

## *JB Global Income & Equity Accelerator Series 5 – S&P/ASX 200 Price Return Index*

### Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement dated 28 June 2010 ("SPDS") supplements the Product Disclosure Statement dated 7 May 2010 issued by RBS Group (Australia) Pty Limited (ABN 78 000 862 797, AFSL 247013) ("RBS") for the *JB Global Income & Equity Accelerator Series 5 – S&P/ASX 200 Price Return Index* (the "PDS"). This SPDS is to be read together with the PDS.

Investors should reach an investment decision only after carefully reading and understanding the PDS and considering, with their advisers, the suitability of the Units in light of their specific circumstances.

The definitions and principles of construction used in the PDS apply in this SPDS.

#### **Amendments to Section 2 " Why Invest in JB Global Income and Equity Accelerator Units Series 5?"**

The section entitled "Averaging" on page 3 of the PDS is amended by inserting the following additional sentence at the end of that section:

For further information refer to section 4.2 "Strategy Value" and section 4.4 "Averaging".

The section entitled "Acquire Delivery Assets" on page 3 of the PDS is amended by inserting the following additional sentence at the end of that section:

For further information refer to section 4.7 "The Delivery Assets" and section 6 "Maturity and Early Maturity".

The section entitled "Prepaid Interest" on page 3 of the PDS is amended by inserting the following additional sentence at the end of that section:

For further information refer to section 5 "The Loan Facility" and section 13 "Loan Agreement".

#### **Amendments to Section 3.2 "Key Information"**

The section entitled "Coupons" on page 7 of the PDS is amended by deleting the last sentence in its entirety and replacing it with the following:

The Coupons are dependent on the performance of the Strategy Value. In particular, there will be no Coupon paid if the Strategy Value does not increase in the relevant period. Please refer to section 8 "Risks" for further information on the risks factors which could impact on the payment of the Coupons. Further information on the Coupons and how they are calculated can be found in section 4.1.3 "Two potential Coupon payments" and section 15 "Formulae and Calculation Table".

The section entitled "Participation Rate and Target Volatility" on page 8 of the PDS is amended by deleting the last sentence in the second paragraph in its entirety and replacing it with the following:

The actual levels of volatility could be lower or higher than those provided. The Issuer intends to publish the applicable volatility and Participation Rates (on a weekly basis) on its website at [www.rbs.com.au/structuredproducts](http://www.rbs.com.au/structuredproducts), immediately after the final Initial Averaging Date.

The section entitled "The Loan" on page 11 of the PDS is amended by inserting the following additional sentence at the end of the section:

For further information refer to section 5 "The Loan Facility" and section 13 "Loan Agreement".

The section entitled "Key Risks" on page 13 of the PDS is amended by deleting the last sentence in its entirety and replacing it with the following paragraph to be inserted at the beginning of the section:

Some of the significant risks associated with investing in the Units are outlined below. Further information on the below listed risks as well as other significant risks and other risks which may be applicable to investing in the Units are outlined in Section 8 "Risks". Investors should ensure that they have closely read Section 8 "Risks" of the PDS before investing in the Units.

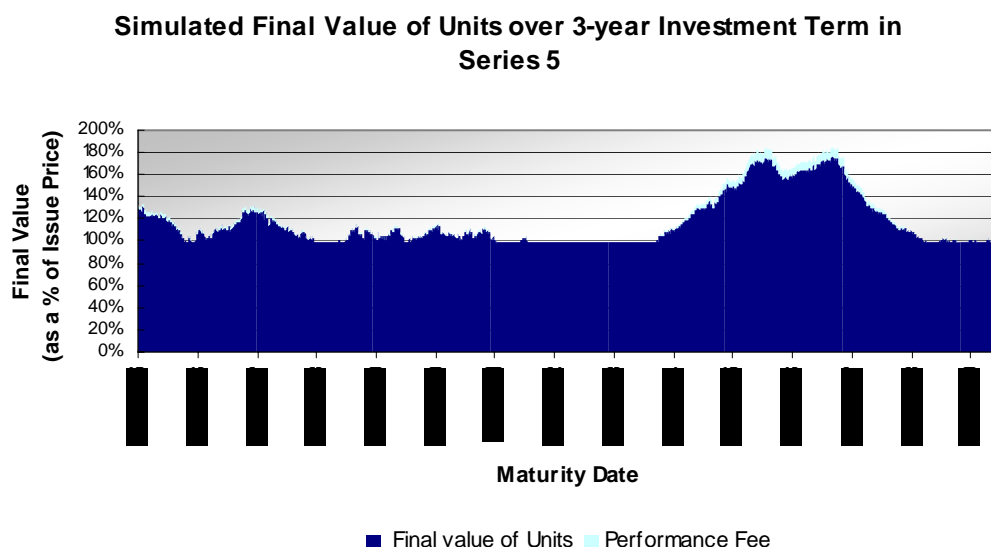
The section entitled "Key Risks" on page 13 of the PDS is amended by deleting the risk labelled "Prepaid Interest" and inserting the following:

