



# APOLLO Series 2010-1

## Final Term Sheet

### A\$1.0 Billion

Pricing Date: 28 May 2010  
Issue Date: 9 June 2010

Class	Volume	Preliminary Rating (S&P/ Moody's)	Expected* WAL	Expected Maturity	Coupon	Recommended Credit Support Without LMI (S&P/ Moody's)	Credit Support Provided
Class A1	A\$630.0m	AAA / Aaa	1.5yr	Feb-2014	1M BBSW + 1.00%	3.9% / 4.2%	7.0%
Class A2	A\$300.0m	AAA / Aaa	6.0yr	May-2018	1M BBSW + 1.10%	3.9% / 4.2%	7.0%
Class AB	A\$50.0m	AAA / NR	5.1yr	May-2018	Undisclosed	3.9% / –	2.0%
Class B	A\$20.0m	AA- / NR	5.1yr	May-2018	Undisclosed	2.4% / –	–

\*Paydown analysis assumes a CPR of 24% flat and that the (10% clean-up) call option is exercised at the earliest opportunity. Calculations performed by the Arranger.

## Common Terms for the Notes

<b>Instruments</b>	The Trust will issue amortising, limited recourse, pass-through floating rate debt notes that will be issued in registered form. The notes are divided into four tranches – Class A1, Class A2, Class AB and Class B Notes.
<b>Currency</b>	Australian Dollars
<b>Legal Maturity Date</b>	9 July 2041
<b>Issue Price</b>	At par
<b>Settlement</b>	Austraclear / Physical
<b>Denominations</b>	All Class A1, Class A2, Class AB and Class B Notes will be issued for a minimum A\$500,000 and thereafter in multiples of A\$100,000
<b>Ex-interest Period</b>	4 Banking Days
<b>Business Day Convention</b>	A day (not being a Saturday or Sunday) on which banks are open for general banking business in Sydney and Brisbane
<b>Withholding Tax</b>	<p>The Class A1, Class A2 and Class AB will be issued to comply with the public offer test provisions under section 128F of the Income Tax Assessment Act 1936 (as amended)</p> <p>The Class B notes will not comply with section 128F.</p>
<b>Listing</b>	Class A1 and Class A2 Notes will be listed on the Australian Securities Exchange (ASX).

## Parties to the Transaction

<b>Issuer &amp; Trustee</b>	Perpetual Trustee Company Limited atf the APOLLO Series 2010-1 Trust
<b>Manager</b>	SME Management Pty Ltd



<b>Rating Agencies</b>	Moody's Investors Service Pty Limited Standard & Poor's (Australia) Pty Limited
<b>Servicer</b>	Suncorp Metway Limited
<b>Arranger</b>	Suncorp Metway Limited
<b>Joint Lead Managers &amp; Joint Bookrunners</b>	Deutsche Bank AG, Sydney Branch Macquarie Bank Limited
<b>Mortgage Insurance Provider</b>	QBE Lenders' Mortgage Insurance Limited
<b>Security Trustee</b>	P. T. Limited.
<b>Liquidity Facility Provider</b>	Suncorp-Metway Ltd A1 / A
<b>Fixed Rate Swap Provider</b>	Suncorp-Metway Ltd A1 / A
<b>Basis Swap Provider</b>	Suncorp-Metway Ltd A1 / A

## Features of the Notes

<b>Coupon</b>	<p>Coupon will be payable on the Notes monthly in arrears at the aggregate of the 1 Month BBSW rate and the relevant margin. If:-</p> <ul style="list-style-type: none"> <li>(a) the initial Coupon Period is not equal to one month;</li> <li>(b) on the first day of a Coupon Period fewer than 4 banks are quoted on the Reuters Screen page "BBSW"; or</li> <li>(c) for any other reason the rate for that day cannot be determined in accordance with the foregoing procedures,</li> </ul> <p>then BBSW means such rate as is specified by the Manager having regard to comparable indices then available.</p>
<b>Coupon Payment Dates</b>	<p>The Trust will make disbursements on each Distribution Date being the 9<sup>th</sup> of each calendar month.</p> <p>The First Distribution Date will be on 9<sup>th</sup> July 2010.</p>
<b>Day Count Basis</b>	Actual/365
<b>Determination Date</b>	Three Business Days prior to the Distribution Date
<b>Call Option</b>	<p>The Trustee (at the direction of the Manager) may redeem the Notes on any Distribution Date on or after the date on which the aggregate principal outstanding on the Housing Loans, when expressed as a percentage of the aggregate principal outstanding on the Housing Loans as at the Settlement Date, is less than 10%.</p>
<b>Step-up Margin</b>	<p>An additional margin of 0.25% per annum will also be payable on the Class A Notes in respect of each Coupon Period following the date on which the Call Option becomes exercisable. There is no Step-up Margin on the Class AB or Class B Notes.</p>
<b>Substitution</b>	No substitution of residential mortgage loans will be permitted.



