

Important Dates*

Opening Date	13 February 2012	
Closing Date	30 March 2012	
Start Date	5 April 2012	
Maturity Date	Strategy 1	7 April 2014
	Strategy 2	5 April 2017

Key Information

Investment Type	Vantage+ is classified as a "security" under the Corporations Act. Investors enter into a Deferred Purchase Agreement with the Issuer	
Reference Asset	S&P/ASX 200 Price Return Index	
Issuer	Commonwealth Bank of Australia (CBA)	
Broker	Commonwealth Securities Limited	
Nominee	Share Direct Nominees Pty Limited	
Capital Protection	There is no capital protection	
Upfront Amount *	Strategy 1	14 to 16% of Notional Value
	Strategy 2	22 to 24% of Notional Value
Capped Level * (Strategy 1 only)	140% of the Reference Asset Level on the Start Date	
Leverage Ratio	Notional Value / Upfront Amount	
	Strategy 1	– Between 6.25 and 7.14 times leverage
	Strategy 2	– Between 4.17 and 4.55 times leverage
Notional Value	A minimum of \$25,000	
Distributions	Vantage+ Strategies 1 and 2 do not pay coupons, dividends or other distributions	
Delivery Assets	Units in the SPDR S&P/ASX 200 Fund	
Liquidity	At CBA's discretion, generally on or around the 15 th day of each month	

Fees & Commissions

Initial Advisor Fee	An Adviser Fee may be negotiated between the Adviser and investor
Brokerage Fee	0.55% (including GST) of the Maturity Value, applicable only if Delivery Asset Sale Service chosen
Early Termination Fee	Up to \$500 may be charged in the event of an early termination

* The Dates, Upfront Amount and Capped Level may change. The Upfront Amount and Capped Level are influenced by a number of factors including the level of interest rates and the volatility of the Reference Asset.

What this Rating means

The 'Recommended' rating indicates that Lonsec has conviction that the fund or product can achieve its objectives and, if applicable, outperform peers over an appropriate investment timeframe. The manager or product has a number of competitive advantages in people, process and product design. The investment is a recommended entry point to access this asset class or strategy.

Using this Product

This is General Advice only and should be read in conjunction with the Disclaimer, Disclosure and Warning on the final page.

- Commonwealth Bank Vantage+ Series 2 (Vantage+) provides investors with the opportunity to gain exposure to the price growth potential of the Australian equities market. Vantage+ is most suited to Growth and High Growth investors. Maximum percentage asset class allocations for all risk profiles are outlined in Lonsec's Risk Profile Review.
- Vantage+ does not incorporate capital protection so investors should fully understand the risks associated with equity investments. The full amount of any investment is at risk; however losses are limited to the initial investment amount. Any gains at maturity for Strategy 1 are subject to a pre-defined Capped Level. Strategy 2 is not capped.
- Investors can gain exposure to the price performance of the Australian equity market for a fraction (approximately 14% to 24%) of the notional exposure of the investment. This may be an effective means to gain investment exposure for some investors with limited funds.
- Product returns are provided via capital gain/loss at maturity. The product is not appropriate for investors reliant on dividends and/or franking credits. **Investors will lose their entire Upfront Amount if the Reference Asset remains flat or falls over the investment term.**
- The product is open to Self Managed Super Funds.

Product Risk Characteristics

	Low	Moderate	High
Leverage			▲
Liquidity		▲	
Counterparty	▲		
Concentration	▲		
Volatility			▲

Risk categories are based on Lonsec's qualitative opinion of the risks inherent in the product's asset class and the risks relative to other products in the relevant Lonsec sector universe.

