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Offered Notes had been held to maturity by a non-resident;
- (f) *death duties* - the Offered Notes will not be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (g) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Offered Notes;
- (h) *other withholding taxes on payments in respect of the Offered Notes* - section 12-140 of Schedule 1 to the TAA imposes a type of withholding tax (see below for the rate of withholding tax) on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”), (in certain circumstances) an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Offered Notes, then the requirements of section 12-140 do not apply to payments of Offered Notes in registered form to a Non-Australian Holder. Payments to other classes of Holders of Offered Notes in registered form may be subject to a withholding where the Holder does not quote a TFN, (if applicable) ABN or provide proof of an appropriate exemption (as appropriate);

The current rate of withholding tax is 47% (45% for foreign residents) from the total gross payment.

- (i) *supply withholding tax* - payments in respect of the Offered Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the TAA;
- (j) *debt/equity rules* - Division 974 of the Australian Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. Liberty Funding intends to issue the Offered Notes which are to be characterised as “debt interests” for the purposes of the

tests contained in Division 974 and the returns paid on the Offered Notes are to be “interest” for the purpose of section 128F of the Australian Tax Act. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of Holders of Offered Notes;

- (k) *additional withholdings from certain payments to non-residents* - section 12-315 of Schedule 1 to the TAA gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are treated as interest under, and subject to, the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. Any future regulations should not apply to repayments of principal under the Offered Notes as, in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Offered Notes will need to be monitored;
- (l) *Taxation of financial arrangements* - Division 230 of the Australian Tax Act contains the rules which represent a code for the taxation of receipts and payments in relation to financial arrangements. The rules contemplate a number of different methods for bringing to account gains and losses in relation to “financial arrangements” (including fair value, accruals, retranslation, realisation, hedging and financial records). These rules do not apply to certain *taxpayers* (such as individuals and other entities that do not meet certain asset or turnover thresholds) unless they make an election for the rules to apply. Division 230 should not override the exemption available under section 128F of the Australian Tax Act;
- (m) *garnishee directions by the Commissioner of Taxation* – the Commissioner may give a direction requiring Liberty Funding to deduct from any payment to a holder of the Offered Notes any amount in respect of Australian tax payable by the holder. If Liberty Funding is served with such a direction, then Liberty Funding will comply with that direction and make any deduction required by that direction; and
- (n) *taxation of foreign exchange gains and losses* - as the Offered Notes (other than the Class A1c Notes) will be denominated in Australian dollars and all payments under the Offered Notes will be made in Australian dollars, these rules should not apply to Holders of Offered Notes (other than the Class A1c Notes). Divisions 230, 775 and 960 of the Australian Tax Act may apply to Holders of the Class A1c Notes which are denominated in Euro. These Divisions contain rules to deal with the taxation consequences of foreign exchange transactions. These rules are complex and Holders of the Class A1c Notes should consult their professional advisors for advice on whether those rules might affect them and how to tax account for any foreign exchange gains or losses arising from their holding of foreign denominated Class A1c Notes.

### **20.3 Goods and Services Tax (“GST”)**

If an entity makes a “taxable supply”, it is required to remit GST to the Australian Taxation Office at the rate of 10% based on the value of that supply. However, a supply will only be taxable to the extent that it is not “GST-free” or “input taxed”.

For GST purposes, trusts are treated as a separate entity, albeit a trust is not a legal entity. To give effect to this GST fiction, a supply or acquisition that is made by the trustee of a trust, in its capacity as trustee (as opposed to its personal capacity), is treated as having been made by the

trust. References below to supplies or acquisitions that are made by the Trust are a reference to supplies or acquisitions that will be made by Secure Funding in its capacity as trustee.

Neither the issue of the Trust Notes or the Notes nor the payment of interest or principal on the Trust Notes or the Notes will involve taxable supplies. Services provided to the Trust and Liberty Funding will involve taxable supplies for GST purposes. If a supply is taxable, the supplier has the primary obligation to account for GST in respect of that supply and must rely on a contractual provision to recoup that GST from the Trust or Liberty Funding (as appropriate).

Liberty Funding and the Trust may not be entitled to a full input tax credit (GST credit) where they pay fees that are consideration for a taxable supply. However, the Trust may be entitled to a reduced input tax credit (“**RITC**”) for some of the acquisitions the Trust makes from service providers. An RITC is equivalent to 75% of the value of a full input tax credit, except in respect of the acquisition of services by trustees of “recognised trust schemes” in which case the rate of RITC is 55%. A trust is not a “recognised trust scheme” if it is a “securitisation entity”. As the Trust should be a securitisation entity it will not be a “recognised trust scheme” and the reduced input tax credits available to the Trust in respect of the acquisition of services from Secure Funding and the Trust Security Trustee will be 75% of the GST payable by Secure Funding and the Trust Security Trustee respectively. The availability of RITCs will reduce the expenses of the Trust.

From the Trust’s perspective, acquisitions which may be eligible for RITCs include services provided by the Trust Manager, the Trust Servicer, the Trust Security Trustee, the Standby Trustee, Standby Servicer and Standby Manager, the Registrar, Trust Custodian and Secure Funding (in respect of the trustee services that it supplies, in its personal capacity, to the Trust).

Liberty Funding may also be entitled to RITCs for certain acquisitions, such as management services.

Where the Trust or Liberty Funding receives services from an “associate” for no consideration, or inadequate consideration, the associate may be liable for GST based on the market value of the services provided (as opposed to the fees charged for the service). This will primarily be an issue for the associate that has supplied the service, but will impact on the Trust or Liberty Funding if the relevant entity is required to “gross up” the associate for GST under a GST clause.

If the Trust or Liberty Funding acquires services where the services are not “connected with the *indirect tax zone*” (i.e. Australia) (broadly, this means “Australia”, excluding its external territories and offshore areas), the Trust or Liberty Funding (as appropriate) may be liable for GST in respect of those services (under certain “reverse charge” provisions), but without affecting any entitlement to RITCs. Such a GST liability would reduce the funds available for distribution by the Trust or Liberty Funding.



## 21 TRANSACTION DOCUMENTS

### 21.1 Documents on display

For as long as any of the Class A1c Notes are listed on the Irish Stock Exchange, copies of the following documents may be obtained (in electronic format) free of charge during normal business hours on any business day from the office of Liberty Funding as set out at the end of this Offering Circular:

- (a) the constitution of Liberty Funding; and
- (b) the constitution of Secure Funding.

Copies of the documents in Section 21.2 to Section 21.5 will be available for inspection by Holders of Notes and bona fide prospective holders of Notes during business hours at the registered office of Liberty Funding. However, any person wishing to inspect these documents must first enter into an agreement with the Series Manager, in a form acceptable to it, not to disclose the contents of these documents without its prior written consent.

### 21.2 Master Trust Documents

- (a) Liberty Funding Trusts Master Definitions Schedule dated 22 January 2002 between Secure Funding and the Trust Security Trustee (“**Master Definitions Schedule**”);
- (b) Liberty Funding Trusts Master Trust and Security Trust Deed dated 22 January 2002 between Secure Funding, the Trust Security Trustee, the Trust Standby Trustee, the Trust Registrar and the Trust Custodian (“**Master Trust Deed**”);
- (c) Liberty Funding Trusts Master Origination Deed dated 22 January 2002 between Secure Funding and the Trust Originator (“**Master Origination Deed**”);
- (d) Liberty Funding Trusts Master Management Deed dated 22 January 2002 between Secure Funding, the Trust Manager, the Trust Security Trustee and the Trust Standby Manager (“**Master Management Deed**”);
- (e) Liberty Funding Trusts Master Trust Servicer Deed dated 22 January 2002 between Secure Funding, the Trust Servicer, the Trust Security Trustee and the Trust Standby Servicer (“**Master Trust Servicer Deed**”); and
- (f) Liberty Funding Trusts Master Registry Services Agreement dated 5 February 2002 between Secure Funding, the Trust Manager and the Trust Registrar (“**Master Registry Services Deed**”).

### 21.3 Liberty Series 2018-1 Trust Documents

- (a) Notice of Creation of Trust given by Secure Funding dated 12 April 2018 constituting the Liberty Series 2018-1 Trust (“**Notice of Creation**”);
- (b) Liberty Series 2018-1 Trust Supplementary Terms Notice dated on or about the date of this Offering Circular between (among others) Secure Funding, the Trust Manager, the Trust Servicer and the Trust Security Trustee (“**Supplementary Terms Notice**”);
- (c) Liberty Series 2018-1 Liquidity Facility Agreement dated on or about the date of this Offering Circular between (among others) Secure Funding, the Trust Manager and the Liquidity Facility Provider (“**Liquidity Facility Agreement**”);

- (d) Liberty Series 2018-1 Trust General Security Deed dated 12 April 2018 between Secure Funding and the Trust Security Trustee (“**Trust General Security Deed**”);
- (e) Deposit Deed dated on or about the date of this Offering Circular between the Guarantor, National Australia Bank Limited, Secure Funding and the Trust Security Trustee (“**Deposit Deed**”);
- (f) Guarantee dated on or about the date of this Offering Circular between the Guarantor and Secure Funding (“**Guarantee**”);
- (g) Deed of Covenant dated on or about the date of this Offering Circular between the Guarantor and Secure Funding (“**Deed of Covenant**”);
- (h) Specific Security Deed dated on or about the date of this Offering Circular between the Guarantor and Secure Funding (“**Specific Security Deed**”);
- (i) ISDA Master Agreement including ISDA Schedule and Credit Support Annexes between Secure Funding, the Trust Manager and Commonwealth Bank of Australia (“**Interest Rate Swap Agreement**”); and
- (j) Operating Agency Agreement dated 10 December 2003 between the Guarantor and the Trust Manager (“**Operating Agency Agreement**”).

#### **21.4 Master Corporate Documents**

- (a) Liberty Funding Master Security Trust Deed dated 18 April 2008 between Liberty Funding, the Series Manager and the Series Security Trustee (“**Series Master Security Trust Deed**”);
- (b) Liberty Funding Management Deed dated 18 April 2008 between Liberty Funding, the Series Manager and the Series Standby Manager (“**Series Management Deed**”); and
- (c) Liberty Funding Master Registry Services Agreement dated 25 June 2008 between the Series Registrar, Liberty Funding, the Series Manager and the Series Security Trustee (“**Series Master Registry Services Agreement**”).

#### **21.5 Liberty Series 2018-1 Documents**

- (a) Liberty Series 2018-1 Issue Supplement dated on or about the date of this Offering Circular between Liberty Funding, the Series Manager, the Series Security Trustee and the Series Standby Manager (“**Issue Supplement**”);
- (b) Liberty Series 2018-1 Note Deed Poll dated on or about the date of this Offering Circular given by Liberty Funding (“**Note Deed Poll**”) incorporating the Liberty Series 2018-1 Note Conditions (“**A\$ Note Conditions**”);
- (c) Liberty Series 2018-1 General Security Deed dated 12 April 2018 between Liberty Funding and the Series Security Trust Deed (“**Series General Security Deed**”);
- (d) Liberty Series 2018-1 Dealer Agreement dated on or about the date of this Offering Circular between Liberty Funding, the Series Manager, Deutsche Bank AG, Sydney Branch, Commonwealth Bank of Australia, National Australia Bank Limited, Westpac Banking Corporation and Merrill Lynch International (“**Dealer Agreement**”);

- (e) Liberty Series 2018-1 Subscription Agreement dated on or about the date of this Offering Circular between Secure Funding, Liberty Funding and the Series Manager (“**Subscription Agreement**”);
- (f) Note Trust Deed dated on or about the date of this Offering Circular between Liberty Funding, the Series Manager, the Series Security Trustee and the Class A1c Note Trustee (“**Note Trust Deed**”);
- (g) Agency Agreement dated on or about the date of this Offering Circular between Liberty Funding, the Series Manager, the Series Security Trustee and the Class A1c Note Trustee, Class A1c Note Principal Paying Agent and Class A1c Note Registrar (“**Agency Agreement**”); and
- (h) ISDA Master Agreement including ISDA Schedule and Credit Support Annexes between Liberty Funding, the Series Manager and National Australia Bank Limited (“**Currency Swap Agreement**”).

## **21.6 Post-issuance information**

Liberty Funding intends to provide post-issuance information in relation to the Offered Notes and the Housing Loans on a monthly basis on Liberty Funding’s website at [https://www.liberty.com.au/\\_investors/inv\\_login.asp](https://www.liberty.com.au/_investors/inv_login.asp).

## **22      GENERAL INFORMATION**

- (a)      The issue of the Notes was authorised by a resolution of the board of directors of Liberty Funding on 5 April 2018.
- (b)      Maples and Calder has been appointed by Liberty Funding to act as its listing agent in Ireland in connection with the Class A1c Notes.
- (c)      The total expenses in relation to admission to trading will be approximately €5,000.

## **23 SELLING RESTRICTIONS**

### **23.1 Australia**

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Notes has been lodged with ASIC or the Australian Securities Exchange (“**ASX**”).

Accordingly, each Joint Lead Manager and each Dealer represents, warrants and agrees that it:

- (a) has not offered or invited applications, and will not offer or invite applications, directly or indirectly, for the issue, sale or purchase of the Offered Notes (or an interest in them) in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish any draft, preliminary or definitive Offering Circular or any other offering material, advertisement or other document relating to the Offered Notes (or an interest in them) in Australia,

unless:

- (c) either (x) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency, in either case, disregarding moneys lent by the offeror or its associates), (y) the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act or (z) the offer or invitation is to a professional investor for the purposes of section 708 of the Corporations Act;
- (d) the offer or invitation does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (e) such action complies with applicable laws and directives in Australia (including, without limitation the financial services licensing requirements of the Corporations Act); and
- (f) such action does not require any document to be lodged with ASIC or ASX.

