



MINIs

Leveraged Trackers Overview

Equities Structured Products & Warrants



MINIs are leveraged trackers that enable active traders to participate in the movement of an underlying asset.

MINIs – key features at a glance

- No set expiry dates or maturity restrictions
- Ability to hold leveraged positions without physically owning the underlying assets
- Stop Loss levels ensure losses are limited to initial Capital Outlay
- Funding costs charged on daily basis (not intra-day)
- No margin requirements
- Profits can be locked in without having to sell underlying assets
- An efficient way to short-sell stocks
- Listed and traded on the ASX, a supervised market

*The Strike Price (or Financing Level) is the portion of the underlying share price that RBS funds on behalf of the investor.

Information regarding Strike Price changes and Stop Loss Levels are available daily at www.rbs.com.au/warrants. You can also subscribe to RBS's Daily Round-Up e-newsletter to get trading ideas and market information daily.

For a fraction of the value of the underlying asset, MINIs allows you to trade a bull or a bear market without having to own the underlying asset outright. MINI Longs give traders a leveraged position in a rising market MINI Shorts give traders a leveraged position in a falling market and an opportunity to hedge existing positions. There are no set expiry dates and they offer a free Stop Loss feature that ensures that you will never lose more than your initial Capital Outlay.

MINIs mirror the performance of the underlying asset, which may be a share, index, interest rates, futures contracts over commodities or indices, exchange rates or a basket of shares, indices or commodities. MINIs offer the benefits of trading the underlying asset without having to pay the full amount of the transaction. MINIs are issued by RBS Group (Australia) Pty Limited or The Royal Bank of Scotland plc (in each case "RBS") and traded on the Australian Stock Exchange ("ASX").

How MINIs work

A MINI is a listed security which tracks the price of an underlying asset. For example, where the underlying asset is a share, the value can be calculated as follows:

Value of a MINI Long = Share Price – Strike Price

Value of a MINI Short = Strike Price – Share Price

Strike Prices set daily

To purchase a MINI, you will need to pay a fraction of the value of the underlying asset upfront ("Capital Outlay"). The Strike Price (the leverage incorporated into a MINI) is set daily. You do not have to pay for funding costs upfront – they are generally added to the Strike Price daily for MINI Longs or credits are applied to MINI Shorts. Please refer to the PDS for further details regarding funding cost.

No set expiry dates

MINIs do not have a set expiry date. This removes traditional hassles, such as decisions to exercise, paperwork, fees, and brokerage.

Stop Loss protection feature

MINIs feature a free Stop Loss level which ensures that the value of the MINI can never be negative. In a worst case scenario, you can never lose more than your initial Capital Outlay. The Stop Loss level is free.

Trading Example – BHP MINI Long

Action	Units	BHP Price	MINI Strike Price	MINI Price
BUY	1,000	\$30.00	\$27.00	\$3.00
<i>BHP rises to \$31.00</i>				
Action	Units	BHP Price	MINI Strike Price	MINI Price
SELL (same day)	1,000	\$31.00	\$27.00	\$4.00
Profit on BHP Share: \$1 or 3.33%			Profit on BHP MINI Long: \$1 or 33.33%	
Potential loss on BHP Share: \$30.00			Potential loss on BHP MINI Long: \$3.00	

The example above shows that if BHP shares increase by \$1 (equivalent to a 3.33% return on the original price of the shares) the investor who buys BHP MINI Longs will make a trading profit of 33.33%.

Benefits of trading MINIs

Leveraged trading

MINIs are traded using leverage. This can be a more efficient use of your trading dollars because you only have to allocate a small proportion of the total value of your position to secure a trade, while maintaining full exposure to the market.

Stop Loss protection feature

MINIs feature a free Stop Loss Level which ensures that the value of the MINI can never be negative. So in a worst case scenario, you can never lose more than your initial Capital Outlay.

Safety and security

MINIs are traded on the ASX, a supervised market.

Hedging

MINIs may provide an efficient way to hedge an existing asset position by taking a short position over the underlying asset.

Risks of trading MINIs

Investing in MINIs involves a degree of risk. Potential investors should take into consideration all investment risk and ensure that they are fully aware of such risks prior to an investment in MINIs. Some risks include:

- The leverage provided by investing in MINIs means the risks of the investment may be greater than in the case of an investment in the underlying asset;
- MINIs being a speculative investment;
- Performance by the Issuer and/or (as applicable) Guarantor;
- Market factors affecting value of the MINIs;
- Possible illiquidity of the trading market and/or the underlying assets;
- If a Stop Loss Event occurs, your investment will expire early and you may lose your initial Capital Outlay;
- Suspension of warrant trading by the ASX; and
- Extraordinary events and potential changes to the MINI Terms.

This list is not exhaustive. Before making an investment decision in the MINIs, you should refer to the PDS for detailed explanations about these investment risks and further information about the product in general. A copy of the PDS can be found at www.rbs.com.au/warrants.

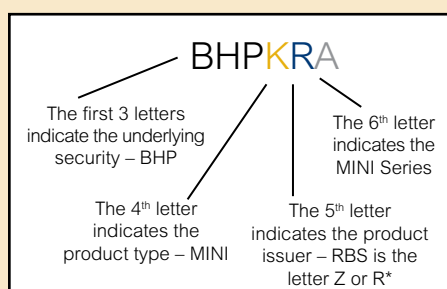
Frequently asked questions

1. How do I trade MINIs?

MINIs trade on the ASX. You can place an order with an approved stockbroker or financial advisor.

2. How can I identify a MINI issued by RBS?

All MINIs listed on the ASX have six letter codes. For example, a MINI Long over BHP shares would have the following code:



	MINIs
Leveraged exposure	✓
No set maturity dates	✓
No margin payments	✓
ASX-listed and supervised	✓
Free Stop Loss Level feature so value is never negative	✓
Limited recourse loan	✓
Funding costs accrue daily	✓

*The 'R' in this code indicates that the SFI has been issued by The Royal Bank of Scotland plc. If the 5th letter is a 'Z', this shows that RBS Group (Australia) Pty Limited has issued the SFI.

Investors should read the PDS prior to investing.

For more information, contact your financial advisor or RBS on **1800 450 005** or visit **www.rbs.com.au/warrants**

All warrants issued by RBS Group (Australia) Pty Limited ABN 78 000 862 797 AFSL 247013 are denoted by 'Z' in the fifth letter of the ASX code. All warrants issued by The Royal Bank of Scotland plc ABN 30 101 464 528 AFSL 241114 are denoted by 'R' in the fifth letter of the ASX code.

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In the Asia Pacific region we serve corporate, institutional and public sector clients in 11 countries. RBS Group (Australia) Pty Limited and The Royal Bank of Scotland plc are leading providers of corporate and financial services. We have had a local presence since 1974 and work on some of the local market's largest and most complex transactions and projects for our corporate, institutional and public sector clients.

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To find out more about MINIs

Log on to www.rbs.com.au/warrants or call 1800 450 005



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