Lonsec Opinion of this Product

- An investment in Vantage+ offers investors the opportunity to gain medium term enhanced exposure to the price growth potential of the S&P/ASX 200 Price Return Index. A one-off payment akin to an option premium provides the exposure. Strategy 1 incorporates a cap on product returns while Strategy 2 is not capped. Lonsec views the structure as a relatively efficient means of providing leveraged exposure to the Reference Asset.
- Investors can choose to gain exposure to the Reference Asset via a managed fund or an exchange traded fund, receive dividends and any franking credits and be exposed to both positive and negative price movements. However, the investor needs to fund the full notional exposure. Alternatively, Vantage+ offers investors exposure to the positive price movements of the Reference Asset for a fraction of the notional exposure while limiting downside risk to an investor's initial investment. Investors should note they do not receive dividends and franking credits on the Reference Asset and maximum returns are capped for Strategy 1.
- Lonsec believes the S&P/ASX 200 Price Return Index used in the product is appropriate for investors seeking passive exposure to the Australian equities market. The index offers broad representation, investability and transparency. Index exposure is suited to investors who believe the market average provides an efficient long term return or are unwilling to pay the additional fees involved with active management. The index is widely recognised in the industry and provides clear rules for security selection and exclusion. Importantly, the index is sponsored and calculated independently of the Issuer.
- The Upfront Amount in this style of product is affected by a number of factors, including volatility of the Reference Asset and interest rates, and will not be set until the Start Date.
- Lonsec believes that CBA is very well resourced and has the appropriate support networks in place to manage structured products of this type.
- Various components of the product pricing are based on the Issuer's costs and option hedging prices, some of which the Issuer determines at its discretion. As is often the case with structured product pricing generally, these prices will not be transparent to the investor.

Relevant Parties

The Issuer and Lender of Vantage+ is CBA, holder of Australian Financial Services Licence No. 234945. CBA is one of Australia's leading financial institutions founded under the Commonwealth Bank Act in 1911 and commenced operations in 1912.

CBA is listed on the Australian Securities Exchange (ASX code: CBA) and is regulated by APRA as an authorised deposit-taking institution.

Commsec, a wholly owned but non-guaranteed subsidiary of CBA and Participant of the ASX Group, acts as Broker to the Issuer.

An investment in Vantage+ is not a bank deposit.

How does the Product work?

Investors purchase **Deferred Purchase Agreements** from the Issuer to take delivery of Delivery Assets (or Sale Proceeds if option selected) at maturity. Each Strategy is classified as a "security" under the Corporations Act because investors become a beneficiary of the nominee arrangements created under the Nominee Deed.

The Upfront Amount represents only a fraction of the actual exposure an investor achieves to the Reference Asset. This one-off investment provides investors with a Notional Exposure to the relevant Reference Asset.

The Upfront Amounts for each Strategy are dependent on a number of variables, including but not limited to, the level and volatility of the relevant Reference Asset, interest rates and dividend yields.

The **Maturity Value** of each Strategy is linked to the performance of the Reference Asset over the investment term on a point-to-point basis from the Start Date to the Maturity Date. In the case of Strategy 1, the Maturity Value is subject to the pre-defined Capped Level. There is a trade-off between the Upfront Amount and the Capped Level.

The Maturity Value is determined by initially calculating the percentage change in the relevant Reference Asset over the investment term using the following formula:

$$\text{Reference Asset Return} = \frac{\text{Reference Asset Level at Maturity Date} - \text{Reference Asset Level at Start Date}}{\text{Reference Asset Level at Start Date}}$$

**The Reference Asset Level at Maturity Date is subject to a Capped Level for Strategy 1.*

The Reference Asset Return is then multiplied by the Notional Value to determine the Maturity Value.

Break-even Levels

The Break-even Levels Strategies 1 & 2 are outlined below:

Strategy	Break-even Level*	Indicative Cap
Strategy 1	15% (7.2% p.a.)	140%
Strategy 2	23% (4.2% p.a.)	n/a

** Annualised Break-even Levels are based on terms of 732 days (Strategy 1) and 1826 days (Strategy 2), use compounding interest and assume Upfront Amounts of 15% (Strategy 1) and 23% of Notional Value (Strategy 2).*

Any additional fees an investor may incur in making an investment will increase the Break-even Level.

Investors should note this calculation ignores the effects of tax and the time value of money.