### **23.2 New Zealand**

Each Dealer represents and agrees that it has not:

- (a) offered or sold, and will not offer or sell, directly or indirectly, any Offered Notes; and
- (b) distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Offered Notes,

in each case in New Zealand other than:

- (c) to persons who are “wholesale investors” as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand (“**FMC Act**”), being a person who is:
  - (i) an “investment business”;
  - (ii) “large”; or
  - (iii) a “government agency”,

in each case as defined in Schedule 1 to the FMC Act; or

- (d) in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph (c) above) Offered Notes may not be offered or transferred to any “eligible investors” (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

### 23.3 The United Kingdom

Each Dealer represents, warrants and agrees that in relation to each Class of Offered Notes:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (“FSMA”) with respect to anything done by it in relation to any Offered Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Offered Notes in circumstances in which section 21(1) of the FSMA does not or would not, if Liberty Funding was not an authorised person, apply to Liberty Funding.

### 23.4 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) no person may make an offer of Offered Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Offered Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Dealers for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offered Notes referred to in (a) to (c) above shall require Liberty Funding or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Offered Notes to the public**” in relation to any Offered Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Offered Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Offered Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

In addition, no person may offer, sell or otherwise make available any Offered Notes to any retail investor in the European Economic Area. For this purpose:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive;
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Offered Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Offered Notes.

Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Offered Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Offered Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPS Regulation.

The target market assessment in respect of the Offered Notes by the distributor(s), solely for the purpose of its product governance determination under Article 10(1) of Delegated Directive (EU) 2017/593, has led to the conclusion that: (i) the target market for the Offered Notes is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Offered Notes to eligible counterparties and professional clients are appropriate. Any distributor subject to MiFID II subsequently offering, selling or recommending the Offered Notes is responsible for undertaking its own target market assessment in respect of the Offered Notes (by either adopting or refining the distributor(s)' target market assessment) and determining appropriate distribution channels.

### **23.5 The United States of America**

Each Dealer agrees that

- (a) the Offered Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**");
- (b) Liberty Funding has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended ("**Investment Company Act**"); and
- (c) an interest in the Offered Notes may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the Securities Act ("**Regulation S**")) at any time except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

On the Issue Date, the Offered Notes may not be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**") and during the Restricted Period, the Offered Notes may not be transferred to any person except to persons that are not Risk Retention U.S. Persons. Prospective investors should

note that the definition of “U.S. person” in the U.S. Risk Retention Rules is similar, but not identical, to the definition of “U.S. person” in Regulation S.

### **23.6 Hong Kong**

Each Dealer represents, warrants and agrees that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), by means of any document, any Offered Notes (except for Offered Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571 of Hong Kong) as amended (“SFO”)) other than:
  - (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or
  - (ii) in other circumstances, which do not result in the document being a “prospectus” or which do not constitute an offer to the public, within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) as amended; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation, other offering material or other document relating to the Offered Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offered Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made under the SFO.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offered Notes. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

### **23.7 Singapore**

Each Dealer acknowledges that the Offering Circular has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Each Dealer acknowledges that the Offered Notes will be offered pursuant to the exemption under the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). Accordingly, each Dealer represents and agrees that it has not offered or sold any Offered Notes or caused such Offered Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed nor will it circulate or distribute the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of any Offered Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor pursuant to section 274 of the SFA;
- (b) to a relevant person pursuant to section 275(1) of the SFA, or to any person pursuant to section 275(1A) of the SFA and in accordance with the conditions specified in section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.



Where the Offered Notes are subscribed or purchased in reliance on an exemption under section 274 or 275 of the SFA, the Offered Notes shall not be sold within the period of six months from the date of the initial acquisition of the Offered Notes, except to any of the following persons:

- (a) an institutional investor (as defined in section 4A of the SFA);
- (b) a relevant person (as defined in section 275(2) of the SFA); or
- (c) any person pursuant to an offer referred to in section 275(1A) of the SFA,

unless expressly specified otherwise in section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Offered Notes are subscribed or purchased under section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor as defined in Section 239(1) of the SFA) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Offered Notes pursuant to an offer under section 275 of the SFA except:

- (a) to an institutional investor (for corporations under section 274 of the SFA) or to a relevant person, or any person defined in section 275(2) of the SFA and in accordance with the conditions, specified in section 275 of the SFA; or
- (b) (in the case of a corporation) where the transfer arises from an offer referred to in section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in section 276(4)(i)(B) of the SFA; or
- (c) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore; or
- (d) where no consideration is given for the transfer; or
- (e) where the transfer is by operation of law; or
- (f) pursuant to Section 276(7) of the SFA.

## 23.8 Japan

The Offered Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948) as amended (“**Financial Instruments and Exchange Act**”) and, accordingly, each Dealer has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Offered Notes in Japan or to, or for the benefit of, any Japanese Person, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person,

except pursuant to an exemption from the registration requirements of and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ordinances promulgated by the relevant Japanese government and regulatory authorities and in effect at the relevant time.

For the purposes of this paragraph, “**Japanese Person**” means any person resident in Japan or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), including any corporation having its principal office in or other entity organised under the laws, regulations and ministerial guidelines of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident.

### **23.9 General**

No action has been, or will be, taken by Liberty Funding or the Series Manager that would permit a public offering of the Offered Notes in any country or jurisdiction where action for that purpose is required. Accordingly, the Offered Notes may not be offered or sold, directly or indirectly, and neither the Offering Circular nor any circular, prospectus, form of application, advertisement or other material, may be distributed in or from or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws or regulation.

These selling restrictions may be modified by the agreement of Liberty Funding and the Joint Lead Managers after consultation with the Dealers following a change in or clarification of a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in their interpretation or administration.

Each Dealer, severally in respect of itself, has agreed that it will observe all applicable laws and regulations in each country or jurisdiction in which it may purchase, offer, sell or deliver Offered Notes or have in its possession or distribute such offering material and to obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by them of any Offered Notes under the law and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, in all cases at its own expense, and neither Liberty Funding nor any Dealer shall have responsibility therefore. In accordance with the above, any Offered Notes purchases by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in Liberty Funding being required to register any further prospectus or corresponding document relating to the Offered Notes in such jurisdiction.

## 24 GLOSSARY

<b>A\$ and Australian Dollars</b>	means the lawful currency for the time being of Australia.
<b>A\$ Note</b>	means a Class A1a Note, a Class A1b Note, a Class A2 Note, a Class B Note, a Class C Note, a Class D Note, a Class E Note, a Class F Note or a Class G Note or any combination of them, as the context requires.
<b>A\$ Class A1c Accrued Interest Amount</b>	<p>means in respect of any Payment Date and a Payment Period on which Class A1c Notes are outstanding, an amount equal to:</p> $A = B \times \frac{C}{D}$ <p>where:</p> <p>A = A\$ Class A1c Accrued Interest Amount;</p> <p>B = A\$ Class A1c Quarterly Interest Amount for the Quarterly Payment Period in respect of that Payment Date;</p> <p>C = the number of days in the Payment Period in respect of that Payment Date; and</p> <p>D = the number of days in the Quarterly Payment Period in respect of that Payment Date.</p>
<b>A\$ Class A1c Interest</b>	has the meaning given to that term in section 17.5(a).
<b>A\$ Class A1c Principal</b>	has the meaning given to that term in section 17.4(a).
<b>A\$ Class A1c Quarterly Interest Amount</b>	means the “Floating Amounts payable by Party B” (as defined in the confirmation for the Currency Swap) payable by Liberty Funding to the Currency Swap Provider in respect of that Quarterly Payment Date in accordance with the Currency Swap and the Currency Swap Agreement.
<b>A\$ Equivalent</b>	means in relation to an amount which is calculated, determined or expressed in € or which includes a component determined or expressed in €, that € amount or € component (as the case may be) multiplied by the relevant A\$ Exchange Rate and expressed in A\$ (as calculated by the Series Manager).
<b>A\$ Exchange Rate</b>	means in respect of any day on which Class A1c Notes are outstanding or in respect of any calculation or determination relating to the Class A1c Notes, the “A\$ Exchange Rate” specified under the heading “Exchange Rates” in the confirmation for the Currency Swap.
<b>A\$ Note Conditions</b>	means the conditions of the A\$ Notes set out in Schedule 1 of the Note Deed Poll.

<b>€and Euro</b>	means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Union, as amended.
<b>€Class A1c Interest</b>	has the meaning set out in section 17.5.
<b>€Class A1c Principal</b>	has the meaning set out in section 17.4.
<b>€Equivalent</b>	means in relation to an amount which is calculated, determined or expressed in A\$ or which includes a component determined or expressed in A\$, that A\$ amount or A\$ component (as the case may be) multiplied by the relevant €Exchange Rate and expressed in €(as calculated by the Series Manager).
<b>€Exchange Rate</b>	means in respect of any day on which Class A1c Notes are outstanding or in respect of any calculation or determination relating to the Class A1c Notes, the “€Exchange Rate” specified under the heading “Exchange Rates” in the confirmation for the Currency Swap.
<b>Accrued Interest Adjustment</b>	means the aggregate of the Interest Collections which have accrued on Housing Loans which are acquired (including by Redesignation) by Secure Funding from a Seller, but which are unpaid by the relevant underlying Debtor as of the Issue Date.
<b>Acquired Asset</b>	means the right, title and interest of Liberty Funding in: <ul style="list-style-type: none"> <li>(a) all Trust Notes subscribed for by Liberty Funding pursuant to the Subscription Agreement; and</li> <li>(b) each Authorised Investment acquired by Liberty Funding in respect of the Series.</li> </ul>
<b>Adjusted Deposit Amount</b>	means, on any Payment Date, an amount equal to the greater of: <ul style="list-style-type: none"> <li>(a) the Distribution Amount less so much of the Tax Provision as is reasonably attributable to the Distribution Amount having regard to the total income of the Guarantor; and</li> <li>(b) <math>\text{Distribution Amount} \times (1 - \text{CTR})</math>,</li> </ul> where: <i><b>Distribution Amount</b></i> means the amount actually received by the Guarantor pursuant to section 16.15(qq); and <i><b>CTR</b></i> is the then current corporate tax rate of the Guarantor.
<b>Adjusted Stated Amount</b>	means, at any time, in relation to a Class A1c Trust Note: <ul style="list-style-type: none"> <li>(a) an amount calculated as:</li> </ul>

	$A - (B \times \frac{A}{C})$ <p>where:</p> <p>A = the Invested Amount of that Class A1c Trust Note at that time.</p> <p>B = the Class A1c Trust Note Principal Ledger Balance at that time.</p> <p>C = the aggregate of the Invested Amount of the Class A1c Trust Notes at that time; less</p> <p>(b) the amount of any Charge-Offs allocated to that Class A1c Trust Note under section 16.18 prior to that time which have not been reimbursed on or before that time under section 16.19.</p>
<b>Adverse Rating Effect</b>	means, in respect of Trust Notes or Notes, an effect which either causes or contributes to a downgrading or withdrawal of the rating given to any Trust Notes or Notes (as applicable) by a Current Rating Agency.
<b>Affected Party</b>	in respect of the Currency Swap, has the meaning set out in that Currency Swap.
<b>Agency Agreement</b>	has the meaning set out in section 21.5.
<b>Agent</b>	has the meaning set out in section 19.5.
<b>Aggregate Adjusted Invested Amount</b>	<p>means, in respect of a Determination Date, an amount equal to:</p> $A - B$ <p>where:</p> <p>A = the Aggregate Invested Amount of all Notes or Trust Notes (as applicable) as at that Determination Date; and</p> <p>B = the Class A1c Note Principal Ledger Balance or the Class A1c Trust Note Principal Ledger Balance (as applicable) as at that Determination Date.</p>
<b>Aggregate Adjusted Stated Amount</b>	means at any time in respect of the Class A1c Trust Notes, the aggregate of the Adjusted Stated Amounts of all the Class A1c Trust Notes at that time.
<b>Aggregate Invested Amount</b>	<p>means at any time in respect of:</p> <p>(a) a Class of A\$ Notes, the aggregate of the Invested Amounts of all the A\$ Notes of that Class at that time; and</p>

	(b) the Class A1c Notes, the A\$ Equivalent of the aggregate of the Invested Amounts of all the Class A1c Notes at that time.
<b>Aggregate Stated Amount</b>	means at any time in respect of:  (a) a Class of A\$ Notes, the aggregate of the Stated Amounts of all the A\$ Notes of that Class at that time; and  (b) the Class A1c Notes, the A\$ Equivalent of the aggregate of the Stated Amounts of all the Class A1c Notes at that time.
<b>Applicant</b>	means a person who applies for an Housing Loan under an Application Form.
<b>Application Form</b>	means the form of application for an Housing Loan as approved from time to time by the Insurer (if relevant), the Trust Originator and Secure Funding.
<b>Approved Corporation</b>	means:  (a) a person having a Required Credit Rating; or  (b) a person who is a wholly owned subsidiary of an entity having a Required Credit Rating, and whose obligations are unconditionally guaranteed by such entity at the relevant time.
<b>Arranger</b>	means, as at the date of this Offering Circular, Commonwealth Bank of Australia.
<b>Arrears Ratio</b>	means, on a Determination Date, the percentage of the Outstanding Amount of the Housing Loans in relation to which default in payment of any amount due has occurred and has continued for a period of 60 days or more as at the last day of the immediately preceding Collection Period to the total Outstanding Amount of all Housing Loans (calculated on the last day of the immediately preceding Collection Period).
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Assets</b>	means, in relation to the Trust, the right, title and interest of Secure Funding, in its capacity as trustee of the Trust, in the following (to the extent to which they relate to the Trust):  (a) any Housing Loans and Related Securities held by Secure Funding;  (b) cash on hand or at a Bank representing cleared or immediately available funds;  (c) Authorised Investments or any other investments;

