

TAILORED
INVESTMENT
SOLUTIONS



**Tailored Investment Solutions
Berkshire Hathaway Units
Series 5**

29 October 2018

**Deferred Purchase Agreement
Product Disclosure Statement**

IMPORTANT INFORMATION

This PDS is for the offer of an agreement to purchase the shares specified in Section 3.2 “Key Information” (“**Delivery Assets**”) on certain terms including deferred delivery (“**the Offer**”). This PDS is dated 29 October 2018 and is issued by Tailored Investment Solutions Pty Ltd (ACN 169 320 905) (“**the Issuer**” or “**TIS**”) and arranged by Pinnacle Securities Pty Ltd (ABN 61 608 667 778, AFSL 485760) (“**the Arranger**”) pursuant to Section 911A(2) (b) of the Corporations Act. Pursuant to Section 911A(2)(b), the Issuer will issue the Units in accordance with the offer made by the Arranger.

This PDS has not been lodged, and is not required to be lodged with the Australian Securities and Investments Commission (“**ASIC**”). The Issuer will notify ASIC that this PDS is in use in accordance with the Corporations Act. ASIC and its officers take no responsibility for the contents of this PDS.

All fees in this PDS are stated inclusive of any GST (unless stated otherwise).

All monetary amounts referred to in this PDS are given in Australian dollars (unless stated otherwise). All references to legislation in this PDS are to Australian legislation. Explanations as to tax treatment and other features of the Offer have been provided for Australian investors.

The Issuer accepts responsibility for the information contained in this PDS. None of the Registrar, Arranger or Baker & McKenzie have authorised or caused the issue of this PDS or purport to make any statement in this PDS (or any statement on which a statement in this PDS is based) other than in the limited circumstances set out in Section 11.4 of this PDS.

INVESTMENTS IN THE UNITS

This PDS is an important document which should be read before making a decision to acquire the Units. The information in this PDS is general information only and does not take into account an individual's investment objectives, financial situation or particular needs or circumstances.

Nothing in this PDS is a recommendation by the Issuer or its related bodies corporate or by any other person concerning investment in the Units, the Delivery Asset, or the Reference Asset or any specific taxation consequences arising from an investment in the Units. Potential investors should also obtain independent financial and taxation advice as to the suitability of this investment to them having regard to their investment objectives, financial situation and particular needs. No cooling off rights apply to an investment in the Units.

Potential investors should note that the Issuer retains the absolute discretion to close the offer early and/or adjust the Commencement Date (and all other consequential dates) for a Series. The Issuer may also determine not to continue with the issue of a Series of Units on the Commencement Date and may terminate any Units already issued, including where there is a significant change in the Issuer's cost of hedging between the date of this PDS and the Commencement Date. In particular, the Issuer will not continue with the issue of Units if it considers that it and its affiliates have not completed sufficient arrangements for hedging their respective obligations or if the Minimum Total Subscription is not met. If a decision is made not to proceed with the issue of the Units the Issuer will return your Total Investment Amount without interest within 10 Business Days of the scheduled Commencement Date.

ISSUER'S EXPOSURE TO THE REFERENCE BASKET

The Issuer may obtain exposure to the Reference Basket through the use of derivatives or securities or other financial instruments designed to track the performance of the Reference Basket rather than a direct investment in the Reference Basket. Accordingly additional risks may apply than if the Issuer invested directly in the Reference Basket.

LEVERAGE

The Units provide investors with a notional exposure which is greater than the issue price. This has the effect of increasing gains, but also magnifying losses.

ELIGIBLE INVESTORS AND ELECTRONIC PDS

This PDS and the Offer are available only to Australian resident investors receiving this PDS (including electronically) in Australia. Applications from outside Australia will not be accepted. If anyone prints an electronic copy of this PDS they must print all pages including the Application Form. If anyone makes this PDS available to others, they must give them the entire electronic file or printout, including the Application Form and any additional documents that the Issuer may require, such as identification forms for the purpose of satisfying Australian anti-money laundering legislation.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States or to, or for the benefit of U.S. persons unless the Units are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

UPDATED INFORMATION

Information set out in this PDS is subject to change from time to time. Information not materially adverse to Investors in the Units may be amended without issuing an updated or supplementary PDS. Investors can find this updated information at any time at the Tailored Investment Solutions website: www.tailoredinvestmentsolutions.com.au

A paper copy of this PDS (and any supplementary documents) can be obtained free of charge on request by contacting the Issuer on 1300 760 397.

MAKING AN INVESTMENT

Units can only be issued if potential investors use an Application Form (including relevant attachments) attached to either a paper or electronic copy of this PDS.

RETURNS NOT GUARANTEED

Returns on the Units are not guaranteed. None of the Issuer, the Arranger, nor any of their associates or subsidiaries guarantees the return on an investment in the Units or any gain. In fact, Investors could lose their Total Investment Amount as there is no guarantee that returns on the Units will be in excess of the total Issue Price and Adviser Fee paid by Investors. Please refer to Section 8 “Risks” in this PDS.

SUPERANNUATION FUND INVESTORS

Superannuation funds can invest in Units. Superannuation fund investors should take note of the representations and warranties they make when investing – see clause 11.2 of Section 12 ‘Terms of the Deferred Purchase Agreement’ in this PDS.

DEFINITIONS

Capitalised terms used in this PDS have the meaning given in Section 13 “Definitions”.

NATURE OF THE UNITS

The Units are “Securities” for the purposes of Chapter 7 of the Corporations Act.

Please note “Unit” or “Units”, when used in this PDS, means an agreement to buy the Delivery Assets between the Issuer and the Investor pursuant to the Deferred Purchase Agreement. The Units are not units in a trust or managed investment scheme.

TAILORED INVESTMENT SOLUTIONS PTY LTD

Tailored Investment Solutions Pty Ltd provides a range of investment strategies to Australian investors. TIS does not hold an Australian Financial Services License (“AFSL”) and investors should seek independent investment advice prior to investing.

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1. INVESTMENT OVERVIEW

Tailored Investment Solutions Berkshire Hathaway Units Series 5

Tailored Investment Solutions Berkshire Hathaway Units Series 5 (“**Units**”) is approximately a three year investment that aims to provide investors with the potential to benefit from:

- a) the growth of Berkshire Hathaway Inc. Class B shares (“**Reference Asset**”); and
- b) exposure to the AUD/USD exchange rate.

The Units provide investors with the right to purchase ordinary shares in a leading Australian company, Telstra Corporation, on a deferred basis.

Other features include:

- potential for enhanced exposure to the Reference Asset (because the Issue Price is a fraction of the Notional Exposure);
- potential for returns at Maturity which are determined by reference to the Reference Asset over the Investment Term. The Final Value is subject to foreign exchange risk and movements in the AUD/USD exchange rate will affect the amount of the Final Value (if any)¹; and
- potential for two Coupon payments during the Investment Term. The Coupons are subject to foreign exchange risk and movements in the AUD/USD exchange rate will affect the amount of the Coupons².

Each Unit is a separate right to receive the Delivery Assets and certain related rights under a deferred purchase agreement as described in this PDS.

After Maturity, Investors will receive the Delivery Assets, unless they request for the Issuer to sell the Delivery Assets on their behalf and receive the Sale Monies (which includes a deduction for any Delivery Costs).

¹ If the AUD/USD exchange rate increases, the Final Value per Unit payable (if any) will decrease. If the AUD/USD exchange rate decreases, the Final Value per Unit payable (if any) will increase.