Strategy 1

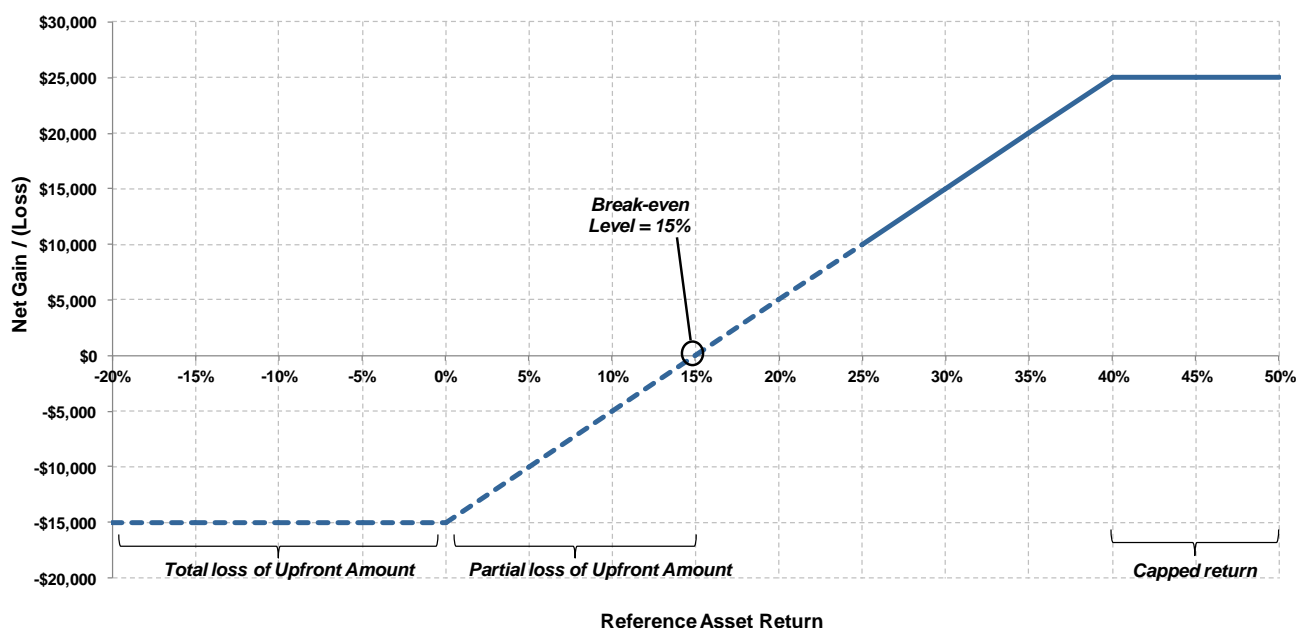
Scenario Analysis

The following table demonstrates the payoff for **Strategy 1** at maturity under various scenarios assuming an **Upfront Amount of 15% of the Notional Value of \$100,000, Initial Reference Level of 4300 and a Capped Level of 140%**:

Reference Asset Level at Maturity	Reference Asset Return	Maturity Value	Net Gain / Loss	% Return on Upfront Amount
3440	-20.0%	\$0	-\$15,000	-100.0%
3655	-15.0%	\$0	-\$15,000	-100.0%
3870	-10.0%	\$0	-\$15,000	-100.0%
4085	-5.0%	\$0	-\$15,000	-100.0%
4300	0.0%	\$0	-\$15,000	-100.0%
4515	5.0%	\$5,000	-\$10,000	-66.7%
4730	10.0%	\$10,000	-\$5,000	-33.3%
4945	15.0%	\$15,000	\$0	0.0%
5160	20.0%	\$20,000	\$5,000	33.3%
5375	25.0%	\$25,000	\$10,000	66.7%
5590	30.0%	\$30,000	\$15,000	100.0%
5805	35.0%	\$35,000	\$20,000	133.3%
6020	40.0%	\$40,000	\$25,000	166.7%
6235	45.0%	\$40,000	\$25,000	166.7%
6450	50.0%	\$40,000	\$25,000	166.7%

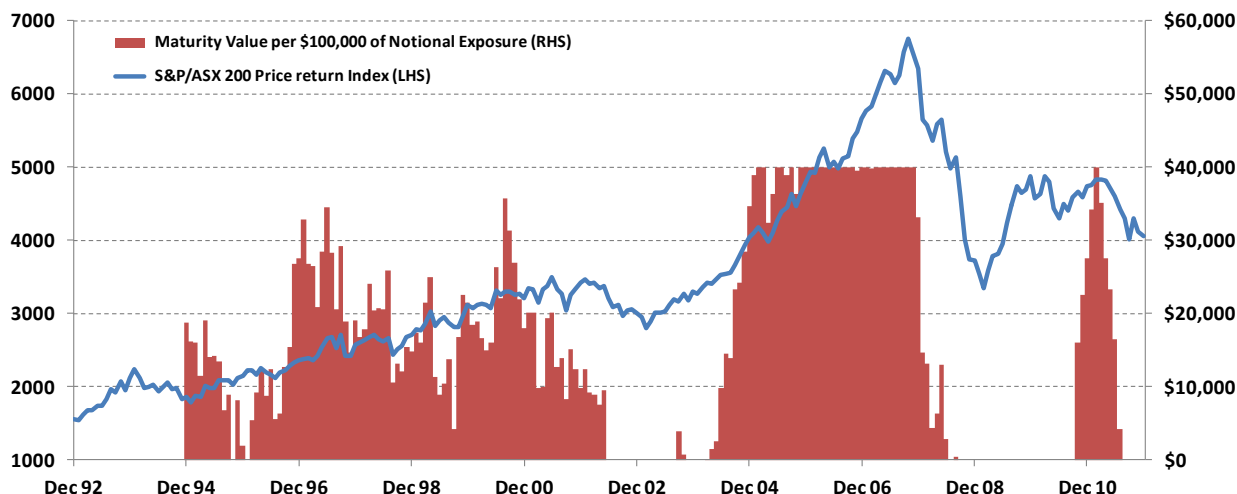
- The table shows that the Reference Asset must increase in order for investors to profit. **Further, investors will lose their entire investment amount if the Reference Asset remains flat or falls over the investment term.** This is the worst case scenario for investors as losses are limited to the Upfront Amount.
- The Break-even Level for Strategy 1 is where the Reference Asset Return is 15% over the investment term. The Reference Asset Return needs to be greater than 15% for investors to make a net gain.
- Net gain is capped at a Reference Asset Return of 40.0%, representing a 166.7% increase on the Upfront Amount.