	<ul style="list-style-type: none"> <li>(d) amounts owing to Secure Funding by Debtors;</li> <li>(e) any prepayment of expenditure;</li> <li>(f) any asset originated or acquired by Secure Funding in accordance with the Master Trust Deed and the Supplementary Terms Notice;</li> <li>(g) the benefit of all representations, warranties, undertakings, covenants, indemnities and promises made by any party in favour of Secure Funding under the Transaction Documents;</li> <li>(h) other property as identified in writing by Secure Funding;</li> <li>(i) income, or amounts in the nature of income, accrued from investments or other assets referable to the Trust to the extent not included in the preceding paragraphs of this definition; and</li> <li>(j) any other asset specified in the Supplementary Terms Notice.</li> </ul>
<b>Authorised Investments</b>	<p>means investments in:</p> <ul style="list-style-type: none"> <li>(a) in respect of the Trust: <ul style="list-style-type: none"> <li>(i) <ul style="list-style-type: none"> <li>(A) stock, bonds, notes or other securities issued by;</li> <li>(B) securities, deposits or loans secured or guaranteed by; or</li> <li>(C) deposits or loans secured upon stock, bonds, notes or other securities issued or guaranteed by,</li> </ul> <p>the Commonwealth of Australia or any State or Territory of the Commonwealth of Australia and which investments have a Required Credit Rating at the time of the acquisition of such investments by Secure Funding;</p> </li> <li>(ii) certificates of deposit, commercial paper or any other debt security which has a Required Credit Rating or which is issued by a person which is an Approved Corporation at the time the relevant security is acquired;</li> <li>(iii) deposits with, or purchase of bills of exchange, promissory notes, certificates of deposit or other</li> </ul> </li> </ul>

	<p>negotiable instruments accepted, drawn or endorsed by, an Approved Corporation at the time of the deposit, loan or purchase;</p> <p>(iv) guarantee investment contract with a party which has a Required Credit Rating at the time Secure Funding enters into the contract; and</p> <p>(v) a chose in action in respect of rights to direct the Reserve Bank of Australia to deliver securities being Authorised Investments (other than under this paragraph (v)) to or to the order of Secure Funding;</p> <p>being, in all cases:</p> <p>(A) an investment denominated in Australian Dollars;</p> <p>(B) an investment held in the name of Secure Funding; and</p> <p>(C) an investment which matures on or prior to the immediately succeeding Payment Date; and</p> <p>(D) an investment which does not constitute a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority including any amendment or replacement of that Prudential Standard); and</p> <p>(b) in respect of the Series, for the purposes of paragraph (a)(iii) of the definition of “Authorised Investments” in the Series Master Security Trust Deed, deposits with a person who is an Approved Corporation at the time of the deposit. For the purposes of the definition of “Authorised Investments” in the Series Master Security Trust Deed, all such Authorised Investments must be investments which mature prior to the immediately succeeding Payment Date and which do not constitute a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority including any amendment or replacement of that Prudential Standard).</p>
<b>Available Income</b>	has the meaning set out in section 17.1.
<b>Available Liquidity Amount</b>	has the meaning given in the Liquidity Facility Agreement.



<b>Average Arrears Ratio</b>	<p>means, on any Determination Date, the amount (expressed as a percentage) calculated as follows:</p> $AAR = \frac{SAR}{4}$ <p>where:</p> <p>AAR = the Average Arrears Ratio; and</p> <p>SAR = the sum of the Arrears Ratios for the 3 Determination Dates immediately preceding that Determination Date and the Arrears Ratio for that Determination Date,</p> <p>provided that if on that Determination Date there has not yet been 3 preceding Determination Dates the Average Arrears Ratio in relation to that Determination Date means the amount (expressed as a percentage) calculated as follows:</p> $AAR = \frac{SAR}{N + 1}$ <p>AAR = the Average Arrears Ratio; and</p> <p>SAR = the sum of the Arrears Ratio for all of the Determination Dates preceding that Determination Date and the Arrears Ratio for that Determination Date; and</p> <p>N = the number of Determination Dates preceding that Determination Date.</p>
<b>Bank</b>	has the meaning given to the expression “Australian bank” in the Corporations Act.
<b>Bank Bill Rate</b>	<p>means, in respect of any Payment Period or Quarterly Payment Period, the rate expressed as a percentage per annum calculated on the first day of that Payment Period or Quarterly Payment Period (“<b>Reset Date</b>”) as follows:</p> <p>(a) the average mid rate, for prime bank eligible securities having a tenor of one month (in respect of a Payment Period) or three months (in respect of a Quarterly Payment Period, other than the first Quarterly Payment Period, which will be two months), which appears on the Reuters Screen BBSW Page at approximately 10.30 a.m. (or such other time as that rate is customarily published on the Reuters Screen BBSW Page), Sydney time, on the Reset Date designated as the “AVG-MID” (rounded to four decimal places, the number 5 being rounded upwards). If such rate does not appear on the Reuters Screen BBSW Page by 10.30 am (or by 20 minutes after such other time as that rate is customarily published on the Reuters Screen BBSW Page), Sydney time, on the Reset Date, then the rate for that Reset Date</p>

	<p>will be the arithmetic mean of the rates quoted to the Trust Manager or the Series Manager (as applicable) on the Reset Date by three banks on application by the Trust Manager or the Series Manager (as applicable) for prime bank eligible securities having a tenor of one month (in respect of a Payment Period) or three months (in respect of a Quarterly Payment Period, other than the first Quarterly Payment Period, which will be two months). The rate applied by the Trust Manager or the Series Manager (as applicable) will be rounded, if necessary, to four decimal places (the number 5 being rounded upwards); or</p> <p>(b) if in respect of a Reset Date the rate for that Reset Date cannot be determined in accordance with paragraph (a), then the rate for that Reset Date will be the rate determined by the Trust Manager or Series Manager (as applicable) having regard to comparable indices then available. The rate calculated or determined by the Trust Manager or Series Manager (as applicable) will be rounded, if necessary, to four decimal places (the number 5 being rounded upwards).</p>
<b>Borrower Rate</b>	means, in respect of an Housing Loan, the interest rate from time to time applicable to that Housing Loan.
<b>Business Day</b>	means any day (not being a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Melbourne and London provided that the day is also a TARGET Day.
<b>Call Date</b>	<p>means, in respect of a Note or Trust Note, the earlier to occur of:</p> <p>(a) the Quarterly Payment Date immediately following the Determination Date on which the Aggregate Adjusted Invested Amount of all Notes or Trust Notes (as applicable) on that Determination Date is less than, or equal to, 20% of the aggregate Initial Invested Amount of all Notes and Trust Notes (as applicable) on the Issue Date; and</p> <p>(b) the Quarterly Payment Date scheduled to fall in April 2022,</p> <p>and each Quarterly Payment Date thereafter.</p>
<b>Call Option</b>	means the option to redeem the Trust Notes or the Notes before the Final Maturity Date on the Call Date in accordance with the Supplementary Terms Notice, A\$ Note Conditions or Class A1c Note Conditions (as applicable).
<b>Carryover Charge-Offs</b>	means a Class A1a Carryover Charge-Off, a Class A1b Carryover Charge-Off, a Class A1c Carryover Charge-Off, a Class A2 Carryover Charge-Off, a Class B Carryover Charge-

	Off, a Class C Carryover Charge-Off, a Class D Carryover Charge-Off, a Class E Carryover Charge-Off, a Class F Carryover Charge-Off, a Class G Carryover Charge-Off or any combination of them, as the context requires.
<b>Cash</b>	includes Cheques and the electronic transfer of funds.
<b>Cash Collateral</b>	means, on any day, in respect of the Currency Swap, the amount of collateral (if any) paid or transferred to Liberty Funding by the Currency Swap Provider in accordance with the terms of the Currency Swap that has not been applied before that day to satisfy the Currency Swap Provider's obligations under the Currency Swap in accordance with the terms of the Currency Swap.
<b>Cashflow Allocation Methodology</b>	means the methodology outlined in section 16.
<b>Charge-Off</b>	means a Class A1a Charge-Off, a Class A1b Charge-Off, a Class A1c Charge-Off, a Class A2 Charge-Off, a Class B Charge-Off, a Class C Charge-Off, a Class D Charge-Off, a Class E Charge-Off, a Class F Charge-Off, a Class G Charge-Off or any combination of them, as the context requires.
<b>Cheque</b>	means a cheque, bank cheque or payment order.
<b>Class A Notes</b>	means the Class A1a Notes, the Class A1b Notes, the Class A1c Notes and the Class A2 Notes.
<b>Class A Trust Notes</b>	means the Class A1a Trust Notes, the Class A1b Trust Notes, the Class A1c Trust Notes and the Class A2 Trust Notes.
<b>Class A1 Notes</b>	means the Class A1a Notes, the Class A1b Notes and the Class A1c Notes.
<b>Class A1 Trust Notes</b>	means the Class A1a Trust Notes, the Class A1b Trust Notes and the Class A1c Trust Notes.
<b>Class A1a Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class A1a Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class A1a Margin</b>	means, in respect of the Class A1a Notes or the Class A1a Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the Register as the margin applicable to the Class A1a Notes or the Class A1a Trust Notes.
<b>Class A1a Stated Amount</b>	means, in relation to a Class A1a Trust Note on any date, an amount equal to the Invested Amount of that Class A1a Trust Note less any Class A1a Carryover Charge-Offs made in respect of that Class A1a Trust Note which has not been reimbursed at

	that date.
<b>Class A1b Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class A1b Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class A1b Margin</b>	means, in respect of the Class A1b Notes or the Class A1b Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the Register as the margin applicable to the Class A1b Notes or the Class A1b Trust Notes.
<b>Class A1b Note Principal Allocation</b>	<p>means, in respect of a Payment Date:</p> <p>(a) on which the Step Down Requirements are not satisfied, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class A1b Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class A1b Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes and the Class A1c Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(c)(i).</p> <p>(b) on which the Step Down Requirements are satisfied, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class A1b Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class A1b Notes as at the Determination Date immediately</p>

	<p>preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(b).</p>
<b>Class A1b Stated Amount</b>	means, in relation to a Class A1b Trust Note on any date, an amount equal to the Invested Amount of that Class A1b Trust Note less any Class A1b Carryover Charge-Offs made in respect of that Class A1b Trust Note which has not been reimbursed at that date.
<b>Class A1b Trust Note Principal Allocation</b>	<p>means, in respect of a Payment Date:</p> <p>(a) on which the Step Down Requirements are not satisfied, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class A1b Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class A1b Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the aggregate Stated Amount of the Class A1b Trust Notes and the Class A1c Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(e)(i).</p> <p>(b) on which the Step Down Requirements are satisfied, the amount calculated as follows:</p>

	$A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class A1b Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class A1b Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the aggregate Stated Amount of the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(d).</p>
<b>Class A1c Accrued Interest Amount</b>	means, in respect of a Payment Date, an amount equal to the interest accrued on the Class A1c Trust Notes in the period since the Issue Date of the Class A1c Trust Notes or (if later) the immediately preceding Payment Date.
<b>Class A1c Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class A1c Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class A1c Margin</b>	means, in respect of the Class A1c Notes or the Class A1c Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager or the Trust Manager to Liberty Funding on or before the Issue Date and inscribed in the Register or the Class A1c Note Register as the margin applicable to the Class A1c Notes or the Class A1c Trust Notes.
<b>Class A1c Note Conditions</b>	means the terms and conditions of the Class A1c Notes, as set out in Schedule 2 ("Terms and Conditions of the Class A1c Notes") of the Note Trust Deed.
<b>Class A1c Note Interest Ledger</b>	means a ledger account of the Collection Account designated as such and established and maintained by the Series Manager in accordance with section 17.10(b).
<b>Class A1c Note Interest</b>	means, at any time, the amount (if any) standing to the credit of

<b>Ledger Balance</b>	the Class A1c Note Interest Ledger at that time.
<b>Class A1c Note Principal Allocation</b>	<p>means, in respect of a Payment Date:</p> <p>(a) on which the Step Down Requirements are not satisfied, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class A1c Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class A1c Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes and the Class A1c Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(b).</p> <p>(b) on which the Step Down Requirements are satisfied, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class A1c Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class A1c Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date</p>

	<p>immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(c)(i).</p>
<b>Class A1c Note Principal Ledger</b>	means a ledger account of the Collection Account designated as such and established and maintained by the Series Manager in accordance with section 17.10(a).
<b>Class A1c Note Principal Ledger Balance</b>	means, at any time, the amount (if any) standing to the credit of the Class A1c Note Principal Ledger at that time.
<b>Class A1c Note Principal Paying Agent</b>	means, initially, Deutsche Bank AG, Hong Kong Branch.
<b>Class A1c Note Register</b>	has the meaning given to it in the Condition 4.5 of the Class A1c Note Conditions.
<b>Class A1c Note Trustee</b>	means, initially, DB Trustees (Hong Kong) Limited.
<b>Class A1c Noteholder</b>	has the meaning set out in the Class A1c Note Conditions.
<b>Class A1c Principal</b>	has the meaning given to that term in section 16.22(a).
<b>Class A1c Stated Amount</b>	means, in relation to a Class A1c Trust Note on any date, an amount equal to the Invested Amount of that Class A1c Trust Note less any Class A1c Carryover Charge-Offs made in respect of that Class A1c Trust Note which has not been reimbursed at that date.
<b>Class A1c Trust Note Interest Ledger</b>	means a ledger account of the Trust Collection Account designated as such and established and maintained by the Trust Manager in accordance with section 16.24(b).
<b>Class A1c Trust Note Interest Ledger Balance</b>	means, at any time, the amount (if any) standing to the credit of the Class A1c Trust Note Interest Ledger at that time.
<b>Class A1c Trust Note Principal Allocation</b>	<p>means, in respect of a Payment Date:</p> <p>(a) on which the Step Down Requirements are not satisfied, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class A1c Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class A1c Trust Notes as at the Determination Date immediately preceding that Payment Date;</p>



	<p>C = the aggregate Stated Amount of the Class A1b Trust Notes and the Class A1c Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(e)(i).</p> <p>(b) on which the Step Down Requirements are satisfied, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class A1c Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class A1c Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the aggregate Stated Amount of the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(d).</p>
<b>Class A1c Trust Note Principal Ledger</b>	means a ledger account of the Trust Collection Account designated as such and established and maintained by the Trust Manager in accordance with section 16.24(a).
<b>Class A1c Trust Note Principal Ledger Balance</b>	means, at any time, the amount (if any) standing to the credit of the Class A1c Trust Note Principal Ledger at that time.
<b>Class A1c Unpaid Accrued Interest Amount</b>	means, in respect of a Payment Date, any Class A1c Accrued Interest Amounts remaining due and payable under section 16.15(m)(iii) from prior Payment Dates.