² If the AUD/USD exchange rate increases, the Coupon payable will decrease. If the AUD/USD exchange rate decreases, the Coupon payable will increase.

2. WHY INVEST IN THE TAILORED INVESTMENT SOLUTIONS BERKSHIRE HATHAWAY UNITS SERIES 5

Tailored Investment Solutions Berkshire Hathaway Units Series 5 (“Units”) offer the following investment features:

EXPOSURE TO BERKSHIRE HATHAWAY INC. B CLASS SHARES

The Units provide investors with exposure to Berkshire Hathaway Inc. B Class shares (“Reference Asset”) and the performance of these shares over the Investment Term.

ENHANCED EXPOSURE TO THE REFERENCE ASSET

The Units provide exposure to the Reference Asset for an Issue Price which is a fraction of the size of the Notional Exposure. The Issue Price for Units is \$0.2085 which provides a Notional Exposure of \$1.00 per Unit. The Notional Exposure per Unit is the amount of each Unit’s exposure to the Reference Asset at the Commencement Date. While Investors pay an Issue Price of less than \$1.00 per Unit, each Unit has a Notional Exposure to the Reference Asset of \$1.00. This means that Units effectively have notional ‘leverage’ or ‘gearing’ without any amounts actually being borrowed. This can enhance gains, but may also magnify losses.

The Notional Exposure is obtained by way of a single upfront payment of the Total Investment Amount by Investors. However, Investors may lose their Total Investment Amount. Please refer to Key Risks in Section 3 “Product Summary” and “Loss of Total Investment Amount” in Section 8 “Risks” for further information.

POTENTIAL COUPON PAYMENTS

You may potentially receive two Coupon payments of up to 10% of the performance of the Reference Asset Value (before conversion to AUD, and the subtraction of the performance fee payable). The Coupons are subject to foreign exchange risk and movements in the AUD/USD exchange rate will affect the amount of the Coupons³. Therefore, movements in the AUD/USD exchange rate may mean that the Coupon payments could be greater than, or less than, 10% of the Notional Exposure per Unit.

These Coupons depend on the increase (if any) in the Reference Asset Value above the Initial Reference Asset Value over each year of the Investment Term and there is no guarantee that any Coupons will be paid. Please refer to Section 4.1.2 and “Coupons” in Section 8 “Risks” for more detail.

Payment of the Coupons relies on the Issuer meeting its obligations and the Hedge Counterparty’s ability to meet their obligations under the Hedge. A relevant factor for the assessment of counterparty risk is the financial strength of the Issuer and Hedge Counterparty. You should refer to “Counterparty risk of the Issuer and Hedge Counterparty” in Section 8 “Risks”. You should note that the obligation to pay Coupons are unsecured obligations of the Issuer. In the event of an insolvency of the Issuer, Investors will rank alongside other unsecured creditors of the Issuer. If the Hedge Counterparty goes insolvent, the Issuer’s obligations to pay the Final Value and any remaining Coupons will be dependent on any amounts it receives from the Hedge Counterparty under the Hedge for the Series and you may receive nothing.

³ If the AUD/USD exchange rate increases, the Coupon payable will decrease. If the AUD/USD exchange rate decreases, the Coupon payable will increase. Each Coupon could therefore be greater than, or less than, 10% of the Notional Exposure per Unit if the AUD/USD exchange rate changes.

CURRENCY EXPOSURE

Units provide Investors with exposure to the movements of the AUD/USD exchange rate during the Investment Term. Any payments which Investors receive (being the Coupons and Final Value), and therefore any investment gains, are subject to the fluctuations in the AUD/USD exchange rate. For further information, please refer to Section 4.1.1, Section 4.1.2, and Section 8 “Risks”.

AVERAGING

The Units use an averaging technique which seeks to reduce the effect of volatility of the Reference Asset Value during the first five months and during the final five months of the Investment Term on the Final Value per Unit. As averaging occurs over the first five months and during the last five months of the Investment Term, its effect is expected to decrease the impact of a fall (or a rise) in the value of the Reference Asset Value during that period on the value of your Units. Averaging over the first five months of the Investment Term also affects the calculation of the Coupons, since these are calculated by reference to the increase in the Reference Asset Value above the Initial Reference Asset Value. For further information refer to Section 4.2 “Reference Asset Value”, Section 4.4 “Averaging” and “Averaging Risk” in Section 8 “Risks”.

ACQUIRE DELIVERY ASSETS AT MATURITY

At Maturity, the Issuer will deliver the Delivery Assets to you (unless you have elected to use the Agency Sale Option in which case the Delivery Parcel will be delivered to a nominee of the Issuer and sold on your behalf). The value of the Delivery Parcel you receive will be determined by reference to the Final Value per Unit. The Final Value per Unit depends on the increase (if any) in the Reference Asset Value above the Initial Reference Asset Value over the Investment Term, less any Coupons paid.

For further information, refer to Section 4.1.1 “Final Value at Maturity”, Section 4.6 “The Delivery Assets”, Section 6 “Maturity and Early Maturity” and “Delivery Assets” in Section 8 “Risks”.

Payment of the Final Value relies on the Issuer meeting its obligations and the Hedge Counterparty’s ability to meet their obligations under the Hedge. The obligations are unsecured obligations of the Issuer and unsecured obligations of the Hedge Counterparty. A relevant factor for the assessment of counterparty risk is the financial strength of the Issuer and Hedge Counterparty. You should refer to “Counterparty risk of the Issuer and Hedge Counterparty” in Section 8 “Risks”. If the Hedge Counterparty goes insolvent, the Issuer’s obligations to pay the Final Value and any remaining Coupons will be dependent on any amounts it receives from the Hedge Counterparty under the Hedge for the Series and you may receive nothing.

POTENTIAL BENEFITS OF INVESTING IN THE UNITS

The Units have been designed for Investors who:

1. have a positive view that Berkshire Hathaway Inc. Class B shares will increase over the next three years and that the US dollar (“USD”) will appreciate against the Australian dollar (“AUD”) during the Investment Term.

2. are seeking an investment that provides notional leverage because the Notional Exposure exceeds the Issue Price. Notional leverage magnifies both gains and losses on the Reference Assets.
3. are not relying on the Units to produce income during the Investment Term (although the Units may potentially pay two Coupons during the Investment Term).
4. want an investment where the losses are limited to the Issue Price of the Units.
5. are seeking an easy-to-access, three year investment.
6. are seeking an easy way to gain exposure to overseas assets with exposure to AUD/USD currency movements.
7. after Maturity, would like to receive shares in a leading Australian company.
8. may be looking for an investment for their self managed superannuation fund.
9. understand and can tolerate the risk associated with notional leverage and how it can impact an investment in the Units both in positive and negative market conditions (that is, by enhancing potential gains but also magnifying potential losses).
10. understand and can tolerate the risk that there is no guarantee of financial return on their investment. Investors may lose all or part of their Total Investment Amount. There is no guarantee that any Coupons will be paid and there is no minimum Final Value.