The following graph illustrates the above table.



Historical Simulation

Using historical monthly values of the S&P/ASX 200 Price Return Index between December 1992 and December 2011, 205 observations (each covering a two year period) are analysed to investigate how the Maturity Value varied over different market cycles. The first observation started December 1992 and ended December 1994 while the final observation started December 2009 and December 2011. The chart below illustrates the S&P/ASX 200 Price Return Index and the Maturity Value at the end of each observation.

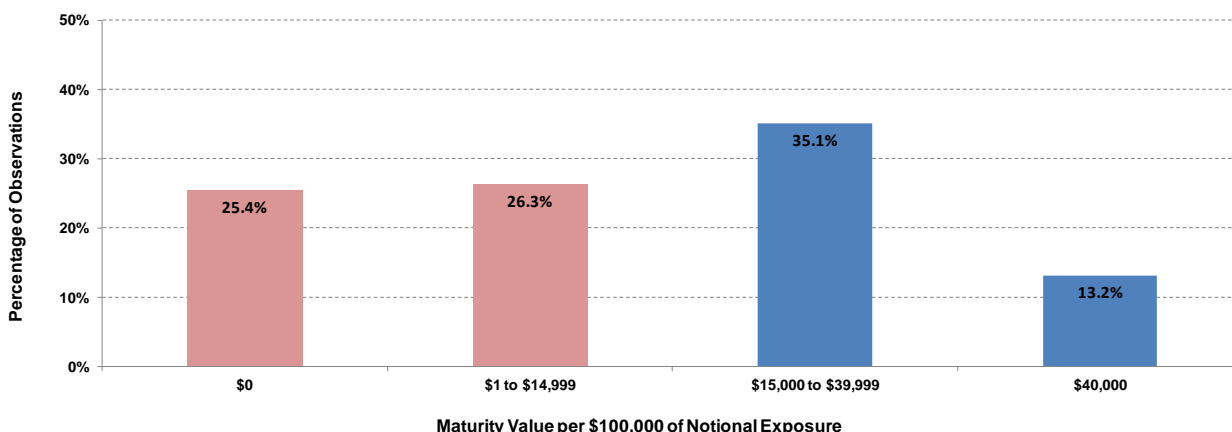


Source: S&P, Lonsec

During the 1990s, growth and volatility were relatively moderate and Maturity Value averaged \$16,303 per \$100,000 of Notional Exposure.

The strong equity market performance of 2003-2007 resulted in Maturity Values of, or close to, \$40,000 between June 2005 and November 2007. Market corrections in November 2001 and November 2007 resulted in subsequent Maturity Values declining to \$0.00 for periods of 15 months and 25 months respectively.

The following chart and table summarise the range of Maturity Values and the frequency at which they occurred.



Source: S&P, Lonsec

Result at Maturity	% of Observations
Total loss of Upfront Amount	25.4%
Partial loss of Upfront Amount	26.3%
Positive net gain (i.e. above break-even level but less than cap),	35.1%
Maximum (capped) gain	13.2%

Past performance is not a reliable indicator of future performance. No assumption of the historical Upfront Amount is made in this analysis as past factors, such as interest rates and index level and volatility, would have resulted in different Upfront Amounts and Caps, and therefore Maturity Values, over the period assessed.