<b>Class A2 Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class A2 Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class A2 Margin</b>	means, in respect of the Class A2 Notes or the Class A2 Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the Register as the margin applicable to the Class A2 Notes or the Class A2 Trust Notes.
<b>Class A2 Note Principal Allocation</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class A2 Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class A2 Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(b).</p>
<b>Class A2 Stated Amount</b>	means, in relation to a Class A2 Trust Note on any date, an amount equal to the Invested Amount of that Class A2 Trust Note less any Class A2 Carryover Charge-Offs made in respect of that Class A2 Trust Note which has not been reimbursed at that date.
<b>Class A2 Trust Note Principal Allocation</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p>

	<p>A = the Class A2 Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class A2 Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the aggregate Stated Amount of the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(d).</p>
<b>Class B Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class B Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class B Margin</b>	means in respect of the Class B Notes or the Class B Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the Register as the margin applicable to the Class B Notes or the Class B Trust Notes.
<b>Class B Note Principal Allocation</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class B Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class B Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date immediately preceding</p>

	<p>that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(b).</p>
<b>Class B Stated Amount</b>	means in relation to a Class B Trust Note on any date, an amount equal to the Invested Amount of that Class B Trust Note less any Class B Carryover Charge-Offs made in respect of that Class B Trust Note which has not been reimbursed at that date.
<b>Class B Trust Note Principal Allocation</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class B Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class B Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the aggregate Stated Amount of the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(d).</p>
<b>Class C Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class C Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class C Margin</b>	means in respect of Class C Notes or Class C Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the Register as the margin applicable to the Class C Notes or the Class C Trust Notes.
<b>Class C Note Principal Allocation</b>	means, in respect of a Payment Date, the amount calculated as follows:

	$A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class C Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class C Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(b).</p>
<b>Class C Stated Amount</b>	means, in relation to a Class C Trust Note on any date, an amount equal to the Invested Amount of that Class C Trust Note less any Class C Carryover Charge-Offs made in respect of that Class C Trust Note which have not been reimbursed at that date.
<b>Class C Trust Note Principal Allocation</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class C Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class C Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the aggregate Stated Amount of the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p>

	E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(d).
<b>Class D Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class D Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class D Margin</b>	means in respect of Class D Notes or Class D Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the Register as the margin applicable to the Class D Notes or the Class D Trust Notes
<b>Class D Note Principal Allocation</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class D Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class D Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(b).</p>
<b>Class D Stated Amount</b>	means, in relation to a Class D Trust Note on any date, an amount equal to the Invested Amount of that Class D Trust Note less any Class D Carryover Charge-Offs made in respect of that Class D Trust Note which has not been reimbursed at that date.
<b>Class D Trust Note Principal Allocation</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$

	<p>where:</p> <p>A = the Class D Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class D Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the aggregate Stated Amount of the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(d).</p>
<b>Class E Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class E Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class E Margin</b>	means, in respect of Class E Notes or Class E Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the Register as the margin applicable to the Class E Notes or the Class E Trust Notes.
<b>Class E Note Principal Allocation</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class E Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class E Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as at the Determination Date immediately preceding that Payment Date;</p>

	<p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(b).</p>
<b>Class E Stated Amount</b>	means, in relation to a Class E Trust Note on any date, an amount equal to the Invested Amount of that Class E Trust Note less any Class E Carryover Charge-Offs made in respect of that Class E Trust Note which have not been reimbursed at that date.
<b>Class E Trust Note Principal Application</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class E Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class E Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the aggregate Stated Amount of the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(d).</p>
<b>Class F Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class F Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class F Margin</b>	means, in respect of Class F Notes or Class F Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the Register as the margin applicable to the Class F Notes or the Class F Trust Notes.
<b>Class F Note Principal</b>	means, in respect of a Payment Date, the amount calculated as



<b>Allocation</b>	<p>follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class F Note Principal Allocation;</p> <p>B = the Aggregate Stated Amount of the Class F Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the Aggregate Stated Amount of the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Note Principal Ledger (if any) at the Determination Date immediately preceding that Payment Date;</p> <p>E = the amount of the Principal Collections available to be applied on that Payment Date under section 17.3(b).</p>
<b>Class F Stated Amount</b>	<p>means, in relation to a Class F Trust Note on any date, an amount equal to the Invested Amount of that Class F Trust Note less any Class F Carryover Charge-Offs made in respect of that Class F Trust Note which have not been reimbursed at that date.</p>
<b>Class F Trust Note Principal Allocation</b>	<p>means, in respect of a Payment Date, the amount calculated as follows:</p> $A = \frac{B}{C - D} \times E$ <p>where:</p> <p>A = the Class F Trust Note Principal Allocation;</p> <p>B = the aggregate Stated Amount of the Class F Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>C = the aggregate Stated Amount of the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes as at the Determination Date immediately preceding that Payment Date;</p> <p>D = the balance of the Class A1c Trust Note Principal Ledger (if any) at the Determination Date immediately</p>

	<p>preceding that Payment Date;</p> <p>E = the amount of the Principal Repayment Fund available to be applied on that Payment Date under section 16.20(d).</p>
<b>Class G Carryover Charge-Off</b>	has the meaning given to it in section 16.18.
<b>Class G Charge-Off</b>	has the meaning given to it in section 16.17.
<b>Class G Margin</b>	means, in respect of Class G Notes or Class G Trust Notes the percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the Register as the margin applicable to the Class G Notes or the Class G Trust Notes.
<b>Class G Stated Amount</b>	means, in relation to a Class G Trust Note on any date, an amount equal to the Invested Amount of that Class G Trust Note less any Class G Carryover Charge-Offs made in respect of that Class G Trust Note which have not been reimbursed at that date.
<b>Class of Notes</b>	means the Class A1a Notes, the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class G Notes or any combination of them, as the context requires.
<b>Class of Trust Notes</b>	means the Class A1a Trust Notes, the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2 Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes, the Class F Trust Notes or the Class G Trust Notes or any combination of them, as the context requires.
<b>Closing Date</b>	means the date specified in a Sale Notice, a Receivables Acquisition and Servicing Agreement or a Receivables Transfer Statement, as the case may be, as the date on which Housing Loans and Related Securities are to be transferred or Redesignated to the Trust.
<b>Collateral Support</b>	means, on any day, the amount of collateral (if any) paid or transferred to Secure Funding by a Support Facility Provider that has not been applied before that day to satisfy that person's obligations under the Support Facility (if applicable).
<b>Collections</b>	has the meaning given to it in section 16.2.
<b>Consumer Credit Legislation</b>	means "credit legislation" as defined in the National Consumer Credit Protection Act 2009 (Cth) including the National Credit Code contained in Schedule 1 of the Act.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Costs</b>	means costs, charges and expenses, including those reasonably

	incurred in connection with advisers.
<b>Current Rating Agency</b>	means, in respect of the Trust, the Series or any Transaction Document, at any given time, each of Moody's and Fitch for so long as it has current ratings issued in respect of the outstanding Trust Notes or Notes, and any other internationally recognised rating agency which at that time, at the request of Secure Funding or Liberty Funding, assigns a rating to any class of Trust Notes or Notes.
<b>Currency Swap</b>	means: <ul style="list-style-type: none"> <li>(a) the swap transaction entered into on or about the date of this Offering Circular pursuant to the Currency Swap Agreement and which is expressed to be the "Currency Swap"; and</li> <li>(b) any other swap transaction entered into after the date of this deed pursuant to the Currency Swap Agreement and which is expressed to be a "Currency Swap" (provided that a Rating Notification is provided in respect of that swap transaction).</li> </ul>
<b>Currency Swap Agreement</b>	means each ISDA Master Agreement, the schedule and each credit support annex forming part of it, dated on or around the Issue Date, between Liberty Funding, the Series Manager and the Currency Swap Provider and includes any confirmations in respect of it.
<b>Currency Swap Provider</b>	means the swap provider under the Currency Swap Agreement.
<b>Currency Swap Termination Proceeds</b>	means the €early termination amount (if any) received from the Currency Swap Provider under the Currency Swap Agreement as a result of the early termination of the Currency Swap.
<b>Cut-Off Date</b>	means 28 February 2018.
<b>Dealers</b>	means, as at the date of this Offering Circular, each of: <ul style="list-style-type: none"> <li>(a) Deutsche Bank AG, Sydney Branch;</li> <li>(b) Commonwealth Bank of Australia;</li> <li>(c) National Australia Bank Limited;</li> <li>(d) Westpac Banking Corporation; and</li> <li>(e) Merrill Lynch International.</li> </ul>
<b>Dealer Agreement</b>	has the meaning set out in section 21.5.
<b>Debtor</b>	means, in relation to a Housing Loan, the person who is obliged to make payments with respect to that Housing Loan, whether as a principal or secondary obligation and includes, where the context requires, any other person obligated to make payments

	with respect to that Housing Loan (including any mortgagor or guarantor).
<b>Debtor Insolvency Event</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) in relation to a body corporate, the happening of any of these events in respect of that body corporate: <ul style="list-style-type: none"> <li>(i) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or</li> <li>(ii) it has a Controller (as defined in the Corporations Act) appointed, is in liquidation, in provisional liquidation, under administration or wound up or has had a Receiver appointed to any part of its property; or</li> <li>(iii) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by Secure Funding); or</li> <li>(iv) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of sub-paragraphs (i), (ii) or (iii) above; or</li> <li>(v) it is taken (under section 459(F)(1) of the Corporations Act) to have failed to comply with a statutory demand; or</li> <li>(vi) it is the subject of an event described in section 459(C)(2)(b) or section 585 of the Corporations Act (or it makes a statement from which Secure Funding reasonably deduces it is so subject); or</li> <li>(vii) it is otherwise unable to pay its debts, other than the relevant Housing Loan, when they fall due; or</li> <li>(viii) something having a substantially similar effect to sub-paragraphs (i) to (vi) happens in connection with that person under the law of any jurisdiction; and</li> </ul> </li> <li>(b) in respect of a person which is not a body corporate, the happening of any of the following events in respect of</li> </ul>

	<p>that person:</p> <ul style="list-style-type: none"> <li>(i) the death, mental incapacity or bankruptcy of the person (including without limitation the occurrence of an “act of bankruptcy” (as defined in section 40 of the Bankruptcy Act 1966 of Australia with respect to the person) or the appointment of a receiver, trustee or other official in respect of all or any part of the assets of the person; or</li> <li>(ii) such person has a security granted by them enforced against them; or</li> <li>(iii) the person is otherwise unable to pay its debts, other than the relevant Housing Loan, when they fall due; or</li> <li>(iv) anything analogous to or having a substantially similar effect to the event referred to above happens under the law of any applicable jurisdiction.</li> </ul>
<b>Deed of Covenant</b>	has the meaning set out in section 21.3.
<b>Defaulting Housing Loan</b>	means a Housing Loan of the Trust which, according to the most recently prepared Reporting Statement is due from a Debtor that is subject to a Debtor Insolvency Event.
<b>Defaulting Party</b>	in respect of the Currency Swap has the meaning set out in that Currency Swap.
<b>Deposit Deed</b>	has the meaning set out in section 21.3.
<b>Determination Date</b>	means the day which is 5 Business Days prior to a Payment Date.
<b>Eligibility Criteria</b>	means the criteria described in section 5.7.
<b>Eligible Bank</b>	<p>means any Bank with a rating equivalent of at least:</p> <ul style="list-style-type: none"> <li>(a) in the case of Moody’s, either: <ul style="list-style-type: none"> <li>(i) a long term rating of A2 and a short term rating of P-1; or</li> <li>(ii) if the Bank does not have a short term rating, a long term rating of A1; and</li> </ul> </li> <li>(b) in the case of Fitch, a long term credit rating of A or a short term credit rating of F1,</li> </ul> <p>or such other lower rating by the relevant Current Rating Agency as may be notified by the Trust Manager to Secure Funding from time to time provided that the Trust Manager has</p>

	delivered a Rating Notification in respect of such other ratings.
<b>Eligible Receivables</b>	means, at any time, Housing Loans and Related Securities complying with the then current Eligibility Criteria.
<b>Encumbrance</b>	<p>means any:</p> <ul style="list-style-type: none"> <li>(a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any other “security interest” as defined in sections 12(1) and (2) of the PPSA; or</li> <li>(b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or</li> <li>(c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or license to use or occupy; or</li> <li>(d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,</li> </ul> <p>or any agreement to create any of them or allow them to exist.</p>
<b>Enforcement Expenses</b>	means all expenses paid by the Trust Servicer and/or secure Funding in connection with the enforcement of any Housing Loan or any Related Security in respect of the Trust.
<b>Excess Available Income</b>	has the meaning given to it in section 15.2.
<b>Excluded Termination Amounts</b>	means amounts payable in accordance with section 6(e) (“Payments on Early Termination”) of the Interest Rate Swap Agreement (if any) by Secure Funding as trustee of the Trust to the relevant Interest Rate Swap Provider where a Trust Event of Default or Termination Event (other than a Termination Event due to section 5(b)(i) (“Illegality”) or section 5(b)(iii) (“Tax Event”) (each as defined under the Interest Rate Swap Agreement) have occurred and the Interest Rate Swap Provider is a Defaulting Party or the sole Affected Party (each as defined under the Interest Rate Swap Agreement).
<b>Exempted Transaction Documents</b>	<p>means each of:</p> <ul style="list-style-type: none"> <li>(a) the Master Trust Servicer Deed;</li> <li>(b) the Master Management Deed;</li> <li>(c) the Operating Agency Agreement;</li> <li>(d) the Master Origination Deed;</li> </ul>