WHY THE UNITS MAY NOT SUIT ALL INVESTORS

An investment in the Units would not be a suitable investment for Investors who:

1. do not have a positive view of Berkshire Hathaway Inc. Class B shares over the next three years and in particular believe that the Reference Asset will not increase sufficiently between the Commencement Date and the Maturity Date to provide you with returns greater than the Total Investment Amount.
2. are unwilling to pay the Total Investment Amount upfront.
3. are unwilling to take the risk that the performance of the Units will be insufficient to recover the Total Investment Amount and the risk of the loss of all of their Total Investment Amount.
4. are unwilling to bear foreign exchange risk with respect to the return on the Units. In particular, do not have a view that the USD will appreciate against the AUD over the Investment Term⁴.
5. are unwilling to bear the counterparty credit risk to the Issuer and Hedge Counterparty in relation to the payment of the Coupons (if any) and the Final Value.
6. are unwilling to pay the Adviser Fee (if any).
7. do not expect to hold the Units until the Maturity Date.

This list is not comprehensive and does not take into account a potential Investor's personal needs and circumstances. Investors should consider the appropriateness of the above statements having regard to their own objectives, financial situation and needs.

Before investing you should consider carefully the risks that relate to an investment in the Units. Please refer to Section 8 "Risks".

This investment carries risk. Before investing, potential investors should read this entire PDS to make sure they fully understand the risks of investing in the Units and having exposure to the Reference Asset, and speak to their financial, legal and tax advisors. This document does not take into account a potential investor's own objectives, financial situation or needs.

Investors should seek professional advice which considers their individual objectives, financial situation and needs before making any investment decision.

⁴ If the USD depreciates against the AUD (i.e. the AUD/USD exchange rate increases) during the Investment Term this decreases any Coupons payable and the Final Value.

3. PRODUCT SUMMARY

3.1 TIMELINE⁵

| | |
|---|---|
| Issue Opening Date | 29 October 2018 |
| Issue Closing Date | 14 December 2018 |
| Final Application Payment Date | 14 December 2018 |
| Commencement Date | 20 December 2018 |
| Initial Averaging Dates | 20 December 2018, 21 January 2019, 20 February 2019, 20 March 2019, 19 April 2019, 20 May 2019 |
| Maturity Averaging Dates | 20 July 2021, 20 August 2021, 20 September 2021, 20 October 2021, 19 November 2021, 16 December 2021 |
| First Coupon Determination Date | 19 December 2019 |
| Second Coupon Determination Date | 17 December 2020 |
| Maturity Date | 16 December 2021 |
| Investment Term | Approximately three years |
| Coupon Payment Date | 10 Business Days, or as soon as reasonably practicable, after the relevant Coupon Determination Date |
| Buy-Back Dates | 15 March 2019, 14 June 2019, 13 September 2019, 13 December 2019, 13 March 2020, 15 June 2020, 15 September 2020, 15 December 2020, 15 March 2021, 15 June 2021, 15 September 2021 Investors must lodge their Buy-Back Form no later than 10 Business Days before the relevant Buy-Back Date. Any Buy-Back Form received after this time will be held over to the next Buy-Back Date. |
| Settlement Date | 10 Business Days after the Maturity Date, or such other date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under the Terms |

3.2 KEY INFORMATION

This section contains the details of an investment and the general terms that apply to investing in the Tailored Investment Solutions Berkshire Hathaway Units Series 5. This Product Disclosure Statement provides the terms Investors agree to when investing in the Units. The Issuer recommends that you seek professional advice from your investment adviser before making an investment decision.

| About the Tailored Investment Solutions Berkshire Hathaway Units Series 5 | | Further Information |
|--|---|----------------------------|
| Tailored Investment Solutions Berkshire Hathaway Units Series 5 (“Units”) | The individual Units are interests in Deferred Purchase Agreements issued by the Issuer on the terms contained in this PDS. The Units are designed to deliver at the Settlement Date a Delivery Parcel which has a value equivalent to the Final Value at the Maturity Date. The Final Value will be linked to the return on the Reference Asset from the Commencement Date to the Maturity Date. | |
| Issuer | Tailored Investment Solutions Pty Ltd (ACN 169 320 905) (“TIS”) | |
| Arranger | Pinnacle Securities Pty Ltd (ABN 61 608 667 778, AFSL 485760) | |
| Registrar | Registry Direct Limited (ABN 35 160 181 840) | |

⁵ This Timeline is indicative only. The Issuer may, in its discretion, extend or shorten the Offer Period for a Series without prior notice. If this happens, the Commencement Date and one or more consequential dates for the Series may vary. The Issuer may also defer the Commencement Date for a Series, in which case the Maturity Dates and other consequential dates for the Series may vary. If the Issuer varies the Offer Period or the Commencement Date for a Series it will post a notice on the website informing applicants of the change at www.tailoredinvestmentsolutions.com.au.

If a date set out in the table above is not a Business Day, then the relevant date will be the next following Business Day.

*Applications and issue of Units

Applications may be accepted or rejected at the discretion of the Issuer. Units will be issued within one month upon receipt of an Application from an Investor. The Unit's economic exposure to the Reference Asset will begin on the Commencement Date. If a Unit is issued prior to the Commencement Date it will have no economic exposure until the Commencement Date.

Units will only be issued at the discretion of the Issuer, and applications may be accepted or rejected at the discretion of the Issuer. Without limiting its discretion, the Issuer may choose not to proceed with the issue of the Units if the Minimum Total Subscriptions are not met or there is a significant change in the Issuer's cost of hedging between the date of this PDS and the Commencement Date. Any Units already on issue will be terminated.

If a decision is made for any reason not to issue, or not to proceed with the issue the Units, the Issuer will return the Total Investment Amount to applicants (without interest) within 10 Business Days of the scheduled Commencement Date.

The Units may mature early in the case of an Early Maturity Event or Issuer Buy-Back, and the Maturity Date may be extended in the case of a Market Disruption Event.

| | | |
|--------------------------------------|---|--|
| Issue Price | \$0.2085 per Unit The Issue Price provides a Notional Exposure of \$1.00 per Unit. | |
| Notional Exposure per Unit | \$1.00 per Unit The Notional Exposure per Unit is the amount of notional exposure that Investors gain to the Reference Asset at the Commencement Date. This means that every Unit has a \$1.00 exposure to the performance of the Reference Asset, despite Investors paying an Issue Price of less than \$1.00 per Unit, and that if you were to purchase 100,000 Units, which would have a total purchase price of \$20,850 (plus any Adviser Fee as agreed with your financial adviser), your investment exposure to the Reference Asset for the purposes of calculating Final Value would be \$100,000. Therefore, although there is no actual borrowing or loan, the Units effectively have notional “leverage” or “gearing” without any actual borrowing. This feature has the potential to increase gains but also magnify losses. The Notional Exposure is in Australian dollars. | Section 8 “Risks” |
| Listing | The Units will not be listed or displayed on any securities exchange. | |
| Currency | Australian dollars | |
| Minimum Investment Amount | 50,000 Units and in multiples of 1,000 Units thereafter. | |
| Minimum Buy-Back Amount | 50,000 Units providing Investors continue to hold at least 50,000 Units. In the event that an Investor makes an Issuer Buy-Back Request which would result in the Investor holding less than 50,000 Units, then the Issuer will notify the Investor that it will hold less than 50,000 Units and seek the Investors’ instruction whether to buy back the Investors’ entire holding or reject the request. | |
| Minimum Total Subscription | The Issuer can choose at its absolute discretion whether or not to proceed with the issue of Units, or continue that Series (to the extent Units are issued prior to the Commencement Date) if the aggregate Issue Price of the Units subscribed for by the end of the Offer Period is less than A\$10 million. | |
| Beneficial Interest | The beneficial interest in a Portion of the Delivery Asset held for each Unit an Investor holds. The beneficial interest is a feature of the product designed to ensure the Units are a “security” under the Corporations Act. The beneficial interest in the Portion of the Delivery Assets will be held for Investors in accordance with clause 9 of the Terms. | Clause 9, “Beneficial Interest in Delivery Asset” of Section 12 “Terms of the Deferred Purchase Agreement” |
| Reference Asset | The Reference Asset is Berkshire Hathaway B Class shares. Further information can be found on Berkshire Hathaway at www.berkshirehathaway.com or by going to the NYSE website at www.nyse.com and searching the NYSE Code: BRKB. | Section 4.3 “The Reference Asset” |
| Reference Asset Value | The Reference Asset Value is used when calculating the Coupons and the Final Value of the Units. The Reference Asset Value is calculated as follows: $\text{Reference Asset Value}_t = \left(1 + \frac{(\text{Reference Asset Level}_t - \text{Reference Asset Level}_0)}{\text{Reference Asset Level}_0}\right) \times 100$ Where: Reference Asset Value _t means the Reference Asset Value on Scheduled Business Day t Reference Asset Level _t means the Reference Asset Closing Price on Scheduled Business Day t Reference Asset Level ₀ means the Reference Asset Closing Price on the Commencement Date. | |
| Initial Reference Asset Value | The average of the Reference Asset Values on each of the six Initial Averaging Dates. | |
| Final Reference Asset Value | The average of the Reference Asset Values on each of the six Maturity Averaging Dates. | |
| Reference Asset Closing Price | The price of Berkshire Hathaway Inc. Class B shares at the close of trading on the New York Stock Exchange (“NYSE”) on any Business Day on which the NYSE is open for trading. | |