Strategy 2

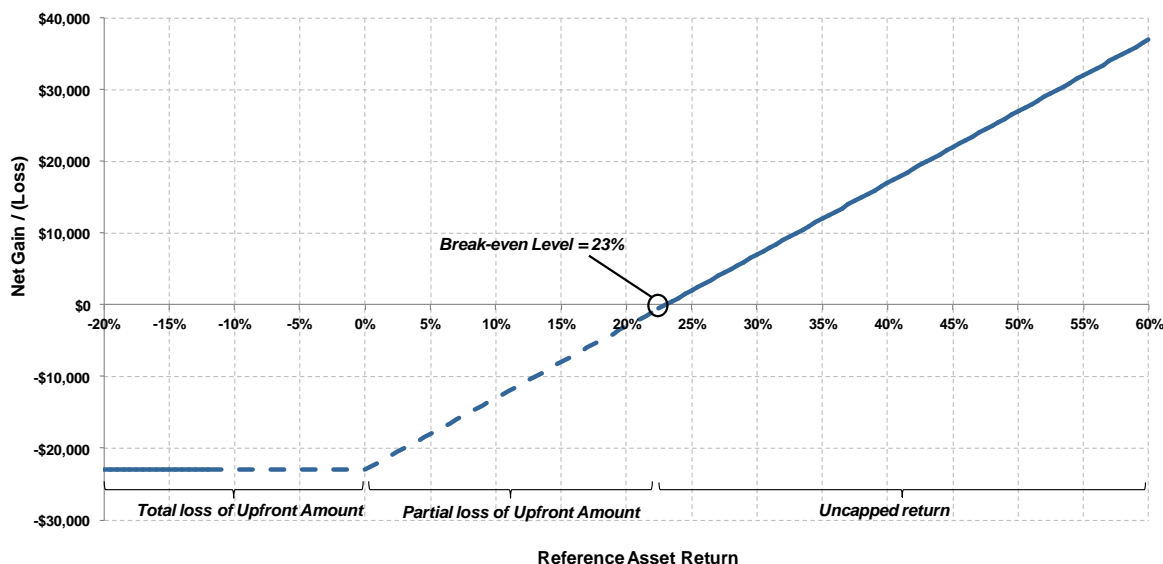
Scenario Analysis

The following table demonstrates the payoff for **Strategy 2** at maturity under various scenarios assuming an **Upfront Amount of 23% of the Notional Value of \$100,000, Initial Reference Level of 4300 and no Cap**:

Reference Asset Level at Maturity	Reference Asset Return	Maturity Value	Net Gain / Loss	% Return on Upfront Amount
3280	-20.0%	\$0	-\$21,000	-100.0%
3440	-20.0%	\$0	-\$23,000	-100.0%
3655	-15.0%	\$0	-\$23,000	-100.0%
3870	-10.0%	\$0	-\$23,000	-100.0%
4085	-5.0%	\$0	-\$23,000	-100.0%
4300	0.0%	\$0	-\$23,000	-100.0%
4515	5.0%	\$5,000	-\$18,000	-78.3%
4730	10.0%	\$10,000	-\$13,000	-56.5%
4945	15.0%	\$15,000	-\$8,000	-34.8%
5160	20.0%	\$20,000	-\$3,000	-13.0%
5289	23.0%	\$23,000	\$0	0.0%
5590	30.0%	\$30,000	\$7,000	30.4%
5805	35.0%	\$35,000	\$12,000	52.2%
6020	40.0%	\$40,000	\$17,000	73.9%
6235	45.0%	\$45,000	\$22,000	95.7%
6450	50.0%	\$50,000	\$27,000	117.4%
6665	55.0%	\$55,000	\$32,000	139.1%
6880	60.0%	\$60,000	\$37,000	160.9%