	<ul style="list-style-type: none"> <li>(e) the Master Registry Services Deed;</li> <li>(f) the Deposit Deed;</li> <li>(g) the Guarantee;</li> <li>(h) the Deed of Covenant;</li> <li>(i) the Specific Security Deed;</li> <li>(j) each Support Facility;</li> <li>(k) the Interest Rate Swap Agreement; and</li> <li>(l) the Insurance Policies.</li> </ul>
<b>Expenses of the Series</b>	means all costs, charges and expenses incurred by Liberty Funding in connection with the Series.
<b>Expenses of the Trust</b>	means all costs, charges and expenses reasonably and properly incurred by Secure Funding or the Trust Manager in connection with the Trust.
<b>Extraordinary Resolution</b>	means, with respect to the Trust Secured Creditors of the Trust, a Resolution passed at a meeting of the Trust Secured Creditors of the Trust by a majority consisting of not less than 75% of votes cast by the persons present and entitled to vote at a meeting.
<b>FATCA</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, any regulations or official interpretations issued with respect thereof and any amended or successor provisions;</li> <li>(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or</li> <li>(c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction.</li> </ul>
<b>Final Maturity Date</b>	means the Payment Date falling in October 2049.
<b>Finance Charge Collections</b>	means, as calculated on a Determination Date, any interest and other amounts in the nature of interest or income, fees and charges received during the immediately preceding Collection Period under or in respect of any Housing Loan, or any similar

	amount deemed by the Trust Servicer to be in the nature of income, interest, fee or charge in respect of that Collection Period.
<b>First Guarantee Draw</b>	has the meaning set out in section 16.11.
<b>First Guarantee Draw Shortfall</b>	has the meaning set out in section 16.11.
<b>Fitch</b>	means Fitch Australia Pty Ltd (ABN 93 081 339 184).
<b>Further Advance</b>	means, in relation to a Housing Loan, any advance to the relevant Debtor after the settlement date of that Housing Loan which results in an increase in the Scheduled Balance of that Housing Loan.
<b>Government</b>	means (unless otherwise indicated) the Government of Australia and “Governmental” shall be construed accordingly.
<b>Guarantee</b>	has the meaning set out in section 21.3.
<b>Guarantee Fee</b>	<p>means, in relation to a Payment Date, an amount equal to the lesser of:</p> <p>(a) an amount calculated as follows:</p> $\left(\frac{A}{12}\right) \times B$ <p>where:</p> <p>A = 2.2% per annum; and</p> <p>B = the aggregate Invested Amount of all Notes on the first day of the Payment Period to which the Payment Date relates; and</p> <p>(b) an amount which will (having regard to the operation of clause 3 of the Deed of Covenant) ensure that the Guarantee Fee Reserve Account Balance is equal to the Guarantee Fee Reserve Account Maximum Amount.</p>
<b>Guarantee Fee Reserve Account</b>	means the bank account described in section 15.3.
<b>Guarantee Fee Reserve Account Balance</b>	has the meaning set out in section 15.3.
<b>Guarantee Fee Reserve Account Maximum Amount</b>	means A\$4,500,000.
<b>Guarantor</b>	means Liberty Credit Enhancement Company Pty Ltd (ACN 107 301 646).



<b>Holder</b>	means any Holder in respect of any Class of Trust Notes or Notes (as applicable).
<b>Housing Loan</b>	means a housing loan secured by a Mortgage over Land.
<b>Indebtedness</b>	means any indebtedness, present or future, actual or contingent, in respect of moneys borrowed or raised or any financial accommodation whatsoever, including, without limitation under or in connection with any guarantee, bill, acceptance or endorsement or any discounting arrangement.
<b>Initial Invested Amount</b>	means:  (a) for each Note (other than a Class A1c Note) or Trust Note, the amount of A\$1,000; and  (b) for each Class A1c Note, the amount of €100,000.
<b>Insolvency Event</b>	means the happening of any of these events:  (a) an application (other than a frivolous or vexatious application or an application which is stayed within 15 Business Days) is made to a court or an order is made that the relevant body corporate be wound up other than for the purposes of a solvent reconstruction or amalgamation;  (b) an application is made to a court or an order appointing a liquidator or provisional liquidator in respect of the relevant body corporate, or one of them is appointed, whether or not under an order;  (c) a receiver, receiver and manager, liquidator, trustee or similar officer is appointed in respect of any part of the property of the relevant body corporate and such appointment is not remedied within 15 Business Days;  (d) an administrator is appointed to the relevant body corporate or any steps are taken for the appointment of an administrator to the relevant body corporate;  (e) the relevant body corporate commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors;  (f) the relevant body corporate is or states that it is unable to pay its debts as and when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as a result of the failure to pay a debt or claim which is the subject of a good faith dispute); or  (g) anything analogous or having a substantially similar

	effect to any of the events specified above happens under the laws of any applicable jurisdiction.
<b>Insurance Policy</b>	means, in respect of a Housing Loan, any policy of insurance in force in respect of a Housing Loan or its Related Security (if any).
<b>Interest Collections</b>	means an amount determined in accordance with section 16.7.
<b>Interest Rate Swap Agreement</b>	means each ISDA Master Agreement, the schedule and each credit support annex forming part of it, dated on or around the Issue Date, between Secure Funding, the Trust Manager and an Interest Rate Swap Provider and includes any confirmations in respect of it.
<b>Interest Rate Swap Provider</b>	means any swap provider under an Interest Rate Swap Agreement.
<b>Invested Amount</b>	<p>means on any day in respect of a Note or a Trust Note, an amount equal to:</p> <p>(a) the Initial Invested Amount of that Note or Trust Note; less</p> <p>(b) the aggregate of any principal repayments made on or before that date in relation to that Note or Trust Note.</p>
<b>ISDA</b>	means the International Swaps and Derivatives Association, Inc.
<b>Issue Date</b>	means 8 May 2018.
<b>Issue Price</b>	<p>means in respect of each class of Notes and Trust Notes:</p> <p>(a) Class A1a Notes A\$150,000,000;</p> <p>(b) Class A1b Notes A\$691,500,000;</p> <p>(c) Class A1c Notes €83,400,000;</p> <p>(d) Class A2 Notes A\$372,000,000;</p> <p>(e) Class B Notes A\$55,500,000;</p> <p>(f) Class C Notes A\$28,500,000;</p> <p>(g) Class D Notes A\$16,500,000;</p> <p>(h) Class E Notes A\$19,500,000;</p> <p>(i) Class F Notes A\$6,000,000;</p> <p>(j) Class G Notes A\$27,000,000;</p> <p>(k) Class A1a Trust Notes A\$150,000,000;</p>

	<ul style="list-style-type: none"> <li>(l) Class A1b Trust Notes A\$691,500,000;</li> <li>(m) Class A1c Trust Notes A\$133,500,000;</li> <li>(n) Class A2 Trust Notes A\$372,000,000;</li> <li>(o) Class B Trust Notes A\$55,500,000;</li> <li>(p) Class C Trust Notes A\$28,500,000;</li> <li>(q) Class D Trust Notes A\$16,500,000;</li> <li>(r) Class E Trust Notes A\$19,500,000;</li> <li>(s) Class F Trust Notes A\$6,000,000; and</li> <li>(t) Class G Trust Notes A\$27,000,000.</li> </ul>
<b>Issue Supplement</b>	has the meaning set out in section 21.5.
<b>Joint Lead Managers</b>	<p>means each of:</p> <ul style="list-style-type: none"> <li>(a) Deutsche Bank AG, Sydney Branch;</li> <li>(b) Commonwealth Bank of Australia;</li> <li>(c) National Australia Bank Limited;</li> <li>(d) Westpac Banking Corporation; and</li> <li>(e) Merrill Lynch International.</li> </ul>
<b>Land</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) land (including tenements and hereditaments corporeal and incorporeal and every estate and interest in it whether vested or contingent, freehold or Crown leasehold, the terms of which lease is expressed to expire not earlier than five years after the maturity of the relevant Mortgage, and whether at law or in equity) wherever situated and including any fixtures to land; and</li> <li>(b) any parcel and any lot, common property and land comprising a parcel within the meaning of the Strata Schemes (Freehold Development) Act 1973 (New South Wales) or the Community Land Development Act 1989 (New South Wales) or any equivalent legislation in any other Australian jurisdiction or in New Zealand.</li> </ul>
<b>Liberty Financial</b>	means Liberty Financial Pty Ltd (ABN 55 077 248 983).
<b>Liberty Funding</b>	see Section 1.
<b>Liquidation Loss</b>	means, in respect of a Housing Loan after all enforcement action has been taken by the Servicer (in accordance with the Servicing

	<p>Procedures):</p> <p>(a) the amount payable by the borrower under that Housing Loan together with all expenses relating to enforcement of that Loan and the Related Security; less</p> <p>(b) the sum of:</p> <p>(i) the amount realised by Secure Funding on enforcement of the Housing Loan and the Related Security;</p> <p>(ii) proceeds of any claims under any Insurance Policy; and</p> <p>(iii) the amount received by Secure Funding from the Trust Manager, Trust Originator or Trust Servicer in respect of a breach of a representation, warranty or covenant in respect of that Housing Loan or under an indemnity.</p>
<b>Liquidity Advance</b>	means a drawing made under section 16.10.
<b>Liquidity Draw</b>	has the meaning set out in section 16.10.
<b>Liquidity Facility</b>	means a facility available to be drawn to fund the Liquidity Draws under a Liquidity Facility Agreement.
<b>Liquidity Facility Agreement</b>	<p>means:</p> <p>(a) the agreement entitled “Liberty Series 2018-1 Trust - Liquidity Facility Agreement” dated on or about the date of this deed entered into between Secure Funding, the Trust Manager and Commonwealth Bank of Australia; and</p> <p>(b) any other agreement which Secure Funding and the Trust Manager agree is a “Liquidity Facility Agreement” in respect of the Trust, provided that a Rating Notification has been given.</p>
<b>Liquidity Facility Provider</b>	means the person or persons named as the “Liquidity Facility Provider” in the relevant Liquidity Facility Agreement.
<b>Liquidity Limit</b>	<p>means:</p> <p>(a) on the Issue Date, A\$30,000,000;</p> <p>(b) at any time after the Issue Date, the greater of:</p> <p>(i) A\$600,000; and</p> <p>(ii) 2.0% of the aggregate Invested Amount of the Class A1a Trust Notes, the Class A1b Trust Notes, the Class A1c Trust Notes, the Class A2</p>

	<p>Trust Notes, the Class B Trust Notes, the Class C Trust Notes, the Class D Trust Notes, the Class E Trust Notes and the Class F Trust Notes and the Stated Amount of the Class G Trust Notes (after taking into account any payment to be made on that day);</p> <p>(c) the amount agreed from time to time by the Liquidity Facility Provider and the Trust Manager (provided that a Rating Notification has been given); or</p> <p>(d) the amount (if any) to which the Liquidity Limit has been reduced at that time in accordance with the Liquidity Facility Agreement.</p>
<b>Liquidity Principal Outstanding</b>	<p>means, at any time, an amount equal to:</p> <p>(a) the aggregate of all Liquidity Advances made prior to that time (including any interest capitalised under the Liquidity Facility Agreement); less</p> <p>(b) any repayments or prepayments of all such Liquidity Advances made by Secure Funding on or before that time.</p>
<b>Liquidity Shortfall</b>	means an amount determined in accordance with section 16.10.
<b>Listing Agent</b>	means Maples and Calder.
<b>Loan Agreement</b>	means the document or documents which evidence the obligation of a Debtor to repay amounts owing under a Housing Loan and to comply with the other terms of that Housing Loan.
<b>Master Definitions Schedule</b>	has the meaning set out in section 21.2.
<b>Master Management Deed</b>	has the meaning set out in section 21.2.
<b>Master Origination Deed</b>	has the meaning set out in section 21.2.
<b>Master Registry Services Deed</b>	has the meaning set out in section 21.2.
<b>Master Trust Deed</b>	has the meaning set out in section 21.2.
<b>Master Trust Servicer Deed</b>	has the meaning set out in section 21.2.
<b>Material Adverse Effect</b>	means, in respect of the Trust or the Series, an event which will materially and adversely affect the amount of any payment to a Secured Creditor of the Trust or the Series (as applicable) or the timing of any such payment or will have an Adverse Rating Effect.
<b>Material Adverse Payment Effect</b>	(a) in respect of the Trust, means an event which will materially and adversely affect the amount of any payment to a Trust Secured Creditor or the timing of any

