



# Currency MINIs

## Leveraged Trackers Overview

### Equity Structured Products & Warrants



# Currency MINIs are leveraged trackers that enable active traders to participate in the movements of major cross currencies.

## MINIs – key features at a glance

- No set expiry dates or maturity restrictions
- Ability to hold leveraged positions without physically holding the underlying currency
- Stop Loss Levels ensure losses are limited to initial capital outlay
- Funding costs charged on a daily basis (not intra-day)
- No margin requirements
- An efficient way to trade or hedge an asset denominated in a foreign currency
- Listed and traded on the ASX, a supervised market

For a small initial outlay, you can now participate in the movement of selected international currencies.

Currency MINI Longs give traders a leveraged position to the Australian Dollar rising against a selected currency; Currency MINI Shorts give traders a leveraged position to the Australian Dollar falling against a selected currency. 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.

Currency MINIs mirror the performance of a currency and offer the benefits of trading without having to pay the full amount of the transaction.

Currency MINIs are issued by RBS Group (Australia) Pty Limited or The Royal Bank of Scotland plc (in each case “RBS”) and traded on the Australia Stock Exchange (“ASX”).

## How Currency MINIs work

A Currency MINI is a listed warrant which allows traders to trade a position in international currencies against the Australian Dollar, including;

New Zealand Dollar – AUD/NZD (ASX Code FXZ)  
 United States Dollar – AUD/USD (ASX Code FXU)  
 Great Britain Pound – AUD/GBP (ASX Code FXP)  
 Japanese Yen – AUD/JPY (ASX Code FXY)  
 Hong Kong Dollar – AUD/HKD (ASX Code FXH)  
 Euro Dollar – AUD/EUR (ASX Code FXE)  
 Singapore Dollar - AUD/SGD (ASX Code FXS)

## The pricing components of a Currency MINI:

**Value of a MINI Long Australian Dollar versus selected currency =  
 [Level of the Exchange Rate – Strike Price] x Multiplier / Exchange Rate**

**Value of a MINI Short Australian Dollar versus Offshore Currency =  
 [Strike Price – Level of the Exchange Rate] x Multiplier / Exchange Rate**

Currency MINIs have a Multiplier of 100. This means that 1 MINI provides exposure to \$100 Australian Dollars versus the selected currency.

## Strike Prices set daily

To purchase a Currency MINI, you will need to pay a fraction of the exchange rate upfront (“Capital Outlay”). The Strike Price (the leverage incorporated into a Currency MINI) is set daily\*. You do not have to pay for funding costs upfront – the strike price is adjusted to reflect the daily funding costs. Please refer to the PDS for further information regarding funding costs.

## No set expiry dates

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

## Stop Loss protection feature

Currency MINIs feature a free Stop Loss Level which ensures that the value of the Currency 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 – Currency MINI Long

Example of Currency MINI Long AUD/USD – FXUKRA								
Action	Units	\$A/\$US FX Rate	Strike Price	Multiplier	MINI Price	Stop Loss Level	Profit / (Loss)	% Return
BUY	1,000	0.8945	0.8000	100	\$10.56	0.8677		
\$A/\$US FX Rates increases to 0.90								
SELL (same day)	1,000	0.9000	0.8000	100	\$11.11	0.8677	\$0.55	5.2%

The example above is provided for illustrative purposes only and not an indication of actual returns. In this example the underlying Exchange Rate moves from 0.8945 to 0.90 (0.6% increase). An investor who purchased this Currency MINI Long will make a trading profit of 5.2%.

## Benefits of trading Currency MINIs

### Leveraged trading

Currency 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 exchange rate.

### Stop Loss protection feature

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

### ASX Listed

Currency MINIs are traded on the ASX a supervised market.

### Hedging

Currency MINIs may provide an efficient way to hedge international currency exposures by taking a short position over the respective cross currency.

\*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](http://www.rbs.com.au/warrants). You can also subscribe to RBS's Daily Round-Up enewsletter to get trading ideas and market information daily.

	Currency MINIs
Leveraged exposure	✓
No 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*	✓

\*Your funding costs are charged on the Strike Price of the MINI, not the nominal value of the underlying currency.

## Risks of trading Currency MINIs

Investing in MINIs involves a degree of risk. The leverage provided by MINIs means that the risks of investing in Currency MINIs may be greater than an investment of the same amount in the underlying currency itself. Potential investors should take into consideration all investment risks when deciding to invest in Currency MINIs. RBS recommends that potential investors obtain independent financial advice regarding these risks before purchasing Currency MINIs. Some of the risks of investing in Currency MINIs includes:

- Currency MINIs being a speculative investment;
- Performance by the Issuer and/or (as applicable) Guarantor;
- Market factors affecting value of the Currency MINIs;
- Possible illiquidity of the trading market and/or the underlying Exchange Rate;
- 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 Currency MINI Terms.