Returns on the Units

| | | |
|---------------------------|---|--|
| Coupons | <p>The Units may pay two Coupons of up to 10% of the performance of the Reference Asset Value (before conversion to AUD, and the subtraction of the performance fee payable). The Coupons are subject to foreign exchange risk i.e. if the AUD/USD exchange rate increases, the Coupon amount will decrease and as a result may end up being less than 10% of the Notional Exposure per Unit. If the AUD/USD exchange rate decreases, the Coupon payable will increase, and as a result may end up more than 10% of the Notional Exposure per Unit.</p> <p>The First Coupon is calculated at the end of the first year of the Investment Term and the Second Coupon is calculated at the end of the second year of the Investment Term. Please refer to Section 4.1.2 “Two potential Coupon payments”.</p> <p>The Coupons are dependent on the performance of the Reference Asset Value above the Initial Reference Asset Value. In particular, there will be no Coupon paid if the Reference Asset Value does not increase sufficiently in the relevant period (i.e. above the Initial Reference Asset Value, and, for the Second Coupon, the Gross First Coupon).</p> <p>Please refer to Section 8 “Risks” for further information on the risk factors which could impact on the payment of the Coupons.</p> <p>Payment of the Coupons also relies on the Issuer meeting its obligations and the Hedge Counterparty’s ability to meet their obligations under the Hedge. A relevant factor for the assessment of counterparty risk is the financial strength of the Issuer and Hedge Counterparty. You should refer to “Counterparty risk of the Issuer and Hedge Counterparty” in Section 8 “Risks”.</p> | <p>Section 4.1.2 “Two potential Coupon payments” Section 7 “Worked Examples”</p> |
| First Coupon | <p>The First Coupon is calculated as follows:</p> $\text{First Coupon} = 90\% \times \text{Notional Exposure} \times [\text{Min}(10\%, 100\% \times (\text{Reference Asset Value}_{y1} / \text{Initial Reference Asset Value} - 1))] \times (\text{Series Spot Rate}_{y0} / \text{Series Spot Rate}_{y1})$ <p>provided that if this calculation would produce a negative result, no Coupon will be payable.</p> <p>Where:</p> <p>Reference Asset Value_{y1} means the Reference Asset Value on the First Coupon Determination Date</p> <p>Series Spot Rate_{y0} means the AUD/USD spot rate on the Commencement Date</p> <p>Series Spot Rate_{y1} means the AUD/USD spot rate on the First Coupon Determination Date</p> <p>The 90% in the above formula for the First Coupon has the effect of reducing the First Coupon by the amount of the Performance Fee. The Performance Fee is 10% of the amount that would otherwise be payable.</p> <p>There will be no First Coupon if there has not been an increase in the Reference Asset Value above the Initial Reference Asset Value over the first year of the Investment Term. Where the Reference Asset Value has remained constant or declined over this period, there will be no First Coupon paid.</p> | |
| Gross First Coupon | <p>The amount of the First Coupon in US dollars before the deduction of the Performance Fee (i.e. gross of the Performance Fee) or exposure to the AUD/USD exchange rate.</p> | |

| | | |
|--------------------------------|---|--|
| Second Coupon | <p>The Second Coupon will be an amount per Unit calculated as follows: $\text{Second Coupon} = 90\% \times \text{Notional Exposure} \times [\text{Min}(10\%, 100\% \times ((\text{Reference Asset Value}_{y_2} / \text{Initial Reference Asset Value} - 1) - \text{Gross First Coupon}))] \times (\text{Series Spot Rate}_{y_0} / \text{Series Spot Rate}_{y_2})$ provided that if this calculation would produce a negative result, no Coupon will be payable. Where: Reference Asset Value_{y₂} means the Reference Asset Value on the Second Coupon Determination Date. Series Spot Rate_{y₀} means the AUD/USD spot rate on the Commencement Date Series Spot Rate_{y₂} is the AUD/USD spot rate on the Second Coupon Determination Date</p> <p>The 90% in the above formula for the Second Coupon has the effect of reducing the Second Coupon by the amount of the Performance Fee. The Performance Fee is 10% of the amount that would otherwise be payable.</p> <p>There will be no Second Coupon if there has not been an increase in the Reference Asset Value greater than the gross First Coupon over the first and second year of the Investment Term. Where the Reference Asset Value has remained constant or declined over this period, there will be no Second Coupon paid.</p> | |
| Gross Second Coupon | <p>The amount of the Second Coupon in US dollars before the deduction of the Performance Fee (i.e. gross of the Performance Fee) or exposure to the AUD/USD exchange rate.</p> | |
| Gross Coupon | <p>Means the First Gross Coupon or the Second Gross Coupon or either or both of them in US dollars.</p> | |
| Final Value at Maturity | <p>The Final Value per Unit is determined on the Maturity Date in accordance with the following formula: $\text{Final Value} = 90\% \times [\text{Max}(0, (\text{Notional Exposure} \times (\text{Final Reference Asset Value} / \text{Initial Reference Asset Value} - 1) - \text{Gross First Coupon} - \text{Gross Second Coupon}))] \times (\text{Series Spot Rate}_{y_0} / \text{Series Spot Rate}_{y_f})$ Series Spot Rate_{y₀} means the AUD/USD spot rate on the Commencement Date Series Spot Rate_{y_f} is the AUD/USD spot rate on the Maturity Date.</p> <p>The 90% in the above formula for Final Value has the effect of reducing the Final Value by the amount of the Performance Fee. The Performance Fee is 10% of the amount that would otherwise be payable.</p> <p>The calculation of the Reference Asset Value is subject to averaging and there is no minimum Final Value. Please refer to Section 4.1.1 “Final Value at Maturity”.</p> <p>The Final Value is subject to foreign exchange risk i.e. if the AUD/USD exchange rate increases, the Final Value will decrease. If the AUD/USD exchange rate decreases, the Final Value payable will increase. There is no minimum Final Value.</p> <p>Payment of the Final Value relies on the Issuer meeting its obligations and the Hedge Counterparty’s ability to meet their obligations under the Hedge. A relevant factor for the assessment of counterparty risk is the financial strength of the Issuer and Hedge Counterparty. You are an unsecured creditor of the Issuer, and indirectly of the Hedge Counterparty. If the Hedge Counterparty goes insolvent, the Issuer’s obligations to pay the Final Value and any remaining Coupons will be dependent on any amounts it receives from the Hedge Counterparty under the Hedge for the Series and you may receive nothing. You should refer to “Counterparty risk of the Issuer and Hedge Counterparty” in Section 8 “Risks”.</p> | <p>Please refer to Section 4.1.1 “The Final Value at Maturity” Section 7 “Worked Examples”</p> |