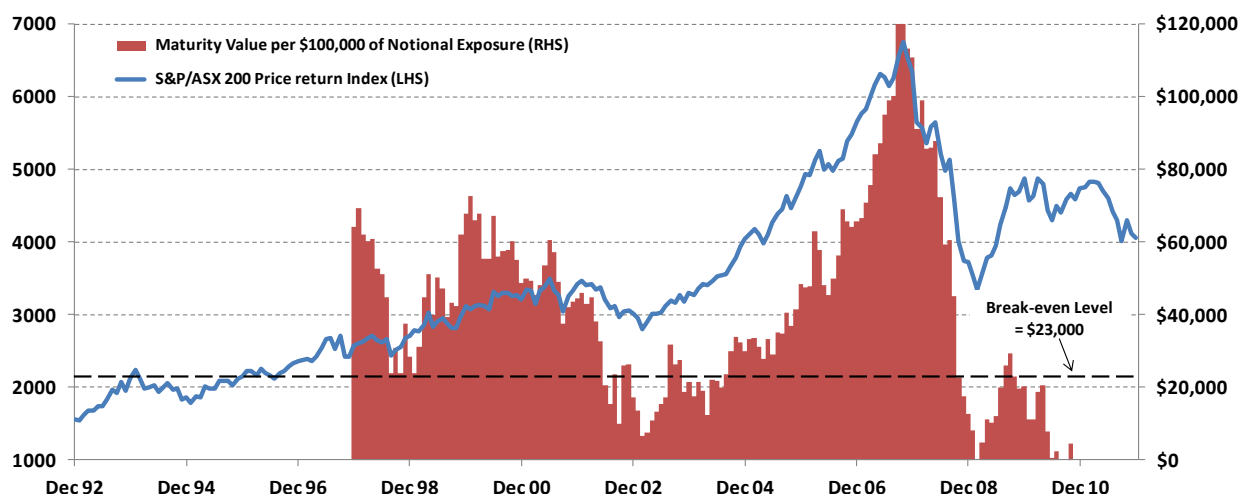
- The table shows that the Reference Asset must increase in order for investors to profit. **Further, investors will lose their entire investment amount if the Reference Asset remains flat or falls over the investment term.** This is the worst case scenario for investors as losses are limited to the Upfront Amount.
- The Break-even Level for Strategy 2 is where the Reference Asset Return is 23% over the investment term. The Reference Asset Return needs to be greater than 23% for investors to make a net gain. **Net gain is uncapped.**

The following graph illustrates the above table.



Historical Simulation

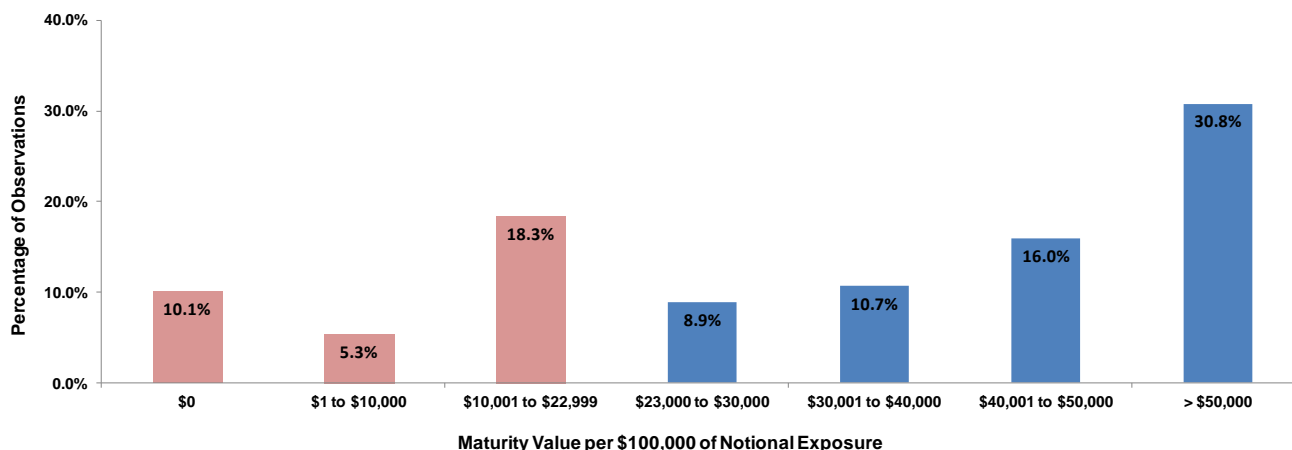
Using historical monthly values of the S&P/ASX 200 Price Return Index between December 1992 and December 2011, 169 observations (each covering a five year period) are analysed to investigate how the Maturity Value varied over different market cycles. The first observation started December 1992 and ended December 1997 while the final observation started December 2006 and ended December 2011. The chart below illustrates the S&P/ASX 200 Price Return Index and the Maturity Value at the end of each observation.



During the 1990s, growth and volatility were relatively moderate and Maturity Value averaged \$46,132 per \$100,000 of Notional Exposure.

The strong equity market performance of 2003-2007 resulted in Maturity Values peaking at \$121,963 in October 2007. Market corrections in November 2001 and November 2007 resulted in subsequent Maturity Values declining below \$23,000 (the break-even level) on several observations.

