



Index MINIs

Leveraged Trackers Overview

Equity Structured Products & Warrants



Index MINIs are leveraged trackers that enable active traders to participate in the movement of the SFE ASX 200™ Index Futures Contract.

MINIs – key features at a glance

- No set expiry dates or maturity restrictions
- Ability to hold leveraged positions without physically owning all the underlying shares in the Underlying Index
- Stop Loss Levels ensure losses are limited to initial Capital Outlay
- Funding costs charged on a daily basis (not intra-day)
- No margin requirements
- Profits can be locked in without having to sell your portfolio of shares
- An efficient way to short-sell and hedge your portfolio.
- Traded and listed 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 newsletter to get trading ideas and market information daily.

For a small initial outlay, you can now participate in the movement of the S&P/ASX 200 Index by tracking the SFE ASX 200™ Index Futures (the "Underlying Index") through an investment in Index MINIs. Index MINI Longs give traders a leveraged position in a rising market; Index MINI Shorts give traders a leveraged position in a falling market and an opportunity to hedge existing positions on a portfolio basis. There are no set expiry dates and they have a free Stop Loss feature that ensures that you will never lose more than your initial capital outlay.

Index MINIs mirror the performance of the Underlying Index and offer the benefits of trading the Underlying Index without having to pay the full amount of the transaction.

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

How Index MINIs work

An Index MINI is a listed warrant which tracks the price of the SFE ASX 200™ Index Futures (which in turn tracks the level of S&P/ASX 200 Index). The pricing component of an Index MINI:

Value of a Index MINI Long = [Level of the Index Futures – Strike Price] x Multiplier

Value of a Index MINI Short = [Strike Price – Level of the Index Futures] x Multiplier

Strike Prices set daily

To purchase an Index MINI, you will need to pay a fraction of the value of the Underlying Index upfront ("Capital Outlay"). The Strike Price (the leverage incorporated into the Index MINI) is set daily. You do not have to pay for funding costs upfront – they are generally added to the Strike Price daily for Index MINI Longs and deducted from the Strike Price daily for Index MINI Shorts. Please refer to the PDS for further information regarding funding costs.

No set expiry dates

Index 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

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

Action	Units	Underlying Index Level	Index MINI Strike Price	Index MINI Price
BUY	1,000	6,500	6,000	\$5.00
<i>Index Futures rises to 6700</i>				
Action	Units	Underlying Index Level	Index MINI Strike Price	Index MINI Price
SELL (same day)	1,000	6,700	6,000	\$7.00
Profit on Underlying Index Level: 200 points or 3.08%		Profit on Underlying Index MINI Long: \$2 or 40%		
Potential Underlying Index points loss on Index Trade: 6500		Potential loss on Underlying Index MINI Long: \$5.00		

The example above shows that if the Index level increases by 200 points (equivalent to a 3.08% return on the original Index level). The investor who buys Index MINI Longs will make a trading profit of 40%.

Benefits of trading Index MINIs

Leveraged trading

Index 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

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

Safety and security

Index MINIs are traded on the ASX a supervised market.

Hedging

Index MINIs may provide an efficient way to hedge an existing portfolio by taking a short position over the Underlying Index.

	Index 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	✓

Risks of trading Index MINIs

Investing in Index 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 the Index MINI. Some of this risk includes:

- The leverage provided by investing in Index MINIs means the risks of the investment may be greater than in the case of an investment in the Underlying Index itself;
- Index MINIs being a speculative investment;
- Performance by the Issuer and/or (as applicable) Guarantor;
- Market factors affecting value of the Index MINIs;
- Possible illiquidity of the trading market and/or the Underlying Index;
- 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 Index MINI Terms.

This list is not exhaustive. Before making an investment decision in the Index MINIs you should refer to the PDS for a detailed explanation 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.

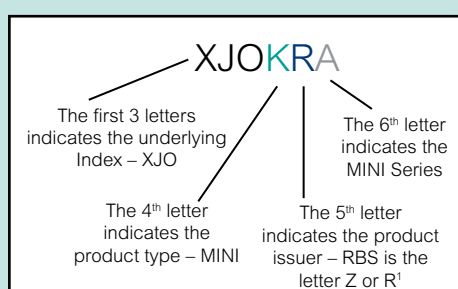
Frequently asked questions

1. How do I trade Index MINIs?

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

2. How can I identify an Index MINI issued by RBS?

All Index MINIs listed on the ASX have six letter codes. For example, an Index MINI Long over S&P/ASX 200 would have the following code:



¹The 'R' in this code indicates that the Index MINI 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 Index MINI.

*Your funding costs are charged on the Strike Price of the MINI, not the nominal value of the Underlying Index.

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 relating to these warrants is available upon request from RBS (1800 450 005) or on our website 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.



To find out more about Index MINIs

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