This list is not exhaustive. Before making a decision to invest in Currency MINIs you should ensure that you have read the PDS for a detailed explanation of the product. In particular Investors should ensure that they have read the risks Section of the PDS. A copy of the PDS can be obtained from RBS (1800 450 005) or from our website [www.rbs.com.au/warrants](http://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.

### About RBS

The Royal Bank of Scotland Group is a large international banking and financial services group. Headquartered in Edinburgh, the Group operates in the United Kingdom, Europe, the Middle East, the Americas and Asia, serving over 30 million customers. The Group provides a wide range of products and services to personal, commercial and large corporate and institutional customers through its two principal subsidiaries, The Royal Bank of Scotland and NatWest, as well as through a number of other well-known brands including, Citizens, Charter One, Ulster Bank, Coutts, Direct Line and Churchill.

In Asia Pacific 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.

Disclaimer: This brochure is for information purposes only and while the information contained within is believed to be reliable, no representation, warranty, or assurance of any kind, express or implied is made as to the accuracy or completeness of the information. Neither RBS Group (Australia) Pty Limited (ABN 78 000 862 797, AFSL: 247013) nor The Royal Bank of Scotland plc (ABN 30 101 464 528, AFSL:241114) (in each case "RBS") accepts any obligation to any recipient to update or correct any information contained in this brochure. This brochure does not purport to be all inclusive or constitute an offer, recommendation or invitation to purchase securities and is not to be taken as a substitute for the recipient exercising their own judgement and seeking their own advice. In preparing this brochure, RBS has not taken into account the recipients individual objectives, financial situation or particular needs. Before the recipient makes an investment decision they should consider the appropriateness of any advice to their particular investment needs, objectives and financial circumstances. RBS, to the extent permitted by law, accepts no liability or responsibility whatsoever for any loss arising from any use of this brochure or its contents.

This brochure is the proprietary information of RBS, and may not be reproduced, distributed or published for any purpose without the prior written consent of RBS. The warrants mentioned in this brochure are issued either by RBS Group (Australia) Pty Limited or The Royal Bank of Scotland plc (refer to the relevant Product Disclosure Statement). The broker to the issuer is RBS Equities (Australia) Limited (ABN 84 002 768 701, AFSL: 240530). The Product Disclosure Statement ("PDS") relating to these warrants is available upon request from RBS (1800 450 005) or on our website [www.rbs.com.au/warrants](http://www.rbs.com.au/warrants).

RBS Group (Australia) Pty Limited is not an Authorised Deposit-Taking Institution and these products which are issued by it do not form deposits or other funds or liabilities of The Royal Bank of Scotland N.V. or The Royal Bank of Scotland plc. The Royal Bank of Scotland plc does not guarantee the obligations of RBS Group (Australia) Pty Limited. The Royal Bank of Scotland plc is a foreign Authorised Deposit-Taking Institution and these products which are issued by it do not form deposits or other funds of The Royal Bank of Scotland plc, or deposits or other funds or liabilities of The Royal Bank of Scotland N.V. or RBS Group (Australia) Pty Limited.

© 2011 RBS Group (Australia) Pty Limited and The Royal Bank of Scotland plc.

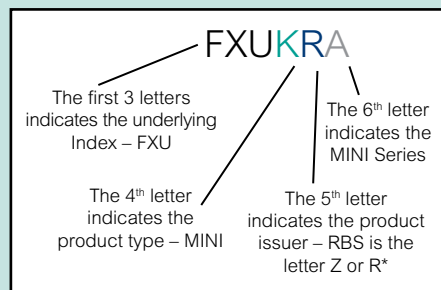
### Frequently asked questions

#### 1. How do I trade Currency MINIs?

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

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

All Currency MINIs listed on the ASX have six letter codes. For example, a Currency MINI Long over the Australian Dollar versus US Dollar would have the following code:



\*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.



To find out more about Currency MINIs

Log on to [www.rbs.com.au/warrants](http://www.rbs.com.au/warrants) or call 1800 450 005



Warrant Issuer: RBS Group (Australia) Pty Limited ABN 78 000 862 797, AFSL: 247013 or The Royal Bank of Scotland plc ABN 30 101 464 528, AFSL: 241114 (as applicable)  
Broker to the Issuer: RBS Equities (Australia) Limited ABN 84 002 768 701, AFSL: 240530 Guarantor of the RBS Group (Australia) Pty Limited only, The Royal Bank of Scotland N.V. ABN 84 079 478 612, AFSL: 238266