| Maturity | | |
|---|---|--|
| Delivery Parcel | <p>On Maturity, the Issuer intends to deliver a parcel of ordinary shares in Telstra Corporation (ASX Code: TLS, website: www.telstra.com.au) (“Delivery Asset”), equal in value to the Final Value per Unit multiplied by the number of Units held by an Investor (subject to any applicable rounding as described in this PDS).</p> <p>In the event the above company is no longer listed on the ASX, is suspended from trading or otherwise unable to be delivered (including, but not limited to restrictions due to trade limitations resulting from internal conflict arrangements, or if it is not reasonably practicable or economically viable for the Issuer in its discretion, to deliver any of the Delivery Assets specified in this PDS), the Issuer shall either delay delivery or select a replacement company which is listed on the ASX and which is a constituent of the S&P/ASX 200 Index.</p> <p>The performance of Units is not directly affected by the performance of the security comprising the Delivery Asset up to the Maturity Date. However after the Maturity Date, the value of the security will be determined by the price of the Delivery Asset as traded on the ASX.</p> <p>You should be aware that the Issuer may change, substitute or delay the delivery of the Delivery Asset in certain circumstances, and you should take this into account when considering whether to invest in the Units.</p> | <p>Section 4.6 “The Delivery Assets”</p> <p>Clause 4.7 “Substitution of Delivery Assets” and clause 6.1 “Adjustment Events” in Section 12 “Terms of the Deferred Purchase Agreement”</p> |
| Agency Sale Option | Investors may elect to have the Delivery Assets sold on their behalf rather than take delivery of the Delivery Assets. | Section 6 “Maturity and Early Maturity” |
| Early Maturity & Issuer Buy-Back | The Tailored Investment Solutions Berkshire Hathaway Units Series 5 may mature early if an Early Maturity Event occurs or if an Investor requests (and the Issuer accepts) an Issuer Buy-Back. | <p>Section 6 “Maturity and Early Maturity”</p> <p>Section 8 “Risks”</p> <p>Clause 5 “Early Maturity” of Section 12 ‘Terms of the Deferred Purchase Agreement’ in this PDS.</p> |
| Business Day | As defined in Section 13 “Definitions” in this PDS. If something is to be done on a day that is not a Business Day, then it will be completed on the next Business Day. | |
| Scheduled Business Day | As defined in Section 13 “Definitions” in this PDS. | |
| Fees and costs | | |
| Fees paid by Investors | | |
| Adviser Fee | <p>If you agree to pay an upfront fee to your Adviser for financial product advice given by them to you in relation to your investment in the Units (“Adviser Fee”), you should insert the agreed amount of the Adviser Fee payable on the Application Form.</p> <p>By signing the Application Form you irrevocably authorise the Issuer to collect the Adviser Fee (if any) specified on your Application Form at the same time as the other payments are paid by direct debit and irrevocably direct the Issuer to pay the Adviser Fee to your adviser on your behalf.</p> | |

Performance Fees

The amount of each Coupon and the Final Value will each be reduced by an amount on account of the Performance Fee, which is retained by the Issuer. The amount of the Performance Fee on each Coupon will be 10% of the amount which would otherwise have been payable had the Performance Fee not been deducted. The Performance Fee on the Final Value will be 10% of the amount which would otherwise have been payable had the Performance Fee not been deducted.

Performance Fees per Unit on the Coupon will be 10% of the smaller of 10% of the Notional Exposure, and the performance of the Reference Asset Value relative to the Initial Reference Asset Value on the First Coupon Determination Date or Second Coupon Determination Date less any Gross Coupons, as applicable, and multiplied by the Notional Exposure and the change in the AUD/USD spot rate from Commencement to Maturity. The Performance Fees are calculated as:

Performance Fee on

the coupons = $10\% \times \text{Notional Exposure} \times [\text{Min}(10\%, 100\% \times ((\text{Reference Asset Value}_t / \text{Initial Reference Asset Value} - 1) - \text{Gross Coupons}))] \times (\text{Series Spot Rate}_{y_0} / \text{Series Spot Rate}_{y_t})$

Where:

Reference Asset Value_t means the Reference Asset Value on the First Coupon Determination Date or Second Coupon Determination Date as applicable.

Series Spot Rate_{y₀} means the relevant AUD/USD spot rate at Commencement Date.

Series Spot Rate_{y_t} is the AUD/USD spot rate on the relevant Observation Date.

If this calculation would produce a negative result, the Performance Fee will be nil.

Gross Coupons means any Gross Coupon which has been paid prior to the calculation of the Performance Fee.

The Performance Fee per Unit on the Final Value will be 10% multiplied by the higher of zero and the net performance of the Final Reference Asset Value relative to the Initial Reference Basket Value, multiplied by the Notional Exposure and multiplied by the change in the AUD/USD spot rate from Commencement to Maturity.

Performance Fee_{FV} = $10\% \times [\text{Max}(0, (\text{Notional Exposure} \times (\text{Final Reference Asset Value} / \text{Initial Reference Asset Value} - 1) - \text{Gross Coupons}))] \times (\text{Series Spot Rate}_{y_0} / \text{Series Spot Rate}_{y_f})$.

Series Spot Rate_{y₀} means the AUD/USD spot rate on the Commencement Date

Series Spot Rate_{y_f} is the AUD/USD spot rate on the Maturity Date.

Gross Coupons means any Gross Coupon which has been paid prior to exposure to the AUD/USD exchange rate.

Note that the Performance Fee will be nil where a Coupon is not payable or the Final Value is zero.

Other fees and costs**Goods and Services Tax ("GST")**

Fees and costs in this section are stated inclusive of any GST (unless stated otherwise).