The following chart and table summarise the range of Maturity Values and the frequency at which they occurred.



Source: S&P, Lonsec

Result at Maturity	% of Observations
Total loss of Upfront Amount	10.1%
Partial loss of Upfront Amount	23.6%
Positive net gain (i.e. broke even or better)	66.3%

Past performance is not a reliable indicator of future performance. No assumption of the historical Upfront Amount is made in this analysis as past factors, such as interest rates and index level and volatility, would have resulted in different Upfront Amounts and therefore Maturity Values, over the period assessed.

Reference Asset

S&P/ASX 200 Price Return Index

The **S&P/ASX 200 Price Return Index** is recognised as the investable benchmark for the Australian equity market. The index is maintained by the S&P Australian Index Committee, a team of five including three Standard & Poor's economists and index analysts and two Australian Securities Exchange representatives.

The Index Committee reviews constituents quarterly to ensure adequate market capitalisation and liquidity. Both market capitalisation and liquidity are assessed using the previous six months data.

The following table outlines the historical performance of the index over the various periods ending 31 December 2011:

S&P/ASX 200 Price Return Index				
Period	1 Yr	3 Yrs	5 Yrs	7 yrs
Performance (% pa)	-14.5	2.9	-6.5	0.0
Standard Deviation (% pa)	12.2	14.8	16.1	14.8
Worst Drawdown (%)	-17.1	-17.8	-50.5	-50.5

Source: S&P, Lonsec

See Appendix for further quantitative data for the index.

What happens at Maturity?

Investors choose one of the two options:

- Accept physical delivery of the Delivery Assets (default option); or
- Use the Delivery Asset Sale Service which instructs the Issuer to sell the Delivery Assets and forward the Sale Proceeds.

The value of the Delivery Assets received equates to the Maturity Value less the Brokerage Fee.

Risks

An investment in the Vantage+ carries a number of standard investment risks associated with domestic investment markets. These include economic, political, legal, tax and regulatory risks. These and other risks are outlined in section 7 of the PDS and should be read in full and understood by investors. Lonsec considers the major risks to be:

- **Performance Risk** – The value of Vantage+ is dependent on the performance of Reference Asset. The Reference Asset can be affected by many different factors including but not limited to interest rates, economic policies, political events, war and natural events. There is no guarantee the value of the Reference Asset will increase over the investment term and it is possible for investors to lose their total investment amount for Strategy 1 or Strategy 2. Additionally, in Strategy 1, the Reference Asset may increase beyond the Capped Level. In this case investors will not receive any excess return above the Capped Level.

The value of any investment in Vantage+ does not solely track the Reference Asset until the maturity date and may be determined by many factors before expiry, such as market value of the Reference Asset, time to maturity, volatility, interest rates and other market factors.

- **Leverage Risk** – The Upfront Amount represents a fraction of the Notional Exposure to the Reference Asset and hence investors have a leveraged exposure. This has the effect of magnifying any exposure to movements in the Reference Asset.
- **Counterparty Risk** – Investors are exposed to risk that the Issuer, as product returns are dependent on these counterparties performing their obligations as they fall due.
- **Early Termination Risk** – CBA may nominate Early Termination if an Early Termination Event occurs or if an investor requests an Early Termination. Early Termination Events include but are not limited to events such as termination of an index, a material change to the way an index is calculated, changes in laws or regulations, and where CBA's hedging arrangements cannot be reasonably established, maintained or re-established. Investors may lose some or all of their investment (Upfront Amount) in the event of an Early Termination.

Taxation

The ATO has made determinations in relation to deferred purchase agreements (TD 2008/21 and TD 2008/22) and this may have taxation implications for investors. Additionally, the choice made by investors at maturity may have tax implications. CBA has also lodged a product ruling request with the ATO to confirm the tax implications of an investment in Vantage+ (Issue 10/2011).

These comments constitute 'General Advice' only and Lonsec advises potential investors to consult a taxation specialist before making a decision to invest (or not to invest) based upon these taxation considerations. Investors should refer to Section 8 of the PDS.

Liquidity

Vantage+ is not listed on the Australian Securities Exchange or any other exchange. Investors should have the intention of holding any investment until maturity. However, an investor may request early termination on a monthly basis. The Issuer has the discretion to accept, reject or defer any request. Investors may lose some or all of their investment (Upfront Amount) in the event of an early termination. An Early Termination Fee may also apply.

