



NAB Currency Linked Structured Deposits

Linked Structured Deposits (CLSD)

NAB Currency Linked Structured Deposits are only available to wholesale clients as defined by the Corporations Act 2001 (Cth)

What are Currency Linked Structured Deposits?

Currency Linked Structured Deposits (“CLSDs”) are structured deposits that give investors the possibility to achieve an enhanced yield higher than a what may be received from a standard term deposit. CLSDs link yields to movements in the Spot Exchange Rate of a Nominated Currency Pair providing an investor with a known Minimum Return.

CLSD investment options

There are three CLSD types an investor can execute:

1. **Range:** Investors receive the Maximum Return if the Spot Exchange Rate does not touch the nominated Ceiling or Floor throughout the period (Trigger Event). If a Trigger Event occurs the Minimum Return is paid at maturity.
2. **Bull:** Investors receive the Maximum Return if the Spot Exchange Rate moves up to or above the nominated Ceiling throughout the period (Trigger Event). There is no Floor. Raising the Ceiling will correspond with greater Maximum Return and/or Minimum Return. If a Trigger Event does not occur the Minimum Return is paid at maturity.
3. **Bear:** Investors receive Maximum Return if the Spot Exchange Rate moves down to or below the nominated Floor during the Term of the investment (Floor Trigger Event). There is no Ceiling or Ceiling Trigger Event. Lowering the Floor will correspond with greater Maximum Return and/or Minimum Return. If a Trigger Event does not occur the Minimum Return is paid at maturity.

Features of a CLSD

- **Principal Amount:** minimum AUD100,000 (or equivalent).
- **Term:** one month to one year.
- **Return:** on Maturity Date NAB will pay a Minimum or Maximum Return.
- **Currencies:** deposits can be made in AUD, USD, NZD, GBP, EUR, JPY, SGD, and CAD or any other currency agreed by NAB.

Why consider a CLSD?

- Forego a guaranteed rate of return on a standard term deposit to potentially earn a higher return.
- Accept the risk that may only receive the Minimum Return which may be significantly lower than comparable rates for a standard term deposit.

Benefits

- CLSDs can offer the possibility of Yield at a rate above the rate offered on standard term deposits.
- Currency Bull Deposits and Currency Bear Deposits may lessen the financial impact of adverse currency movements.
- Funds held on a CLSD can be used as security for a loan from NAB for the same term.

Risks

- Minimum Return is usually below comparable rates for a standard deposit term.
- CLSDs may increase an investor’s financial exposure to adverse currency movements.
- Maximum Return remains fixed until Maturity Date even if the market interest rates for similar deposit terms increase.
- There is no guarantee a Trigger Event will or will not occur.
- DCI may not be withdrawn or terminated early, in full or in part, prior to Maturity without NAB’s consent (and economic costs are payable).

NAB strongly recommends that you talk to your legal, financial or tax adviser to understand the risks involved before entering into a NAB CLSD.


Not a deposit

CLSDs are not deposit liabilities and are not protected under the Australian government Deposit Protection Scheme.

Who can apply?

Companies, individuals, partnerships, trusts and non-profit organisations who are signed up to NAB’s Wholesale Investor Register.



Examples – illustrative and hypothetical

- 1 **Term:** 1 year
-  **Deposit size:** \$1,000,000



Range CLSD:

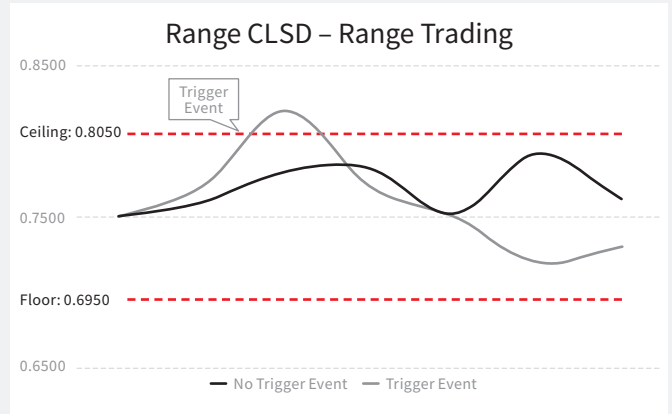
Maximum Return in a Range Deposit is achieved when the Ceiling and Floor **are not touched** at any time during the term.

The investor views the AUD/USD Spot is unlikely to trade below 0.6950 or above 0.8050 at any time in the next year.

-  **Maximum Return:** 8.00% p.a.
-  **Minimum Return:** 1.00% p.a.

Results on Maturity Date:



-  **No Trigger Event:** \$80,000 (Max)
-  **Trigger Event:** \$10,000 (Min)





Bull CLSD:

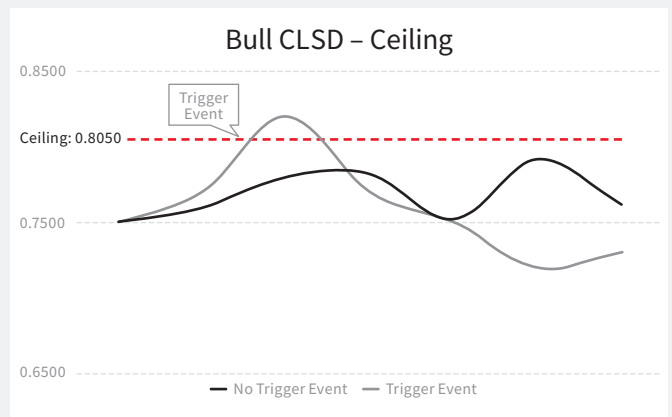
Maximum Return with a Bull Deposit is earned when the Ceiling **is touched**.

The investor views the AUD/USD Spot is likely to trade above 0.8050 at any time in the next year.

-  **Maximum Return:** 8.00% p.a.
-  **Minimum Return:** 1.00% p.a.

Results on Maturity Date:



-  **No Trigger Event:** \$10,000 (Min)
-  **Trigger Event:** \$80,000 (Max)





Bear CLSD:

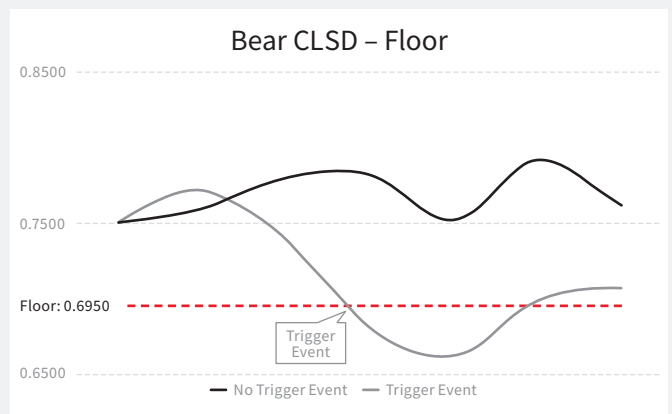
Maximum Return with a Bear Deposit is earned when the Floor **is touched**.

The investor views the AUD/USD Spot is likely to trade below 0.6950 at any time in the next year.

-  **Maximum Return:** 8.00% p.a.
-  **Minimum Return:** 1.00% p.a.

Results on Maturity Date:

-  **No Trigger Event:** \$10,000 (Min)
-  **Trigger Event:** \$80,000



Contact us

To find out more about NAB Currency Linked Structured Deposits please call us on 1800 865 155 (8:30am to 5:30pm EST Monday to Friday), or contact your NAB Private Wealth Investment Specialist.

General advice warning

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