	<p>such payment but excluding any payment:</p> <ul style="list-style-type: none"> <li>(i) that ranks junior (in accordance with section 16.15) to interest on the Class A1a Trust Notes, the Class A1b Trust Notes and the Class A1c Trust Notes, for so long as the Invested Amount of the Class A1a Trust Notes, the Class A1b Trust Notes or the Class A1c Trust Notes is greater than zero;</li> <li>(ii) that ranks junior (in accordance with section 16.15) to interest on the Class A2 Trust Notes, for so long as the Invested Amount of the Class A2 Trust Notes is greater than zero;</li> <li>(iii) that ranks junior (in accordance with section 16.15) to interest on the Class B Trust Notes, for so long as the Invested Amount of the Class B Trust Notes is greater than zero;</li> <li>(iv) that ranks junior (in accordance with section 16.15) to interest on the Class C Trust Notes, for so long as the Invested Amount of the Class C Trust Notes is greater than zero;</li> <li>(v) that ranks junior (in accordance with section 16.15) to interest on the Class D Trust Notes, for so long as the Invested Amount of the Class D Trust Notes is greater than zero;</li> <li>(vi) that ranks junior (in accordance with section 16.15) to interest on the Class E Trust Notes, for so long as the Invested Amount of the Class E Trust Notes is greater than zero; and</li> <li>(vii) that ranks junior (in accordance with section 16.15) to interest on the Class F Trust Notes, for so long as the Invested Amount of the Class F Trust Notes is greater than zero; and</li> </ul> <p>(b) in respect of the Series, means an event which will materially and adversely affect the amount of any payment to a Series Secured Creditor or the timing of any such payment but excluding any payment:</p> <ul style="list-style-type: none"> <li>(i) that ranks junior (in accordance with section 17.2) to interest on the Class A1a Notes, the Class A1b Notes and the Class A1c Notes, for so long as the Invested Amount of the Class A1a Notes, the Class A1b Notes or the Class A1c Notes is greater than zero;</li> <li>(ii) that ranks junior (in accordance with section 17.2) to interest on the Class A2 Notes, for so</li> </ul>
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	<p>long as the Invested Amount of the Class A2 Notes is greater than zero;</p> <p>(iii) that ranks junior (in accordance with section 17.2) to interest on the Class B Notes, for so long as the Invested Amount of the Class B Notes is greater than zero;</p> <p>(iv) that ranks junior (in accordance with section 17.2) to interest on the Class C Notes, for so long as the Invested Amount of the Class C Notes is greater than zero;</p> <p>(v) that ranks junior (in accordance with section 17.2) to interest on the Class D Notes, for so long as the Invested Amount of the Class D Notes is greater than zero;</p> <p>(vi) that ranks junior (in accordance with section 17.2) to interest on the Class E Notes, for so long as the Invested Amount of the Class E Notes is greater than zero; and</p> <p>(vii) that ranks junior (in accordance with section 17.2) to interest on the Class F Notes, for so long as the Invested Amount of the Class F Notes is greater than zero.</p>
<b>Moody's</b>	means Moody's Investors Service Pty Ltd (ABN 61 003 399 657).
<b>Mortgage</b>	means in respect of a Housing Loan, each registered mortgage over Land and the improvements on it, and securing, amongst other things, payment of interest and the repayment of principal and all other moneys in respect of that Housing Loan.
<b>National Credit Code</b>	has the meaning set out in section 3.6.
<b>Note</b>	means a Class A1a Note, a Class A1b Note, a Class A1c Note, a Class A2 Note, a Class B Note, a Class C Note, a Class D Note, a Class E Note, a Class F Note or a Class G Note or any combination of them, as the context requires.
<b>Note Deed Poll</b>	has the meaning set out in section 21.5.
<b>Note Trust Deed</b>	has the meaning set out in section 21.5.
<b>Notice of Creation</b>	has the meaning set out in section 21.3.
<b>Offered Notes</b>	means the Class A1a Notes, the Class A1b Notes, the Class A1c Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.
<b>Operating Agency</b>	has the meaning set out in section 21.3.

<b>Agreement</b>	
<b>Other Income</b>	<p>means:</p> <p>(a) in respect of the Trust, on a Determination Date, any interest received on Authorised Investments or on the Trust Collection Account during the immediately preceding Trust Collection Period and any other miscellaneous income received or expected to be received by Secure Funding on or before the immediately following Payment Date; and</p> <p>(b) in respect of the Series and a Series Collection Period, the interest earned on Acquired Assets of the Series, any interest payable in respect of the Series Collection Account (if any) and any other miscellaneous income received by Liberty Funding during that Series Collection Period, without double counting any amount otherwise determined to be a Series Income Collection in respect of the same Series Collection Period.</p>
<b>Outstanding Amount</b>	means in respect of a Housing Loan, the principal outstanding in respect of that Housing Loan calculated in accordance with the terms of the relevant Loan Agreement.
<b>Payment Date</b>	means in respect of a Note (other than a Class A1c Note) or Trust Note (other than a Class A1c Trust Note), the 10th day of each month or if that day is not a Business Day, then the immediately following Business Day and the Final Maturity Date.
<b>Payment Period</b>	<p>means, in respect of a Note (other than a Class A1c Note) or Trust Note (other than a Class A1c Trust Note), the period commencing on (and including) a Payment Date and ending on (but excluding) the next Payment Date. The first Payment Period in respect of a Note or a Trust Note will be the period commencing on (and including) the Issue Date of that Note or Trust Note (as applicable) and ending on (but excluding) the first Payment Date. The last Payment Period in respect of a Note or a Trust Note will be the period commencing on (and including) the earlier of:</p> <p>(a) the Payment Date immediately preceding the date of redemption of that Note or Trust Note (as applicable) and ending in (and including) the date of redemption of that Note or Trust Note (as applicable); or</p> <p>(b) the Payment Date immediately preceding the Final Maturity Date and ending on (and including) the Final Maturity Date.</p>
<b>Permitted Encumbrance</b>	means, the Trust General Security Deed, the Series General Security Deed and any Encumbrance arising under any other Transaction Document.



<b>Personal Property Securities Register</b>	means the register of security interests maintained under the PPSA.
<b>PPSA</b>	has the meaning set out in section 3.30.
<b>Pricing Date</b>	means, in respect of a Note or a Trust Note, 27 April 2018.
<b>Principal Collections</b>	means an amount determined in accordance with section 16.8.
<b>Principal Draw</b>	has the meaning set out in section 16.9.
<b>Principal Repayment Fund</b>	means an amount determined in accordance with section 16.8.
<b>Prospectus Directive</b>	means Directive 2003/71/EC, as amended from time to time.
<b>Purchase Price</b>	means an amount equal to the aggregate Outstanding Amount of the Housing Loans to be acquired by Secure Funding on the Issue Date.
<b>Quarterly Payment Date</b>	means in respect of a Class A1c Note or Class A1c Trust Note, the Payment Date occurring in January, April, July and October of each year provided that the first Quarterly Payment Date occurs in July 2018.
<b>Quarterly Payment Period</b>	<p>means, in respect of a Class A1c Note or Class A1c Trust Note, the period commencing on (and including) a Quarterly Payment Date and ending on (but excluding) the next Quarterly Payment Date. The first Quarterly Payment Period in respect of a Class A1c Note or a Class A1c Trust Note will be the period commencing on (and including) the Issue Date of that Class A1c Note or Class A1c Trust Note (as applicable) and ending on (but excluding) the first Quarterly Payment Date. The last Quarterly Payment Period in respect of a Class A1c Note or a Class A1c Trust Note will be the period commencing on (and including) the earlier of:</p> <p>(a) the Quarterly Payment Date immediately preceding the date of redemption of that Class A1c Note or Class A1c Trust Note (as applicable) and ending in (and including) the date of redemption of that Class A1c Note or Class A1c Trust Note (as applicable); or</p> <p>(b) the Quarterly Payment Date immediately preceding the Final Maturity Date and ending on (and including) the Final Maturity Date.</p>
<b>Rate of Interest</b>	<p>means:</p> <p>(a) in respect of a Class G Note or a Class G Trust Note and a Payment Period, a rate equal to the aggregate of the Bank Bill Rate on the first day of that Payment Period and the Relevant Margin; or</p> <p>(b) in respect of a Note (other than the Class G Note and the</p>

	<p>Class A1c Note) or a Trust Note (other than the Class G Trust Note and the Class A1c Trust Note):</p> <ul style="list-style-type: none"> <li>(i) for each Payment Period ending on or prior to the Step-Up Margin Date, a rate equal to the aggregate of the Bank Bill Rate on the first day of that Payment Period and the Relevant Margin for that Note or Trust Note (as applicable); or</li> <li>(ii) for each Payment Period ending after the Step-Up Margin Date, a rate equal to the aggregate of: <ul style="list-style-type: none"> <li>(A) the Bank Bill Rate on the first day of that Payment Period; and</li> <li>(B) the Relevant Margin for that Note or Trust Note (as applicable); and</li> <li>(C) the Step-Up Margin for that Note or Trust Note (as applicable) and that Payment Period; or</li> </ul> </li> </ul> <p>(c) In respect of each Class A1c Note or Class A1c Trust Note:</p> <ul style="list-style-type: none"> <li>(i) for each Quarterly Payment Period ending on or prior to the Step-up Margin Date, a rate equal to the aggregate of the Bank Bill Rate on the first day of that Quarterly Payment Period and the Relevant Margin for that Class A1c Note or Class A1c Trust Note (as applicable); or</li> <li>(ii) for each Quarterly Payment Period ending after the Step-up Margin Date, a rate equal to the aggregate of: <ul style="list-style-type: none"> <li>(A) the Bank Bill Rate on the first day of that Quarterly Payment Period (as applicable); and</li> <li>(B) the Relevant Margin for that Class A1c Note or Class A1c Trust Note (as applicable); and</li> <li>(C) the Step-Up Margin for that Class A1c Note or Class A1c Trust Note and that Quarterly Payment Period (as applicable).</li> </ul> </li> </ul>
<b>Rating Notification</b>	<p>in relation to an event or circumstance means that the Trust Manager has confirmed in writing that it has notified each Current Rating Agency of the event or a circumstance and that the Trust Manager is satisfied that the event or circumstance is unlikely to result in a withdrawal or downgrade of any of the</p>

	then current ratings issued by each Current Rating Agency in respect of the Notes.
<b>Receivables Acquisition and Servicing Agreement</b>	means any agreement so entitled between Secure Funding and the relevant Seller (excluding a Receivables Transfer Statement and a Sale Notice) under which Secure Funding acquires Housing Loans and Related Securities which then form Assets of the Trust.
<b>Receivables Transfer Statement</b>	means a statement of Secure Funding substantially in the form of Schedule 3 to the Master Trust Deed.
<b>Receiver</b>	means a person or persons appointed under or by virtue of the Trust General Security Deed or Series General Security Deed as receiver or receiver and manager.
<b>Redesignation</b>	means the redesignation by Secure Funding (in its capacity as trustee of any trust constituted pursuant to the Master Trust Deed) of a Housing Loan and its Related Security of the relevant trust to a different trust constituted pursuant to the Master Trust Deed and “ <b>Redesignate</b> ” and “ <b>Redesignated</b> ” shall have a corresponding meaning.
<b>Redraw</b>	means, in relation to a Housing Loan, any advance to the relevant Debtor after the settlement date of that Housing Loan which does not result in an increase in the Scheduled Balance of that Housing Loan.
<b>Redraw Trigger</b>	means, at any time: <ul style="list-style-type: none"> <li>(a) the Call Option is not exercised on the first Call Date; or</li> <li>(b) the aggregate Stated Amount of the Trust Notes is less than the aggregate Invested Amount of the Trust Notes.</li> </ul>
<b>Register</b>	means the Series Register or the Trust Register, as the context requires.
<b>Related Security</b>	means, in respect of a Housing Loan: <ul style="list-style-type: none"> <li>(a) any: <ul style="list-style-type: none"> <li>(i) Mortgage;</li> <li>(ii) Security Interest;</li> <li>(iii) guarantee, indemnity or other assurance; or</li> <li>(iv) asset,</li> </ul> <p>which, in either case, secures or otherwise provides for the repayment or payment of the amount owing under the Housing Loan; or</p> </li> <li>(b) any Insurance Policy (where it is not a Support Facility)</li> </ul>

	(both present and future) in respect of the Housing Loan.
<b>Relevant Margin</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) the Class A1a Margin;</li> <li>(b) the Class A1b Margin;</li> <li>(c) the Class A1c Margin;</li> <li>(d) the Class A2 Margin;</li> <li>(e) the Class B Margin;</li> <li>(f) the Class C Margin;</li> <li>(g) the Class D Margin;</li> <li>(h) the Class E Margin;</li> <li>(i) the Class F Margin; and</li> <li>(j) the Class G Margin,</li> </ul> <p>or any combination of them, as the context requires.</p>
<b>Reporting Statement</b>	<p>means a statement containing the following information:</p> <ul style="list-style-type: none"> <li>(a) the Outstanding Amount of each Housing Loan of the Trust;</li> <li>(b) in respect of Housing Loans that are in arrears: <ul style="list-style-type: none"> <li>(i) the amount by which each such Housing Loan is in arrears; and</li> <li>(ii) the number of consecutive days that each such Housing Loan has been in arrears; and</li> </ul> </li> <li>(c) each Housing Loan that, in the immediately preceding Collection Period, was subject to a Liquidation Loss and the amount of such Liquidation Loss.</li> </ul>
<b>Required Credit Rating</b>	means in respect of any Authorised Investments the highest long term credit rating then issued by each Current Rating Agency in respect of the outstanding Trust Notes.
<b>Required Margin</b>	means such margin as notified by the Trust Manager to each Current Rating Agency.
<b>Required Payments</b>	<p>means in respect of a Payment Date and the Payment Period ending on that Payment Date:</p> <ul style="list-style-type: none"> <li>(a) the aggregate of the priority payments in section 16.15(a) to section 16.15(y) inclusive if there are no</li> </ul>