Prepaid Interest - There is no guarantee that the Units will generate returns in excess of the Prepaid Interest. Additionally, in the event of an Investor requested Issuer Buy-Back, an Early Maturity Event or you elect to repay your Loan prior to the Maturity Date you will not receive a refund of Prepaid Interest.

Coupons – there may be no Coupons where the Strategy Value has remained constant or declined over the relevant period. The Coupons are capped at 8.1% of the Issue Price (i.e. \$0.081 per Unit).

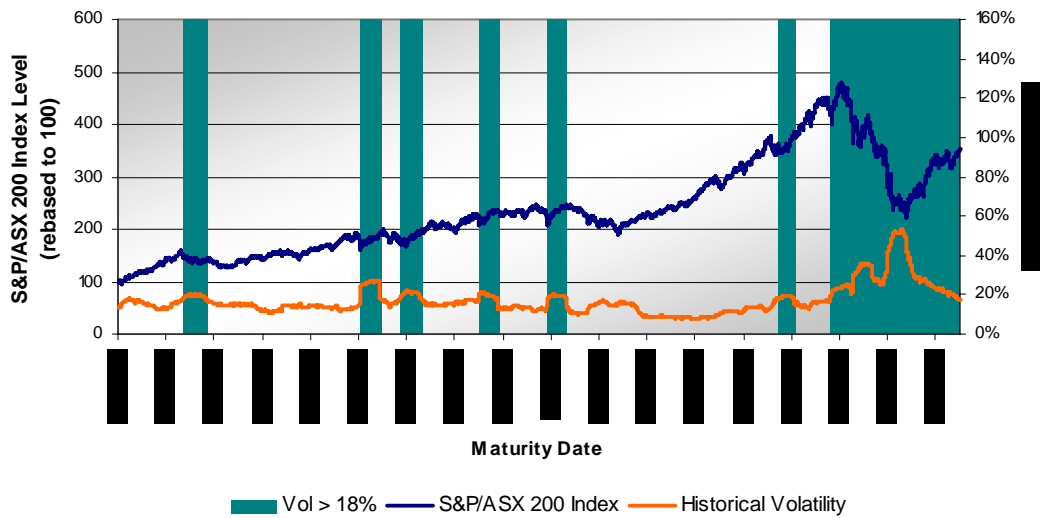
#### Amendments to Section 4 "The Offer"

The graph entitled "Simulated Final Value of Units over 3-year Investment Term in Series 5" in Section 4.1.2 "Minimum Final Value" on page 15 of the PDS is amended by inserting on the left hand vertical axis "Final Value (as a Percentage of Issue Price)". The updated graph is as follows:



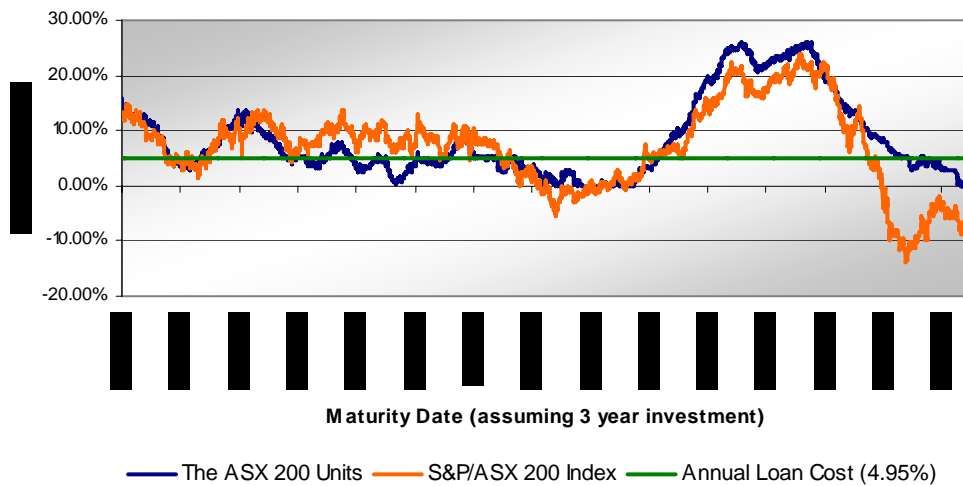
The graph entitled "Historical Volatility vs S&P/ASX 200 Index" in Section 4.5 "Participation Rate and volatility – How can volatility affect my investment?" on page 19 of the PDS is amended by inserting on the left hand vertical axis "S&P/ASX 200 Index Level (rebased to 100)" and inserting on the right hand vertical axis "Historical Volatility". The updated graph is as follows:

**Historical Volatility vs S&P/ASX 200 Index**



The graph entitled "Simulated IRR of the Units vs ROR of the S&P/ASX 200 Index" in Section 4.5 "Participation Rate and volatility – How can volatility affect my investment?" on page 19 of the PDS is amended by inserting on the left hand vertical axis "Rate of Return". The updated graph is as follows:

**Simulated IRR of the Units vs ROR of the S&P/ASX200 Index**



Section 4.8 "What is the Unit value during the Investment Term?" on page 21 of the PDS is amended by deleting the fifth paragraph in its entirety and replacing with the following paragraph:

The Unit value will be published on a monthly basis, immediately after the final Initial Averaging Date, on [www.rbs.com.au/structuredproducts](http://www.rbs.com.au/structuredproducts) generally within four Business Days of month end.

**Amendments to Section 7 "Worked Examples"**

Section 7.3 entitled "How is the Strategy Value calculated?" on page 28 of the PDS is amended by deleting "level" in the tenth line of the example and replacing it with "price".

Section 7.4 "How are the Coupons and Final Value calculated?" on page 28 of the PDS is amended by inserting the following at the end of the first paragraph:

In relation to the calculation of the First Coupon and Second Coupon, where the relevant calculation produces a negative result, no Coupon will be payable.

Step 5 in Section 7.4 "How are the Coupons and Final Value calculated?" on page 30 of the PDS is amended by deleting the sentence "The amount of this Coupon has been reduced on account of the Performance Fee the Issuer pays to the Lead Advisor" and replacing it with the following:

The amount of this **Final Value** has been reduced on account of the Performance Fee the Issuer pays to the Lead Advisor.

Step 6 in Section 7.4 "How are the Coupons and Final Value calculated?" on page 31 of the PDS is amended by inserting the following above the last paragraph:

The number of each type of Delivery Asset that would be received by an Investor (i.e. the Delivery Parcel) is calculated as follows:

$[(\text{Final Value} \times \text{Number of Units held by Investor} - \text{Delivery Costs}) / N] / \text{Delivery Asset Price}$

Where N means 5 or the number of Delivery Assets in each Delivery Parcel.

Therefore, under Scenario 1 an Investor would receive the following Delivery Parcel:

Delivery Asset	Delivery Asset Price	Number of Delivery Assets (Delivery Parcel)
BHP Billiton Limited	\$39.91	519
Commonwealth Bank of Australia	\$53.28	389
National Australia Bank	\$25.39	816
Telstra Corporation Limited	\$3.34	6,208
Woolworths Limited	\$27.81	745

The Delivery Asset Prices for each of the Delivery Assets used for the purpose of this example only are the closing prices on the ASX on 21 June 2010. The above figures were calculated on the assumption that the Loan Amount has been repaid and that there were no Delivery Costs (as at the date of this PDS, it is not anticipated that Delivery Costs will apply). The number of Delivery Assets has been rounded to the nearest whole number and is valued at \$103,610.62. Therefore, there is a difference of \$64.38 (i.e. \$103,675.00 less \$103,610.62). As this amount is greater than \$20, this amount will be paid to your Nominated Account within 10 Business Days of the Settlement Date.

The table entitled "Overview of Scenarios 1, 2, 3 and 4" in Section 7.4 "How are the Coupons and Final Value calculated" on page 31 of the PDS is amended by deleting the Performance Fee paid on the First Coupon for Scenarios 2 and 3 and replacing them with \$0.002 and \$0.009, respectively.

Section 7.4 "How are the Coupons and Final Value calculated?" on page 31 of the PDS is amended by inserting the following at the end of that page:

In relation to the calculation of the First Coupon and Second Coupon, where the relevant calculation produces a negative result, no Coupon will be payable.