Income earned by the Issuer

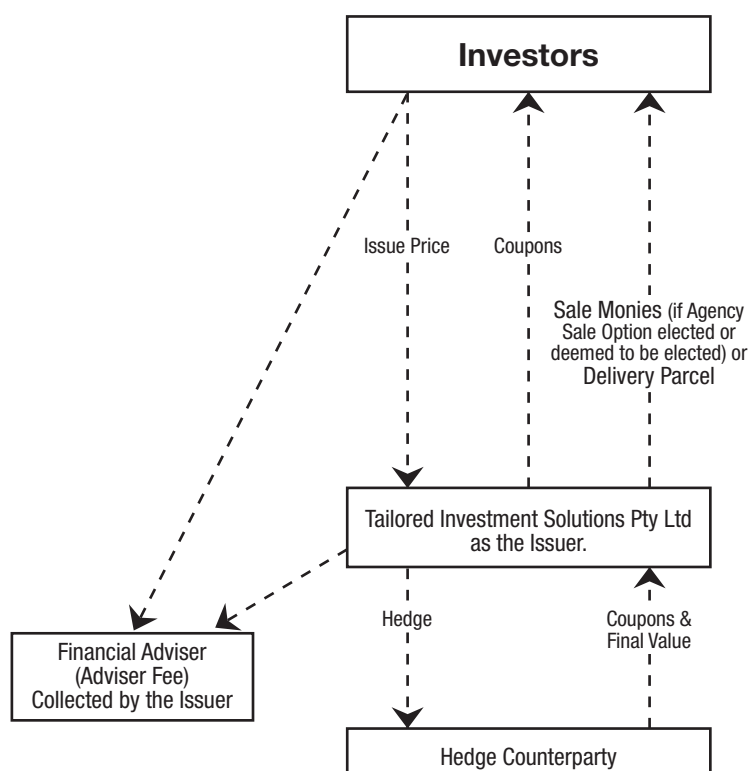
The Issuer may earn income and profit from its management of the underlying risk associated with the Units, which does not impact the return on an investment in the Units and is not charged as a fee. The calculation of the Final Value per Unit is independent of any income earned by the Issuer and/or any of its associates from the management of the underlying risk associated with the Units.

Transaction Flows

In order to invest in the Units, Investors must pay the Total Investment Amount which comprises the Issue Price for each Unit multiplied by the number of Units, plus the Adviser Fee. As consideration for the Issue Price, Investors receive Notional Exposure of \$1.00 per Unit to the Reference Asset (in the form of the Units). Units are issued to Investors. Upon Maturity, the Delivery Parcel is transferred to Investors. If an Investor elects the Agency Sale Option, the Delivery Parcel is sold on behalf of the Investor, the Sale Monies are then transferred to the Investor.

Amounts owed to Investors during the Investment Term, being the potential Coupons and the Final Value (if any) are owed to the Issuer from the Hedge Counterparty under the Hedge Agreement.

The diagram below represents the transaction flows between the relevant parties:



For further information on the Hedge Agreement, please refer to “Counterparty risk of the Issuer and Hedge Counterparty” under “Key Risks” in Section 3.2 “Key Information” and in Section 8 “Risks” of the PDS. For more detail on the maturity processes, including the Agency Sale Option, please refer to Section 6 “Maturity and Early Maturity” of the PDS.

Key Risks

Some of the significant risks associated with investing in the Units are outlined below. Further information on the 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.

- Counterparty risk of the Issuer and Hedge Counterparty – The payments due to Investors are unsecured obligations of the Issuer. If the Issuer goes into liquidation or receivership or statutory management or is otherwise unable to meet its debts as they fall due, the Investor could receive none, or only some, of the Final Value or the Investor’s Total Investment Amount back. The Issuer is a special purpose vehicle established to issue Deferred Purchase Agreements and other structured products.

The Issuer will enter into the Hedge Agreements with the Hedge Counterparty. If the Hedge Counterparties fail to meet their obligations under the Hedge for any reason, the Issuer will be unable to meet its obligations to Investors under this PDS and Investors may not receive any Coupons or Final Value they would otherwise be entitled to, and could lose all of their Total Investment Amount. If the Hedge Counterparty goes insolvent, the Issuer’s obligations to pay the Final Value and any remaining Coupons will be dependent on any amounts it receives from the Hedge Counterparty under the Hedge for the Series and you may receive nothing. Therefore, a relevant factor for the assessment of counterparty risk relevant to the Units is the financial strength of the Issuer and the relevant Hedge Counterparty (as Investors will have indirect credit exposure to the creditworthiness of the Hedge Counterparty through the relevant Hedge).

Investors can assess the ability of the Issuer to meet its counterparty obligations by reviewing its financial information. The Issuer’s financial statements are available free of charge on request from the Issuer.

There is no capital protection or guarantee of financial return on your investment. you may incur a loss of part of or even your entire Total Investment Amount.

The Issuer will ensure that all Hedge Counterparties have a credit rating of at least investment grade. A credit rating of investment grade is a medium to high credit rating, and is generally accepted to mean that there is relatively low to moderate credit risk associated with the entity or obligation being rated. Investors should note that a credit rating is merely an opinion by a credit rating agency as to the likelihood of the entity or obligations being rated experiencing an event of default. It is not a recommendation or opinion in relation to the particular Hedge Agreement or the Units, and investors should not rely on the credit rating in making a decision to buy, sell or hold the Units.

- Total Investment Amount is at risk – There is no guarantee that the Units will generate returns in excess of the Total Investment Amount. Investors may lose their entire Total Investment Amount.
- No Minimum Final Value – The Final Value depends on the performance of the Reference Asset Value, the amount of the First Coupon and Second Coupon and, the AUD/USD exchange rate on the relevant Maturity Date. The Final Value will be equal to zero if there has not been an increase in the Reference Asset Value (subject to averaging) greater than the Gross First Coupon and Gross Second Coupon over the full Investment Term. The Final Value is subject to foreign exchange risk and movements in the AUD/USD exchange rate will affect the amount of the Final Value.
- Coupons – There may be no Coupons where the Reference Asset Value has remained constant or declined over the Investment Term. The Coupons are capped at 10% of the performance of the Reference Asset Value (before conversion to AUD, and the subtraction of the performance fee). The Coupons are subject to foreign exchange risk and movements in the AUD/USD exchange rate will affect the amount of the Coupons. This means that investors may receive a Coupon that exceeds 10% of the Notional Exposure per Unit.
- Withdrawals and liquidity risk – There is no established market for the Units. The Issuer has the right to accept or reject redemptions in its absolute discretion. Generally, the Issuer would only reject or defer an Issuer Buy-Back request if it is unable to adequately unwind its hedging arrangements.

If the Issuer defaults under the DPA of a Series, this may also be a default under the Hedge (for example, if the Issuer is insolvent). If this is the case, the Hedge Counterparty will have the right (but not the obligation) to terminate the Hedge and calculate the termination value of the Hedge. This termination value may be significantly less than the Issue Price and may be zero. This means that Investors may receive zero and lose their Total Investment Amount and any fees paid.

- Event of Default under Hedge. If the Issuer defaults under the Hedge then the Hedge Counterparty will have the right (but not the obligation) to terminate the Hedge of that Series. If the Hedge is terminated, it will be an early unwind and the value derived will be the early termination value of the Hedge. This may be significantly less than the value that the relevant Investors could expect on Maturity, and may be zero.
- Event of Default under the Hedge for another Series. The Issuer may issue further Series of DPAs in the future. If the Issuer defaults under the Hedge for one Series, this may be a default under the Hedge for another Series, or could result in the Issuer becoming insolvent. As the obligations of the Issuer are unsecured obligations, Investors in a Series of Units issued by the Issuer may have exposure to the risk of an Issuer default under the Hedge for a separate Series.
- Recourse by Investors is limited. Investors are limited in their recourse against the Issuer (for example, if the Issuer defaults under the Units or the PDS) to only the amounts recovered or recoverable under the Hedge corresponding to their Series of DPA. Otherwise, Investors have no recourse to the Issuer personally, and cannot claim any amounts greater than the Final Value plus any Coupons that were, or could have been due and owing.