	<p>unreimbursed Charge-Offs or Carryover Charge-Offs for that Payment Period in respect of the Class F Trust Notes;</p> <p>(b) the aggregate of the priority payments in section 16.15(a) to section 16.15(w) inclusive if there are no unreimbursed Charge-Offs or Carryover Charge-Offs for that Payment Period in respect of the Class E Trust Notes;</p> <p>(c) the aggregate of the priority payments in section 16.15(a) to section 16.15(u) inclusive if there are no unreimbursed Charge-Offs or Carryover Charge-Offs for that Payment Period in respect of the Class D Trust Notes;</p> <p>(d) the aggregate of the priority payments in section 16.15(a) to section 16.15(s) inclusive if there are no unreimbursed Charge-Offs or Carryover Charge-Offs for that Payment Period in respect of the Class C Trust Notes;</p> <p>(e) the aggregate of the priority payments in section 16.15(a) to section 16.15(q) inclusive if there are no unreimbursed Charge-Offs or Carryover Charge-Offs for that Payment Period in respect of the Class B Trust Notes; and</p> <p>(f) in all other cases, the aggregate of the priority payments in section 16.15(a) to section 16.15(o) inclusive.</p>
<b>Residual Capital Unit</b>	means the unit issued by Secure Funding to the Residual Capital Unitholder in accordance with the terms of the Trust.
<b>Residual Capital Unitholder</b>	see Section 1.
<b>Residual Income Unit</b>	means the unit issued by Secure Funding to the Residual Income Unitholder in accordance with the terms of the Trust.
<b>Residual Income Unitholder</b>	see Section 1.
<b>Resolution</b>	<p>means:</p> <p>(a) a resolution passed at a meeting:</p> <p>(i) on a show of hands, by the required majority or percentage, as the case may be, of persons present and voting, in person or by proxy; or</p> <p>(ii) if a poll is duly demanded, by the persons holding the required majority of the Trust Secured Moneys or Series Secured Moneys (in the case of a meeting of Trust Secured Creditors or Series Secured Creditors, respectively) or</p>

	<p>percentage of the amount outstanding under the Notes or the Trust Notes (as applicable, in the case of a meeting of Holders); or</p> <p>(b) where the law allows, a resolution in writing signed by persons holding the required majority of the Trust Secured Moneys or Series Secured Moneys (in the case of a meeting of Trust Secured Creditors or Series Secured Creditors, respectively) or percentage of Holders (in the case of a meeting of Holders).</p>
<b>Sale Notice</b>	means, in respect of the Trust, a notice issued by a Seller in accordance with Part D of the Master Trust Deed.
<b>Scheduled Balance</b>	means, at any time, the scheduled amortising balance of a Housing Loan calculated in accordance with the terms of that Housing Loan.
<b>Second Guarantee Draw</b>	has the meaning set out in section 16.12.
<b>Second Guarantee Draw Shortfall</b>	has the meaning set out in section 16.12.
<b>Secure Funding</b>	see Section 1.
<b>Security Interest</b>	means any bill of sale (as defined in any statute), mortgage, charge, letter of credit, lien, pledge, hypothecation, title retention arrangement, trust or power, as or in effect as security for the payment of a monetary obligation or the observance of any other obligation.
<b>Seller</b>	has the meaning set out in Section 4.1.
<b>Seller Security Trust Deed</b>	means the deed entitled “Security Trust Deed” dated 3 June 1998 between Secure Funding Pty Ltd, Perpetual Trustee Company Limited and Liberty Financial Pty Ltd.
<b>Seller Series</b>	means each Series (of Secure Funding Pty Ltd in its corporate capacity) constituted under the Seller Security Trust Deed and which the Seller notifies in writing to the other parties to the Trust General Security Deed is to be a “Seller Series” for the purposes of the Supplementary Terms Notice.
<b>Seller Trust</b>	means each Trust (of which Secure Funding Pty Ltd is the trustee) constituted under the Master Trust Deed and which the Seller notifies in writing to the other parties to the Supplementary Terms Notice is to be a “Seller Trust” for the purposes of the Supplementary Terms Notice.
<b>Series</b>	see Section 1
<b>Series Assets</b>	has the meaning set out in the Series Master Security Trust Deed.

<b>Series Business</b>	has the meaning set out in the Series Master Security Trust Deed.
<b>Series Charge</b>	means the security interest granted by Liberty Funding to the Series Security Trustee pursuant to the Series General Security Deed.
<b>Series Collateral</b>	means all Series Assets of the Series which Liberty Funding acquires or to which Liberty Funding is entitled under the Series General Security Deed.
<b>Series Collections</b>	<p>means, in respect of a Series Collection Period, all amounts received by or on behalf of Liberty Funding during that Series Collection Period in respect of the Acquired Assets, including without limitation:</p> <ul style="list-style-type: none"> <li>(a) all principal, interest and fees;</li> <li>(b) the proceeds of sale, or withdrawal from the relevant account, of any Acquired Asset;</li> <li>(c) any proceeds recovered from any enforcement action;</li> <li>(d) any amounts received on a repurchase or transfer;</li> <li>(e) any amount received as damages in respect of a breach of any representation or warranty.</li> </ul>
<b>Series Collection Account</b>	means with respect to the Series, the account opened by Liberty Funding in accordance with the Issue Supplement.
<b>Series Collection Period</b>	means each period from (but excluding) a Payment Date to (and including) the immediately following Payment Date, except in the case of the first Series Collection Period, which commences on (and excludes) the Cut-Off Date and ends on (and includes) the first Payment Date.
<b>Series Event of Default</b>	has the meaning set out in section 19.7.
<b>Series General Security Deed</b>	has the meaning set out in section 21.5.
<b>Series Income Collection</b>	means, in respect of a Series Collection Period, all Series Collections received by or on behalf of Liberty Funding during that Series Collection Period which are in the nature of interest or income.
<b>Series Management Deed</b>	has the meaning set out in section 21.4.
<b>Series Manager</b>	see Section 1.
<b>Series Manager Termination Event</b>	has the meaning set out in section 19.9.

<b>Series Master Registry Services Agreement</b>	has the meaning set out in section 21.4.
<b>Series Master Security Trust Deed</b>	has the meaning set out in section 21.4.
<b>Series Payment Period</b>	means, in respect of the Notes:  (a) initially, the period from (and including) the Issue Date of that Note to (but excluding) the first Payment Date after such Issue Date; and  (b) thereafter, each period from (and including) each Payment Date to (but excluding) the next following Payment Date.
<b>Series Principal Collection</b>	means in respect of a Determination Date:  (a) the Series Collections for the immediately preceding Series Collection Period; less  (b) the Series Income Collections as calculated on that Determination Date.
<b>Series Register</b>	means the Series Register of Holders of Notes in respect of the Series maintained by the Series Registrar pursuant to the Series Master Security Trust Deed, the Issue Supplement and the A\$ Note Conditions.
<b>Series Registrar</b>	see Section 1.
<b>Series Secured Creditors</b>	means:  (a) the Series Security Trustee (for its own account);  (b) the Series Manager;  (c) the Series Standby Manager;  (d) each Holder of the Notes for the Series;  (e) each Derivative Counterparty of the Series;  (f) the Dealer of the Series;  (g) the Series Registrar; and  (h) any other person so described in the Issue Supplement for the Series.
<b>Series Secured Money</b>	means all money which at any time, for any reason or circumstance in connection with the Transaction Documents (including any transaction in connection with them) whether under law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation) and whether or



	<p>not of a type within the contemplation of the parties at the date of the Series General Security Deed:</p> <ul style="list-style-type: none"> <li>(a) Liberty Funding is or may become actually or contingently liable to pay to any Series Secured Creditor; or</li> <li>(b) any Series Secured Creditor has advanced or paid on Liberty Funding's behalf or at Liberty Funding's express or implied request; or</li> <li>(c) any Series Secured Creditor is liable to pay by reason of any act or omission on Liberty Funding's, or that any Series Secured Creditor has paid or advanced in protecting or maintaining the Series Collateral or the Series General Security Deed following an act or omission on Liberty Funding's part; or</li> <li>(d) Liberty Funding would have been liable to pay any Series Secured Creditor but the amount remains unpaid by reason of an Insolvency Event in respect of Liberty Funding; or</li> <li>(e) are reasonably foreseeable as likely, after that time, to fall within any of the above paragraphs.</li> </ul> <p>This definition applies:</p> <ul style="list-style-type: none"> <li>(i) irrespective of the capacity in which Liberty Funding or the Series Secured Creditor of the Series became entitled to, or liable in respect of, the amount concerned;</li> <li>(ii) whether Liberty Funding or the Series Secured Creditor is liable as principal debtor, as surety, or otherwise;</li> <li>(iii) whether Liberty Funding is liable alone, or together with another person;</li> <li>(iv) even if Liberty Funding owes an amount or obligation to the Series Secured Creditor because it was assigned to the Series Secured Creditor, whether or not: <ul style="list-style-type: none"> <li>(A) the assignment was before, at the same time as, or after the date of the Series General Security Deed; or</li> <li>(B) Liberty Funding consented to or was aware of the assignment; or</li> <li>(C) the assigned obligation was secured before the assignment;</li> </ul> </li> </ul>
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	<p>(v) even if the Series General Security Deed was assigned to the Series Secured Creditor, whether or not:</p> <p>(A) Liberty Funding consented to or was aware of the assignment; or</p> <p>(B) any of the Series Secured Money was previously unsecured;</p> <p>(vi) whether or not Liberty Funding has a right of indemnity from the Series Assets.</p>
<b>Series Security Trust</b>	means the “Liberty Series 2018-1 Security Trust” constituted under the Series Master Security Deed and the Series General Security Deed.
<b>Series Security Trustee</b>	see Section 1.
<b>Series Standby Manager</b>	see Section 1
<b>Servicing Procedures</b>	means, from time to time, the then current policies and procedures of Liberty Financial and Secure Funding in relation to the servicing of Housing Loans.
<b>Specific Security Deed</b>	has the meaning set out in section 21.3.
<b>Stated Amount</b>	<p>means:</p> <p>(a) in respect of the Trust Notes, the Class A1a Stated Amount, the Class A1b Stated Amount, the Class A1c Stated Amount, the Class A2 Stated Amount, the Class B Stated Amount, the Class C Stated Amount, the Class D Stated Amount, the Class E Stated Amount, the Class F Stated Amount or the Class G Stated Amount or any combination of them, as the context requires; and</p> <p>(b) in respect of the Notes, the amount calculated as such under Section 17.7.</p>
<b>Step-Up Margin</b>	means, in respect of the Notes (other than the Class G Notes) or the Trust Notes (other than the Class G Trust Notes), the rates percentage per annum determined on the Pricing Date and notified as such by the Series Manager to Liberty Funding on or before the Issue Date and inscribed in the relevant Register as the step-up margin applicable to the Notes (other than the Class G Notes) or the Trust Notes (other than the Class G Trust Notes).
<b>Step-Up Margin Date</b>	<p>means:</p> <p>(a) in respect of the Notes (other than the Class A1c Notes and the Class G Notes) or the Trust Notes (other than the Class A1c Trust Notes and the Class G Trust Notes),</p>