<b>Collateral</b>	<p>A portfolio of prime Australian residential mortgage loans originated by Suncorp Metway Limited in its ordinary course of business</p> <p>The majority of loans have a floating-rate of interest, and are repayable on a principal and interest basis over their life – out to 30 years. The borrower may elect to fix a portion of their loan for a period of up to 5 years.</p>
<b>Mortgage Insurance</b>	<p>All residential mortgage loans equitably assigned to the Trustee are covered by a mortgage insurance policy by the mortgage insurer noted above that covers against non-payment of 100% of the principal amount and interest secured by the Mortgage Security. The Issuer's ability to claim is subject to the terms of the relevant policy.</p>
<b>Subordination</b>	<p>The Class A1 and Class A2 Noteholders benefit from the subordination of the Class AB and Class B Notes.</p> <p>The Class AB Noteholders benefit from the subordination of the Class B Notes.</p> <p>The subordination is sufficient to ensure the ratings on the Class A1 and Class A2 Notes are independent of the ratings of the Mortgage Insurance Provider at the Settlement Date.</p>
<b>Threshold Rate Mechanism</b>	<p>Where the Variable Rate Basis Swap is terminated, the Manager undertakes to maintain the interest rate of each Housing Loan at a level which is sufficient to ensure that, assuming that all relevant parties comply with their obligations, the Trustee will have sufficient available funds to enable it to comply with its obligations under the Notes and other Transaction Documents.</p>
<b>Excess Spread</b>	<p>Excess spread will be utilised to cover any Note charge-offs over the term of the transaction.</p>
<b>Principal Payment Structure –</b>	
<b>Pre Enforcement</b>	<p>The notes comprise of 3 Classes – Class A, Class AB and Class B Notes. The Class A Notes will be divided into 2 sub-classes – Class A1 and Class A2.</p> <p>If the Subordination Conditions are not satisfied, principal distributions will be paid sequentially, in the following order of priority:</p> <ol style="list-style-type: none"> <li>1. to Class A1 Noteholders until repaid in full;</li> <li>2. to Class A2 Noteholders until repaid in full.</li> <li>3. to Class AB Noteholders until repaid in full; and</li> <li>4. to Class B Noteholders.</li> </ol> <p>If the Subordination Conditions are satisfied and if the second anniversary of the Issue has not occurred, then principal distributions will be paid <b>pari-passu and rateably</b> (until repaid in full) amongst the Class A and Class AB on the following basis:</p> <ol style="list-style-type: none"> <li>1. to Class A Noteholders, in the following order: <ol style="list-style-type: none"> <li>(A) to Class A1 Noteholders until repaid in full,</li> <li>(B) to Class A2 Noteholders; and</li> </ol> </li> <li>2. to Class AB Noteholders.</li> </ol> <p>If the Subordination Conditions are satisfied and if the second anniversary of the Issue has occurred, then principal distributions will be paid <b>pari-passu and rateably</b> (until repaid in full) amongst the Class A, Class AB and Class B on the following basis:</p> <ol style="list-style-type: none"> <li>1. to Class A Noteholders, in the following order: <ol style="list-style-type: none"> <li>(A) to Class A1 Noteholders until repaid in full;</li> <li>(B) to Class A2 Noteholders;</li> </ol> </li> <li>2. to Class AB Noteholders; and</li> <li>3. to Class B Noteholders.</li> </ol> <p>Subordination conditions are:</p>



- Class A Notes subordination is at least 14%;
- Class AB Notes subordination is at least double the initial amount;
- the Distribution Date is not on or after the first possible date the Call Option can be exercised;
- no unreimbursed charge-offs on the Class B Notes; and
- the average of the mortgage loans being 60 days or more delinquent over the immediately prior 12 months is < 3%;

## Principal Payment Structure –

### Post Enforcement

Principal pass-through is purely sequential:  
Principal collections will first be allocated pari passu to all Class A Notes, which rank ahead of the Class AB Notes and Class B Notes. Then, principal collections will be allocated pari passu to all Class AB Notes, which rank ahead of Class B Notes. Finally, principal collections will be allocated pari passu to all Class B Notes.

### Interest Payment Structure

Pre and Post- enforcement: Interest will be paid first pari passu to all Class A Notes, which rank ahead of the Class AB and Class B Notes, then pari passu to Class AB Notes, which rank ahead of Class B Notes, and finally pari passu to Class B Notes.

## Liquidity Support

### Liquidity Facility

The facility limit will initially be sized at 1.2% of the total outstanding principal balance of the issued Notes and will be reduced in line with the amortisation of the Notes. The Liquidity Facility Provider will be required to cash collateralise the amount of the Liquidity Facility if it does not hold a short term rating equal to or higher than A-1 by Standard and Poor's and P-1 by Moody's respectively.

## Hedging

### Fixed Rate Swap

The Trustee on behalf of the Trust will enter into an interest rate swap to hedge the basis risk between the floating rate obligations on the Notes and the fixed rate receipts from the Mortgage Loans.

### Basis Swap

The Trustee on behalf of the Trust will enter into a variable rate basis swap to hedge the basis risk between the floating rate obligations on the Notes and the variable rate interest receipts from the Mortgage Loans.



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