Taxation

Section 10 “Taxation” provides a general summary of the main Australian income tax, GST and stamp duty implications arising for Investors in the Units. Investors should consider taxation matters and seek their own professional taxation advice that considers their personal needs and circumstances.

4. THE OFFER

4.1 RETURNS ON THE UNITS

4.1.1 THE FINAL VALUE AT MATURITY

If you hold your Units until Maturity, the value of your Units used to determine the Delivery Parcel, will be the Final Value.

The Final Value is determined on the Maturity Date, and will be the Notional Exposure per Unit multiplied by the increase in the Reference Asset Value over the Investment Term, less any Coupons paid and less any Performance Fees. The Final Value is then adjusted for movements in the AUD/USD exchange rate. There is no minimum Final Value and the Final Value on the Maturity Date could be zero. Please refer to Section 3.2 “Key Information” for the Final Value formula. The Final Value per Unit at Maturity is calculated taking into consideration the following:

- the Notional Exposure per Unit;
- Coupons paid (if any) during the Investment Term;
- the Reference Asset Value, relative to the Initial Reference Asset Value;
- the AUD/USD exchange rate; and
- Performance Fees.

More detail about each of these product features is set out below. Please also refer to Section 7 “Worked Examples” of this PDS for worked examples including the calculation of the Final Value.

The Final Value will be zero if there has not been an increase in the Reference Asset Value above the Initial Reference Asset Value greater than the Gross Coupons paid over the Investment Term. Where the Reference Asset Value has remained constant or declined over this period, or has not increased by more than the Gross Coupons paid, the Final Value per Unit will be zero, and Investors will receive nothing on Maturity.

Payment of the Final Value relies on the Issuer meeting its obligations and the Hedge Counterparty’s ability to meet their obligations under the Hedge. If either the Issuer or the Hedge Counterparty are unable to meet their obligations, you could potentially receive nothing and you could lose your Total Investment Amount. If the Hedge Counterparty goes insolvent, the Issuer’s obligations to pay the Final Value and any remaining Coupons will be dependent on any amounts it receives from the Hedge Counterparty under the Hedge for the Series and you may receive nothing. A relevant factor for the assessment of counterparty risk is the financial strength of the Issuer and Hedge Counterparty. You should refer to “Counterparty risk of the Issuer and Hedge Counterparty” in Section 8 “Risks”.

4.1.2 TWO POTENTIAL COUPON PAYMENTS

Investors have the potential to receive two Coupon payments during the Investment Term, capped at 10% of the performance of the Reference Asset Value (before conversion to AUD, and the subtraction of the performance fee payable). The Coupons are subject to foreign exchange risk and movements in the AUD/USD exchange rate will affect the amount of the Coupons (if any)⁶. Therefore, if the AUD/USD exchange rate decreases, the Coupon payable could exceed 10% of the Notional Exposure per Unit. Alternatively, if the AUD/USD exchange rate increases, the Coupon payable could be less than 10% of the Notional Exposure per Unit.

⁶ If the AUD/USD exchange rate increases, the Coupon payable will decrease. If the AUD/USD exchange rate decreases, the Coupon payable will increase.

The First Coupon (if any) will be paid at the end of the first year of the Investment Term, and will be the lower of:

- 10%; and
- the performance of the Reference Asset Value over the first year of the Investment Term (to the First Coupon Determination Date);

multiplied by the ratio of the AUD/USD spot rate on the Commencement Date to the AUD/USD spot rate on the Coupon Determination Date, then multiplied by the Notional Exposure. The performance fee payable is then subtracted. The Performance Fee will be 10% of the amount which would otherwise have been payable as the First Coupon if no fees were deducted.

There will be no First Coupon if there has not been an increase in the Reference Asset Value above the Initial Reference Asset Value over the first year of the Investment Term. Where the Reference Asset 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. The exposure of the Coupon to the AUD/USD spot rate may increase or decrease the amount of the Coupon and may result in no Coupon being payable even where the Reference Asset Value has increased over the first year of the Investment Term.

The Second Coupon (if any) will be paid at the end of the second year of the Investment Term, and will be the lower of:

- 10%; and
- the performance of the Reference Asset Value over the first two years of the Investment Term (to the Second Coupon Determination Date) less the Gross First Coupon;

multiplied by the ratio of the AUD/USD spot rate on the Commencement Date to the AUD/USD spot rate on the Coupon Determination Date, then multiplied by the Notional Exposure. The performance fee payable is then subtracted. The Performance Fee in relation to the Second Coupon will be 10% of the amount which would otherwise have been payable as the Second Coupon if no fees were deducted.

There will be no Second Coupon if there has not been an increase in the Reference Asset Value greater than the gross First Coupon, over the first and second year of the Investment Term. Where the Reference Asset Value has remained constant, declined, or increased by an amount less than the aggregate of the Gross First Coupon and the Performance Fee, adjusted for any increase in the AUD/USD exchange rate, over this period, there will be no Second Coupon paid and Investors will not be required to make any payment to the Issuer. The exposure of the Coupon to the AUD/USD spot rate may increase or decrease the amount of the Coupon and may result in no Coupon being payable even where the Reference Asset Value has increased over the second year of the Investment Term.

Please refer to Section 3.2 “Key Information” for the Coupon formula.

Each Coupon (if any) will be paid to the Investor on the Coupon Payment Date which is 10 Business Days after the relevant Coupon Determination Date, or as soon as is reasonably practicable after the relevant Coupon Determination Date.

Payment of the Coupons (where due) relies on the Issuer meeting its obligations and the Hedge Counterparty’s ability to meet their obligations under the Hedge. Failure by either the Issuer or the Hedge Counterparty to meet its

relevant obligations means the Investor may not receive their Coupons. If the Hedge Counterparty goes insolvent, the Issuer's obligations to pay the Final Value and any remaining Coupons will be dependent on any amounts it receives from the Hedge Counterparty under the Hedge for the Series and you may receive nothing. A relevant factor for the assessment of counterparty risk is the financial strength of the Issuer and Hedge Counterparty. You should refer to "Counterparty risk of Issuer and Hedge Counterparty" in Section 8 "Risks".

4.2 REFERENCE ASSET VALUE

The Reference Asset Value is calculated by taking the change in the level of the Reference Asset from the Reference Asset Closing Price at the Commencement Date to the Reference Asset Closing Price on the current Scheduled Business Day. For more information on how the Reference Asset Value is calculated please refer to Section 7.3 "How is the Reference Asset Value Calculated".

4.3 THE REFERENCE ASSET

Berkshire Hathaway Inc. B Class Shares as traded on the New York Stock Exchange. Berkshire Hathaway Inc is a holding company owning subsidiaries in a variety of business sectors. Companies wholly owned by Berkshire Hathaway include GEICO, Lubrizol, BNSF, Dairy Queen, Helzberg Diamonds, Flight Safety International, NetJets. Berkshire Hathaway also has substantial interests in Heinz and significant minority holdings in American Express, Goldman Sachs, The Coca-Cola company, Wells Fargo, and IBM, among many other companies. The company is known for its control by investor Warren Buffett, who is the company's chairman, president, and CEO.

The Issuer obtains exposure to the Reference Asset through the use of derivatives or other financial instruments rather than a direct investment in the Reference Asset.

For more information on Berkshire Hathaway Inc please visit www.berkshirehathaway.com.