	<p>the second Payment Date following the first Call Date; and</p> <p>(b) in respect of the Class A1c Notes or the Class A1c Trust Notes, the first Quarterly Payment Date following the first Call Date.</p>
<b>Step Down Requirements</b>	<p>will be satisfied on a Payment Date if:</p> <p>(a) that Payment Date falls:</p> <p>(i) on or after the Payment Date in April 2020; and</p> <p>(ii) prior to the first Call Date; and</p> <p>(b) on the Determination Date immediately preceding that Payment Date:</p> <p>(i) there are no Carryover Charge-Offs; and</p> <p>(ii) the Average Arrears Ratio on that Determination Date does not exceed 4%.</p>
<b>Subscription Agreement</b>	has the meaning set out in section 21.5.
<b>Supplementary Terms Notice</b>	has the meaning set out in section 21.3.
<b>Support Facilities</b>	<p>means the agreements or arrangements entered into by Secure Funding for the financial management, credit enhancement or liquidity support of the assets and liabilities of the Trust which are allocated to, entered into for the benefit of, or calculated by reference to, the Trust and includes, without limitation:</p> <p>(a) any Insurance Policy; and</p> <p>(b) the Interest Rate Swap Agreement.</p>
<b>Support Facility Provider</b>	means each provider of a Support Facility including, without limitation, any Interest Rate Swap Provider.
<b>TARGET</b>	means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET 2) system.
<b>TARGET Day</b>	means any day on which TARGET is open for the settlement of payments in Euro.
<b>Tax</b>	<p>includes any levy, charge, impost, fee, deduction, stamp duty or other tax of any nature payable, imposed, levied, collected, withheld or assessed by any governmental agency and includes any interest, expenses, fine penalty or other charge payable or claimed in respect thereof and any payment which is to be made pursuant to a tax sharing agreement or tax funding agreement, but does not include any tax on overall net personal income of Secure Funding and <b>Taxes</b> and <b>Taxation</b> shall be construed</p>

	accordingly.
<b>Tax Account</b>	means an account with an Eligible Bank established and maintained in the name of Secure Funding and in accordance with the terms of the Master Trust Deed, which is to be opened by Secure Funding when directed to do so by the Trust Manager in writing.
<b>Tax Act</b>	means the Income Tax Assessment Act 1936 (Cth) (as amended) and associated regulations and, where applicable, any replacement legislation including but not limited to the Income Tax Assessment Act 1997 (Cth).
<b>Tax Amount</b>	means, in respect of a Payment Period, the amount (if any) of tax that the Trust Manager reasonably determines will be payable in the future by Secure Funding in respect of the Trust and which accrued during that Payment Period.
<b>Tax Provision</b>	means a reasonable estimate of the amount of income tax (as defined by the Tax Act) that is to be payable by the Guarantor for the income year (as defined by the Tax Act) in which the Payment Date occurs.
<b>Tax Shortfall</b>	means, in respect of a Payment Period, the amount (if any) determined by the Trust Manager or the Series Manager (in respect of the Trust or the Series, respectively) to be the shortfall between the aggregate Tax Amounts set aside in accordance with the Supplementary Terms Notice or the Issue Supplement and the tax due and payable by Secure Funding and Liberty Funding (in respect of the Trust or the Series, respectively).
<b>Threshold Rate</b>	means the minimum Borrower Rates required to be set on the Housing Loans which will ensure that Secure Funding has sufficient funds (from Collections on such Housing Loans as well as any net amounts due to it under any Interest Rate Swap Agreement) available to meet the Required Payments (assuming that all parties comply with their obligations under such documents and such Housing Loans) and taking into account Housing Loans where the Trust Servicer does not have the discretion under the related Loan Agreement to vary the interest rate of those Housing Loans and moneys held in Authorised Investments.
<b>Total Interest Collections</b>	means, on a Determination Date, the amount calculated in accordance with section 16.14 on that Determination Date.
<b>Transaction Document</b>	means: <ul style="list-style-type: none"> <li>(a) the Master Trust Deed (insofar as it relates to the Trust);</li> <li>(b) the Master Definitions Schedule (insofar as it relates to the Trust);</li> <li>(c) the Notice of Creation in respect of the Trust;</li> </ul>

	(d) the Supplementary Terms Notice;
	(e) the Master Trust Servicer Deed (insofar as it relates to the Trust);
	(f) the Master Management Deed (insofar as it relates to the Trust);
	(g) the Trust General Security Deed;
	(h) the Subscription Agreement;
	(i) each Support Facility;
	(j) the Liquidity Facility Agreement;
	(k) any Interest Rate Swap Agreement;
	(l) the Master Origination Deed (insofar as it relates to the Trust);
	(m) the Master Registry Services Deed (insofar as it relates to the Trust);
	(n) the Deposit Deed;
	(o) the Guarantee;
	(p) the Deed of Covenant;
	(q) the Specific Security Deed;
	(r) the Operating Agency Agreement;
	(s) the Series Master Security Deed (insofar as it relates to the Series);
	(t) the Series Management Deed (insofar as it relates to the Series);
	(u) the Series Master Registry Services Agreement (insofar as it relates to the Series);
	(v) the Issue Supplement;
	(w) the Note Deed Poll attaching the A\$ Note Conditions;
	(x) the Series General Security Deed;
	(y) the Dealer Agreement;
	(z) the Subscription Agreement;
	(aa) the Note Trust Deed;

	<p>(bb) the Agency Agreement;</p> <p>(cc) the Currency Swap Agreement;</p> <p>(dd) the Insurance Policies; and</p> <p>(ee) each other document designated as such by the Trust Manager and Secure Funding from time to time provided that the Trust Manager has delivered a Rating Notification in respect of such designation.</p>
<b>Trust</b>	see Section 1.
<b>Trust Charge</b>	means the security interest granted by Secure Funding to the Trust Security Trustee pursuant to the Trust General Security Deed.
<b>Trust Collateral</b>	means all Assets of the Trust acquired by, Redesignated to or held by Secure Funding after the date of the Trust General Security Deed on the terms of the Trust in accordance with the Master Trust Deed and the Supplementary Terms Notice.
<b>Trust Collection Account</b>	means with respect to the Trust, the account opened by Secure Funding as trustee of the Trust in accordance with the Supplementary Terms Notice.
<b>Trust Collection Period</b>	means the period from (but excluding) a Determination Date to (and including) the immediately succeeding Determination Date. The first Trust Collection Period commences on (but excludes) the Cut-Off Date and ends on (and includes) the Determination Date immediately preceding the first Payment Date.
<b>Trust Custodian</b>	see Section 1.
<b>Trust General Security Deed</b>	has the meaning set out in section 21.3.
<b>Trust Event of Default</b>	has the meaning set out in section 18.7.
<b>Trust Manager</b>	see Section 1.
<b>Trust Note</b>	means a Class A1a Trust Note, a Class A1b Trust Note, a Class A1c Trust Note, a Class A2 Trust Note, a Class B Trust Note, a Class C Trust Note, a Class D Trust Note, a Class E Trust Note, a Class F Trust Note or a Class G Trust Note or any combination of them, as the context requires.
<b>Trust Originator</b>	see Section 1.
<b>Trust Receiver</b>	means a person or persons appointed under or by virtue of the Trust Charge as Trust Receiver or Trust Receiver and Trust Manager.

<b>Trust Register</b>	means the Trust Register of Holders of Trust Notes in respect of the Trust maintained by the Trust Registrar pursuant to the Master Trust Deed, the Master Registry Services Deed and the Supplementary Terms Notice.
<b>Trust Registrar</b>	see Section 1.
<b>Trust Secured Creditors</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) each Holder of Trust Notes in respect of the Trust;</li> <li>(b) any Interest Rate Swap Provider;</li> <li>(c) the Trust Manager;</li> <li>(d) the Trust Servicer;</li> <li>(e) the Trust Custodian;</li> <li>(f) the Trust Registrar;</li> <li>(g) the Trust Standby Trustee;</li> <li>(h) the Trust Standby Manager;</li> <li>(i) the Trust Standby Servicer;</li> <li>(j) the Trust Security Trustee (in its personal capacity and as trustee of the Security Trust);</li> <li>(k) the Liquidity Facility Provider; and</li> <li>(l) each other person specified as a “Secured Creditor” pursuant to the Transaction Documents.</li> </ul>
<b>Trust Secured Money</b>	<p>means all money which at any time for any reason or circumstance in connection with any Transaction Document that relates to, or applies to, the Trust or the Trust General Security Deed or any transactions contemplated by any of them (insofar as such transactions relate to, or apply to, the Trust), whatsoever whether at law, in equity, under statute or otherwise (including liquidated or unliquidated damages for default or breach of any obligation) and whether or not of a type within the contemplation of the parties at the date of the Trust General Security Deed:</p> <ul style="list-style-type: none"> <li>(a) Secure Funding is or may become actually or contingently liable to pay to any Trust Secured Creditor; or</li> <li>(b) any Trust Secured Creditor has advanced or paid on Secure Funding’s behalf or at Secure Funding’s express or implied request; or</li> <li>(c) any Trust Secured Creditor is liable to pay by reason of</li> </ul>

	<p>any act or omission on Secure Funding's part, or that any Trust Secured Creditor has paid or advanced in protecting or maintaining the Trust Collateral or the security interest created by the Trust General Security Deed following an act or omission by Secure Funding; or</p> <p>(d) Secure Funding would have been liable to pay any Trust Secured Creditor but the amount remains unpaid by reason of an Insolvency Event in respect of Secure Funding; or</p> <p>(e) are reasonably foreseeable as likely, after that time, to fall within any of above paragraphs.</p> <p>This definition applies:</p> <p>(i) irrespective of the capacity in which Secure Funding or the Trust Secured Creditor became entitled or is liable in respect of the amount concerned;</p> <p>(ii) whether Secure Funding or the Trust Secured Creditor is liable as principal debtor or surety or otherwise;</p> <p>(iii) whether Secure Funding is liable alone or together with another person;</p> <p>(iv) even if Secure Funding owes an amount or obligation to the Trust Secured Creditor because it was assigned to the Trust Secured Creditor, whether or not:</p> <p>(A) the assignment was before, at the same time as, or after the date of the Trust General Security Deed; or</p> <p>(B) Secure Funding consented to or was aware of the assignment; or</p> <p>(C) the assigned obligation was secured before the assignment;</p> <p>(v) even if the Trust General Security Deed was assigned to the Trust Secured Creditor, whether or not Secure Funding consented to or was aware of the assignment or any of the Trust Secured Money was previously unsecured; or</p> <p>(vi) whether or not Secure Funding has a right of indemnity from the Assets of the Trust..</p>
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<b>Trust Security Trust</b>	means the “Liberty Series 2018-1 Trust Security Trust” constituted under the Master Trust Deed and the Trust General Security Deed.
<b>Trust Security Trustee</b>	see Section 1.
<b>Trust Servicer</b>	see Section 1.
<b>Trust Standby Manager</b>	see Section 1.
<b>Trust Standby Servicer</b>	see Section 1.
<b>Trust Standby Trustee</b>	see Section 1.
<b>Unitholder</b>	means each of the Guarantor, the Residual Capital Unitholder and the Residual Income Unitholder.
<b>Unpaid Interest</b>	means, on any day, any amount of interest due to the Holder of a Note or Trust Note which is not paid in full on the date when it is due and payable, together with interest on that amount calculated at the aggregate of the Bank Bill Rate and the Relevant Margin in respect of that Note or Trust Note from the date on which the amount of interest fell due for payment until the day on which it is actually paid in full in accordance with the Supplementary Terms Notice.
<b>Voting Secured Creditors</b>	<p>means, in respect of the Series:</p> <p>(a) if any Class A1a Notes, Class A1b Notes or Class A1c Notes are outstanding:</p> <ul style="list-style-type: none"> <li>(i) the Class A1c Note Trustee on behalf of the Holders of the Class A1c Notes (or, if the Class A1c Note Trustee having become bound to take steps and/or proceed under the Note Trust Deed, the Master Security Trust Deed or the Series General Security Deed, fails to do so within a reasonable time and such failure is continuing, the Holders of the Class A1c Notes);</li> <li>(ii) the Holders of the Class A1a Notes and the Holders of the Class A1b Notes; and</li> <li>(iii) any Secured Creditors ranking equally or senior to the Holders of the Class A1a Notes, the Holders of the Class A1b Notes and the Class A1c Notes (as determined in accordance with the order of priority set out in Section 17.6);</li> </ul> <p>(b) if Class A2 Notes are outstanding, but no Class A1a Notes, Class A1b Notes or Class A1c Notes remain outstanding:</p> <ul style="list-style-type: none"> <li>(i) the Holders of the Class A2 Notes; and</li> </ul>

	<ul style="list-style-type: none"> <li>(ii) any Secured Creditors ranking equally or senior to the Holders of the Class A2 Notes (as determined in accordance with the order of priority set out in Section 17.6);</li> </ul>
	<ul style="list-style-type: none"> <li>(c) if Class B Notes are outstanding, but no Class A1a Notes, Class A1b Notes, Class A1c Notes or Class A2 Notes remain outstanding: <ul style="list-style-type: none"> <li>(i) the Holders of the Class B Notes; and</li> <li>(ii) any Secured Creditors ranking equally or senior to the Holders of the Class B Notes (as determined in accordance with the order of priority set out in Section 17.6);</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>(d) if Class C Notes are outstanding, but no Class A1a Notes, Class A1b Notes, Class A1c Notes, Class A2 Notes or Class B Notes remain outstanding: <ul style="list-style-type: none"> <li>(i) the Holders of the Class C Notes; and</li> <li>(ii) any Secured Creditors ranking equally or senior to the Holders of the Class C Notes (as determined in accordance with the order of priority set out in Section 17.6);</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>(e) if Class D Notes are outstanding, but no Class A1a Notes, Class A1b Notes, Class A1c Notes, Class A2 Notes, Class B Notes or Class C Notes remain outstanding: <ul style="list-style-type: none"> <li>(i) the Holders of the Class D Notes; and</li> <li>(ii) any Secured Creditors ranking equally or senior to the Holders of the Class D Notes (as determined in accordance with the order of priority set out in Section 17.6);</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>(f) if Class E Notes are outstanding, but no Class A1a Notes, Class A1b Notes, Class A1c Notes, Class A2 Notes, Class B Notes, Class C Notes or Class D Notes remain outstanding: <ul style="list-style-type: none"> <li>(i) the Holders of the Class E Notes; and</li> <li>(ii) any Secured Creditors ranking equally or senior to the Holders of the Class E Notes (as determined in accordance with the order of priority set out in Section 17.6);</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>(g) if Class F Notes are outstanding, but no Class A1a Notes, Class A1b Notes, Class A1c Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes or</li> </ul>

	<p>Class E Notes remain outstanding:</p> <ul style="list-style-type: none"> <li>(i) the Holders of the Class F Notes; and</li> <li>(ii) any Secured Creditors ranking equally or senior to the Holders of the Class F Notes (as determined in accordance with the order of priority set out in Section 17.6);</li> </ul> <p>(h) if Class G Notes are outstanding, but no Class A1a Notes, Class A1b Notes, Class A1c Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes remain outstanding:</p> <ul style="list-style-type: none"> <li>(i) the Holders of the Class G Notes; and</li> <li>(ii) any Secured Creditors ranking equally or senior to the Holders of the Class G Notes (as determined in accordance with the order of priority set out in Section 17.6); and</li> </ul> <p>(i) once the Invested Amount of the Notes has been reduced to zero, the remaining Series Secured Creditors.</p>
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# DIRECTORY

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**Listing Agent**

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Trust Standby Manager, Series Standby  
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