The number of each type of Delivery Asset that would be received by an Investor (i.e. the Delivery Parcel) under each scenario is as follows:

Delivery Asset	Delivery Asset Price	Scenario 1	Scenario 2	Scenario 3	Scenario 4
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Delivery Asset	Delivery Asset Price	Scenario 1	Scenario 2	Scenario 3	Scenario 4
BHP Billiton Limited	\$39.91	519	250	250	250
Commonwealth Bank of Australia	\$53.28	389	187	187	187
National Australia Bank	\$25.39	816	393	393	393
Telstra Corporation Limited	\$3.34	6,208	2,994	2,994	2,994
Woolworths Limited	\$27.81	745	359	359	359

The Delivery Asset Prices for each of the Delivery Assets used for the purpose of this example only are the closing prices on the ASX on 21 June 2010. The above figures were calculated on the assumption that the Loan Amount has been repaid and that there were no Delivery Costs (as at the date of this PDS, it is not anticipated that Delivery Costs will apply). The number of Delivery Assets has been rounded to the nearest whole number.

For Scenarios 2, 3 and 4 the number of Delivery Asset are valued at \$49,902.88. Therefore, there is a difference of \$97.12 (i.e. \$50,000.00 less \$49,902.88). As this amount is greater than \$20, this amount will be paid to your Nominated Account within 10 Business Days of the Settlement Date. For Scenario 1, please refer to Step 6 in Section 7.4 "How are the Coupons and Final Value calculated" on page 32 of the PDS.

## Amendments to Section 8 "Risks"

Section 8.1 "The Units" on page 32 of the PDS is amended by including the following additional disclosure:

### Coupons

There will be no **First Coupon** if there has not been an increase in the Strategy Value over the first year of the Investment Term. Where the Strategy Value has remained constant or declined over this period, there will be no First Coupon paid and Investors will not be required to make any payment to the Issuer.

There will be no **Second Coupon** if there has not been an increase in the Strategy Value over the second year of the Investment Term. Where the Strategy Value has remained constant or declined over this period, there will be no Second Coupon paid and Investors will not be required to make any payment to the Issuer.

The **First Coupon** and the **Second Coupon** are capped at 8.1% of the Issue Price (this cap includes the payment of the Performance Fee). That is, the maximum Coupon an Investor can receive in the first or second year of the Investment Term is \$0.081 per Unit (i.e. 8.1% x \$1.00, being the Issue Price per Unit).

Further information on the Coupons and how they are calculated can be found in section 4.1.3 "Two potential Coupon payments" and section 15 "Formulae and Calculation Table".

Section 8.1 "The Units" on page 33 of the PDS is amended by inserting the following paragraph at the end of the section entitled "Prepaid Interest":

Additionally, in the event of an Investor requested Issuer Buy-Back, an Early Maturity Event or you elect to repay your Loan prior to the Maturity Date you will not receive a refund of Prepaid Interest.

Section 8.1 "The Units" on page 35 of the PDS is amended by deleting the 2<sup>nd</sup> and 3<sup>rd</sup> paragraphs of the section entitled "Guarantee of payment obligations only of the Issuer".

#### **Amendments to Section 15 "Formulae and Calculation Table"**

Section 15 "Formulae and Calculation Table" on page 71 of the PDS is amended by removing the section entitled "Volatility" in its entirety and replacing it with the following:

The Volatility ("Vol<sub>t</sub>") shall be calculated by the Calculation Agent based on the following formula:

$$Vol_t = \sqrt{365} \times \left[ \sum_{i=t-100}^t \frac{1}{100} \times \ln \left( \frac{Index_i}{Index_{i-1}} \right)^2 \right]^{0.5}$$

Where:

Index is the Reference Asset

(for the avoidance of doubt, for the 100 first Business Days, the Volatility will be determined by reference to closing prices of the Reference Asset prior to the Commencement Date).

Section 15 "Formulae and Calculation Table" on page 72 of the PDS entitled "Second Coupon" is amended by deleting the sentence "There will be no Second Coupon if there has not been an increase in the Strategy Value over the first year of the Investment Term" in the section entitled "Second Coupon" and replacing it with the following:

There will be no Second Coupon if there has not been an increase in the Strategy Value over the **second** year of the Investment Term.

**RBS Group (Australia) Pty Limited**