Further Information

Further information and monthly net asset values can be obtained by contacting the Issuer:

Phone: 1300 786 039

Internet: www.commbank.com.au/Vantage+

Appendix – Reference Asset

S&P/ASX 200 Price Return Index (in Australian Dollars)

Past performance is not a reliable indicator of future performance.

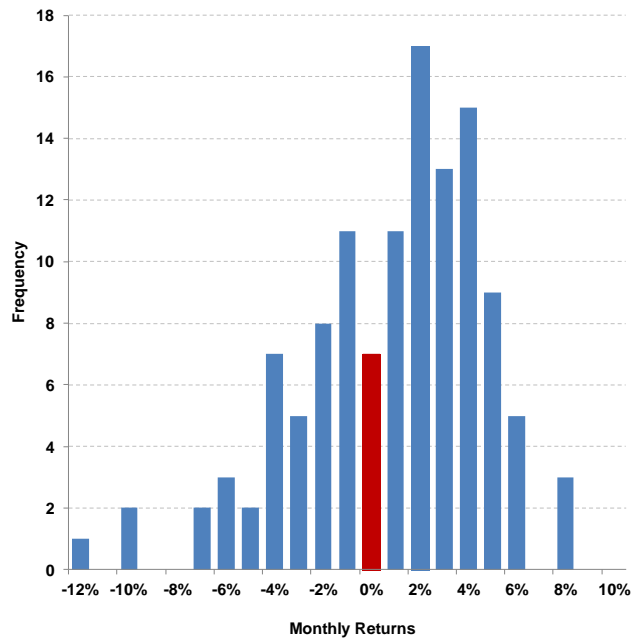
Index Performance



Source: S&P, Lonsec

Note: Index rebased to 100 at 31 December 2001.

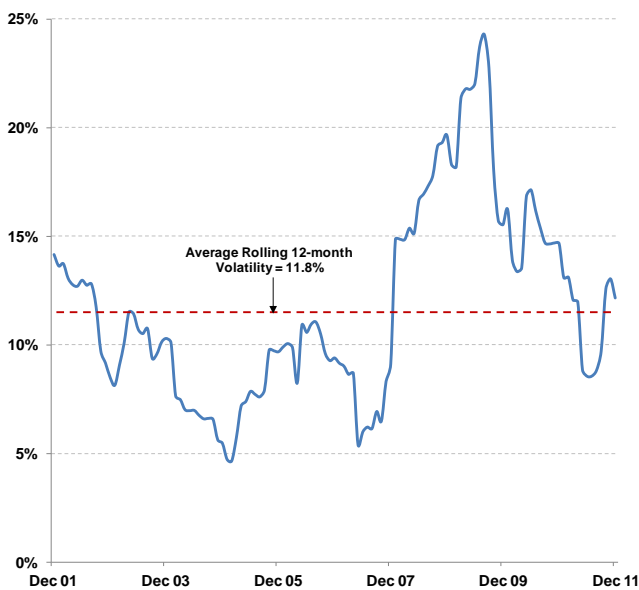
Range of Monthly Returns



Source: S&P, Lonsec

Notes: Number of monthly observations 120, minimum return -12.7%, maximum return 7.3%, average return 0.24% and 0% highlighted in red.

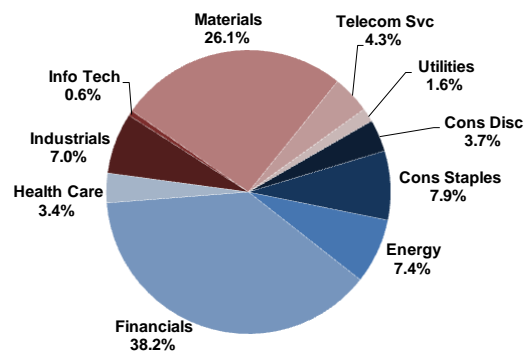
Rolling 12-month Volatility



Source: S&P, Lonsec

Note: Volatility measured using annualised standard deviation of monthly price returns.

Sector Exposures



Source: S&P

Note: As at 24 January 2012.

Analyst Disclosure & Certification

Analyst remuneration is not linked to the rating outcome. The Analyst(s) may hold the product(s) referred to in this document, but Lonsec considers such holdings not to be sufficiently material to compromise the rating or advice. Analyst(s) holdings may change during the life of this document. The Analyst(s) certify that the views expressed in this document accurately reflect their personal, professional opinion about the financial product(s) to which this document refers.

Date Prepared: February 2012

Analyst: Stewart Gault

Release Authorised by: Michael Elsworth

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