

Capital Series *Australia II*

A NEW DIMENSION IN STRUCTURED INVESTMENTS



CommonwealthBank



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3 Why consider structured products?

Structured products are created to meet the specific needs of investors that cannot be easily met from standardised financial products. Therefore, structured products often have unique features that can be different from product to product.

A 'capital protection' feature is often associated with structured products. Capital protection generally means that an investor's principal is protected up to a certain level if the investment is held to maturity. In a volatile environment, like the one we are experiencing now, a capital protection feature may be valuable for investors who are seeking an alternative to a direct investment but with a reduced level of risk.

Some of the benefits of structured products may include:

Capital protection	A level of capital protection may appeal to investors who wish to limit their risk of loss at maturity of the investment term Investors should be aware of the features and the level of capital protection specific to a particular product, as they can vary
Diversification	Exposure to local and global share markets, indices, sectors or asset classes
Income	Some structured products may offer an income stream

As with any investment, there are risks associated with structured products. It is important that investors read the Product Disclosure Statement (PDS) before investing.

Introducing Capital Series *Australia II*

Capital Series *Australia II* aims to generate capital growth over the medium term and gives you exposure to the performance of our local share market.

The concept of Capital Series *Australia II* is:

- You make an investment for a 5½ year term
- Your returns are linked to the performance of the S&P/ASX 200 Index, an index made up of 200 of the largest listed Australian companies by market capitalisation
- At maturity your investment will be capital protected¹, plus you will receive any capital growth.

Capital Series *Australia II* offers two different Strategies for you to choose from:

Strategy 1

Underlying Portfolio	Capital protection level	Potential for capital growth	Investment Term
S&P/ASX 200 Index	100%	Up to 80%	5.5 years

Strategy 2

Underlying Portfolio	Capital protection level	Potential for capital growth	Investment Term
S&P/ASX 200 Index	80%	Unlimited	5.5 years

5 Features at a glance

There are many reasons to consider an investment in Capital Series *Australia II*:

Capital growth potential	Strategy 1 – Up to a maximum of 80% above the Initial Reference Level Strategy 2 – Unlimited to any increase above the Initial Reference Level
Capital protection¹	The two Strategies offer different levels of capital protection at maturity: Strategy 1 – 100% Strategy 2 – 80%
Investment Term	5½ years
Participation Rate	100%
Coupons	Nil
Borrow to invest	Fund your Capital Series <i>Australia II</i> investment with the: <ul style="list-style-type: none">• Capital Investment Loan²• Interest in Advance Loan²
SMSF availability	Capital Series <i>Australia II</i> is available to Self Managed Super Funds ²
Minimum Investment Amount	A\$10,000 per Strategy
At maturity	You have the choice to receive the final value of your investment in either: (a) Physical delivery of a parcel of the SPDR S&P/ASX 200 Fund ³ ; or (b) A cash payment ⁴

There are risks associated with an investment in Capital Series *Australia II*. Please refer to both Part 1 and Part 2 of the Product Disclosure Statement for more information.

Who should consider investing in Capital Series *Australia II*? 6

Generally, Capital Series *Australia II* may be suitable for individuals, companies, trusts and SMSFs who:

- Feel comfortable knowing their initial investment is protected up to the protection level at maturity
- Believe a five and a half year investment over the S&P/ASX 200 Index will generate capital growth
- Are looking to diversify their investment portfolio in one simple transaction across an index comprising 200 of the largest Australian listed companies
- Seek any possible benefits of borrowing to invest²

7 Key dates

Opening Date 23 February 2009

Closing Date 3 April 2009

Start Date 20 April 2009

Maturity Date 27 October 2014

To find out more, you can obtain a copy of both Part 1 and Part 2 of the Product Disclosure Statement by contacting your Financial Adviser.



9 Important information

- 1 Capital Protection will only apply at the Maturity Date and is subject to risks, limitations and conditions. Please refer to the PDS for more information.
- 2 The Capital Investment Loan or Interest in Advance Loans are not available to SMSF.
- 3 At the commencement of Capital Series *Australia II*, the Delivery Asset is one unit in the SPDR S&P/ASX 200 Fund. At maturity, you will receive Delivery Assets to the value of the Maturity Value. Refer to the Capital Series *Australia II* PDS for information about the Delivery Asset, Maturity Value and the circumstances where the Delivery Asset may be substituted for another security.
- 4 By using the Delivery Asset Sale Service outlined in the PDS.

Important Information

Capital Series *Australia II* is issued by Commonwealth Bank of Australia ABN 48 123 123 124 (Commonwealth Bank) administered by its wholly owned but non-guaranteed subsidiary Commonwealth Securities Limited ABN 60 067 254 399 (CommSec). A Product Disclosure Statement (PDS) for Capital Series *Australia II*, dated 23 February 2009, is available by calling 13 15 20 and should be considered before making any decision about this product. Investments in Capital Series are not deposits with Commonwealth Bank. They are contracts entered into between Investors and Commonwealth Bank on the terms set out in the Terms of Sale as contained in the PDS. Capitalised terms in this document have equal meaning to the capitalised terms in the PDS. Potential investors should refer to the PDS for risks and costs involved with an investment in Capital Series *Australia II*.

The information in this document should not be taken as a recommendation to invest in Capital Series *Australia II*. As the information has been prepared without considering your objectives, financial situation or needs, you should, before acting on the information in this document, consider its appropriateness to your circumstances. Past performance is not a reliable indicator of future performance. Applications for finance (the "Capital Investment Loan" and "Interest in Advance Loan") are subject to the Bank's normal credit approval.

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