



Rabobank

Capital Protected Investments from Australia's safest bank

Rabobank's Wholesale Program for sophisticated investors

Rabobank's Wholesale Capital Protected Investments Program for sophisticated investors.

Rabobank's Wholesale Program allows you to offer something truly unique to your sophisticated investors. Rabobank can work with you to design a 100% capital protected investment product tailor made to suit an individual or a group of individuals.

All elements of the investment are flexible and can be changed to suit your client, such as term to maturity, income levels and the underlying asset.

The minimum total investment is \$1m and the minimum investment per investor is \$50,000.

Who is it suitable for?

Individual investors must be 'sophisticated investors' under the Corporations Act 2001. Rabobank's wholesale program can be utilised by advisers running their own AFSL or working for large dealergroups or private banks.

What are the investment parameters?

Our wholesale capital protected investments program allows you to design an investment that suits your client by choosing from the following options;

Underlying asset classes

- Equities – international indices, stock baskets (e.g. Australian banks), individual stocks, emerging markets
- Fixed interest and inflation linked
- Foreign exchange
- Commodities
- Combinations of the above.

Term – 1 to 10 years.

Income – no income, specific income (e.g. 5%p.a), variable income (e.g. 25% of growth in index paid as income each year) or contingent income (e.g. only if growth exceeds 15%p.a will income be paid).

Currency – AUD hedged or unhedged, or investment can be in any major currency (USD, EUR, JPY etc).

Leverage – internal leverage, external leverage (Rabobank will arrange external finance) or no leverage.

Capital protection level – 100% at maturity.



Capital protection mechanism – zero coupon bond and call option or CPPI.

Liquidity – monthly, quarterly, half yearly or yearly.

Adviser/Dealgroupp fee structure – we can build in upfront fees, trail commissions or no fee’s dependant on your / your dealergroupp’s business model.

Bells and whistles – rising capital guarantees, hindsight investments, averaging, callable options, range accruals, knock-in’s, knock-outs etc. We can incorporate any type of derivative payoff or feature you are interested in.

Example

Client situation: Your client is a SMSF and the members (couple) have 5 years until retirement at which time they will commence a pension. They understand that exposure to growth assets is important and may really improve their quality of life in retirement but they cannot afford to lose any of their capital at this point in their lives as they do not want to extend their working life to make up for any shortfall in the SMSF caused by a market collapse in the next 5 years. They want exposure to international equity markets as they believe a stock market recovery may be strong over the medium term once the credit crisis settles down. They do not want any currency exposure however, and do not need income, only growth as they are in accumulation phase.

Solution: Rabobank can develop a capital protected investment which matures in 5 years time. The underlying asset will be an Index (such as the MSCI World Index) giving your clients exposure to 23 developed market country indices. No income will be paid during the term and the investment will be hedged to the AUD. As the client was concerned about markets in the short term, we can build in a feature where the starting index level will be the lowest closing level of the MSCI World Index over the first 3 months. The final index level for calculating performance will be equal to

the average of 6 observation points taken over the last 6 months. This could minimise the impact of a downturn in equity markets over the last 6 months which would diminish your clients’ capital just before retirement. The liquidity will be monthly and you could have chosen to receive an upfront fee of 1.5% and an ongoing trail of 0.5%p.a as compensation for your time involved in creating a tailored investment solution for your clients.

What documentation do investors receive?

Investors will receive an Information Memorandum which sets out the particulars of the investment, the terms and conditions and the application form. We can also provide marketing collateral for you to use with your clients such as flyers and presentations. Following initial investment investors will be kept informed of any distributions, updated on performance, and provided with notification before and after maturity.

Dealgroupp approvals and finance

From the very beginning we will work with you to ensure your research team and investment committee are involved in the development of the investment product and therefore comfortable with the outcomes we are creating for your clients. As Rabobank Australia Ltd has the highest credit rating of AAA*, the counter party risk to your dealergroupp is the lowest possible.

If required, Rabobank can discuss the suitability of the agreed structure of the investment for secured lending with your preferred lender.

Unique opportunity

Rabobank’s Wholesale Capital Protected Investments Program for sophisticated investors allows you to offer a truly tailor made investment solution to your clients. Utilising this service allows you to differentiate yourself from your competitors by harnessing the global expertise and credit rating of Rabobank.

To find out more about Rabobank’s Wholesale Capital Protected Investments Program call 1800 144 684

www.rabobank.com.au



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Rabobank Australia Limited ABN 50 001 621 129, AFSL 234700 will be the issuer of the Capital Protected Investments and will publish relevant disclosure documents and terms and conditions prior to issue. The principal component of the investment will be protected if held to maturity.

Rabobank Australia Limited’s liabilities are guaranteed by its ultimate parent, ranked safest non-government owned bank by Global Finance magazine, 1999-2008.

* Rabobank Australia Limited is triple-A (AAA) by Standard & Poor’s Ratings Services. Ratings are subject to change. For the latest ratings information please visit www.standardandpoors.com

Ratings are solely statements of opinion and not statements of fact or recommendations to purchase, hold or sell any securities or make any other investment decisions.

Professional advice is recommended for all financial and strategic decisions. However, this information is not professional advice and has not been prepared to be used as the basis for, and should not be used as the basis for, any such decisions. It is general in nature only and does not take into account an individual’s objectives, financial situation or needs.

We have considered the environment when producing this document.