4.4 AVERAGING

In calculating the Final Value, averaging is applied to the Reference Asset Value at the beginning of the Investment Term and towards Maturity to further manage the risk of volatility. The increase in the Reference Asset Value used to calculate Final Value is based on a starting Reference Asset Value averaged on the six Initial Averaging Dates (the "**Initial Reference Asset Value**") and an ending Reference Asset Value averaged over the six Maturity Averaging Dates (the "**Final Reference Asset Value**"). Averaging over the first five months of the Investment Term also affects the calculation of the Coupons, since these are calculated by reference to the increase in the Reference Asset Value above the Initial Reference Asset Value. The calculation of the Reference Asset Value at Coupon Determination Dates will not be subject to averaging. Averaging is designed to decrease the impact of a fall in the value of the Reference Asset over the relevant averaging periods, however, it may also decrease the impact of a rise in the value of the Reference Asset over these periods. Please refer to "Averaging risk" in Section 8 "Risks" for more information.

4.5 PERFORMANCE FEES

The amount of each Coupon and the Final Value will each be reduced by an amount on account of a Performance Fee. The amount of the Performance Fee on each Coupon will be 10% of the amount which would otherwise have been payable had the Performance Fee not been deducted. The Performance Fee represents an amount retained by the Issuer. Investors should also note that in calculating the Final Value, the amount of any Coupons and Performance Fees in relation to those Coupons (i.e. the Gross Coupons) will be deducted from the overall performance of the Reference Asset Value.

4.6 THE DELIVERY ASSET(S)

At Maturity of the Units Investors will receive the Delivery Parcel, being shares in a leading Australian company. The number of shares in the Delivery Parcel which an Investor receives is calculated by taking the Final Value of the Units multiplied by the number of Units held by an Investor, divided by the purchase price of the Delivery Asset. The Issuer intends that the Delivery Asset will be ordinary shares in Telstra Corporation (ASX Code: TLS). Please refer to clause 4 of Section 12 "Terms of the Deferred Purchase Agreement" for more details.

Telstra Corporation Limited (TLS) is a provider of telecommunications and information products and services. The principal activities are provision of telephone lines, national local and long distance, and international telephone calls, mobile telecommunications, data, internet and on-line, wholesale, telephone directories and pay TV. For more information go to www.telstra.com.au

The Issuer may round Delivery Assets down to the nearest whole number. If there is a fractional amount owing to you greater than A\$20 then that amount will be paid to your Nominated Account. The Issuer is under no obligation to return fractional amounts less than A\$20.

In the event that Telstra Corporation is no longer listed on the ASX, is suspended from trading or is otherwise unable to be delivered (including, but not limited to restrictions due to trade limitations resulting from internal conflict arrangements, or if it is not reasonably practicable or economically viable for the Issuer in its discretion, to deliver any of the Delivery Assets specified in this PDS), the Issuer shall either delay delivery or select a replacement company which is listed on the ASX and which is a constituent of the S&P/ASX 200 Index.

Should Investors prefer to receive their investment return in cash at Maturity, Investors can elect (in the Notice of Maturity) to use the Agency Sale Option and for the Issuer (or its nominee) to sell or procure the sale of their Delivery Parcel and pay them the cash Sale Monies (which includes a deduction for any Delivery Costs) instead.

As at the date of this PDS, the Issuer does not expect any Delivery Costs to be associated with the physical delivery of the Delivery Parcel or with the Agency Sale Option.

4.7 WHAT IS THE UNIT VALUE DURING THE INVESTMENT TERM?

The Units are designed to be held to Maturity. However the Units may mature early if an Early Maturity Event occurs or if an Investor requests an Issuer Buy-Back (i.e. early redemption) and the Issuer accepts such a request.

During the Investment Term prior to Maturity, the Unit value will be determined by the Issuer with reference to, amongst other things:

- the Notional Exposure;
- the performance of the Reference Asset since the Commencement Date;
- deduction of the Performance Fees and the Coupons (if any) at Early Maturity and from the Final Value;
- the AUD/USD exchange rate;
- averaging over the final five months of the Investment Term;
- prevailing interest rates both in Australia and the USA;
- the remaining time to Maturity; and
- general market risks and movements.

If an Early Maturity Event or Issuer Buy Back occurs, the Issuer will pay the Investor a Termination Payment or deliver Delivery Assets with a value equivalent to the Buy-Back Price or Early Maturity Value (as appropriate). The Buy-Back Price or Early Maturity Value will be the Unit value on the relevant Buy-Back Date or Early Maturity Date which may be significantly lower than the Issue Price and may be significantly different to the Final Value per Unit if held to Maturity.

The Unit value during the Investment Term will be made available by the Issuer at the request of an Investor during the two weeks prior to each Buy-Back Date.

The Unit value is designed to give an indication of the performance of a Unit, having regard to the factors outlined above. Please note that the indicative Unit value is not the actual value that you may receive on an Early Maturity or a Buy-Back. The actual value you receive may be subject to Break Costs or Delivery Costs. The indicative Unit value does not deduct any Break Costs or Delivery Costs. Please see Section 6.7 of the PDS for more information on the calculation of the Buy-Back Price and Section 6.9 of the PDS for more information on indicative valuations. The value that you may receive in the event of an Early Maturity and the Final Value per Unit at Maturity may be significantly less per Unit on the Buy-Back Date than the indicative Unit value and the Final Value at Maturity.

4.8 CAN INVESTORS WITHDRAW FROM THE UNITS BEFORE MATURITY?

Yes, but Investors should note that any Buy-Back Price or Early Maturity Value will be the Unit value on the relevant Buy-Back Date or Early Maturity Date less any Break Costs and Delivery Costs which may be significantly lower than the Issue Price and may be significantly different to the Final Value per Unit if held to Maturity.

Buy-Back is only available quarterly on the Buy Back Dates specified in Section 3.1 “Timeline”. Valuations are indicative only. Valuations may change at any time. Valuations do NOT indicate the Buy-Back Price of Units that may apply on the Buy-Back Date (Investors can contact the Issuer for estimates of the Buy-Back Price in the few weeks prior to each Buy-Back Date), or the Early Maturity Value that may apply on an Early Maturity Date.

For more information refer to Section 6 “Maturity and Early Maturity” and clause 5 “Early Maturity” of Section 12 “Terms of the Deferred Purchase Agreement” in this PDS.

5. ABOUT THE INVESTMENT

The Tailored Investment Solutions Berkshire Hathaway Inc. Units offer investors the ability to gain notional leveraged exposure to Berkshire Hathaway Inc. Class B shares, and exposure to the AUD/USD exchange Rate.

The return on the Units is paid to investors in two forms:

- two potential Coupon payments during the Investment Term; and
- Final Value at Maturity.

5.1.1 BREAK EVEN AND SENSITIVITY ANALYSIS

Investors must pay the Issue Price to invest in Units. Depending on the performance of the Reference Asset, Investors may receive two potential Coupons and a Delivery Parcel at Maturity which is calculated by reference to the increase (if any) in the Reference Asset Value.

The table below shows the return on the Reference Asset Value over the Investment Term required to break even and recover the initial outlay. Your investment will 'break even' if the Issue Price per Unit equals the Final Value per Unit (assuming no Coupons have been paid, and without taking into account taxes, any Adviser Fees (paid by you to your adviser), delivery costs or any other costs or expenses).

This table is for illustrative purposes only. Any growth in value or returns shown in this example are fictitious and are used only to demonstrate the features of the products, in particular, to show how the performance of the Reference Asset affects any returns received by

Investors and how movements in the AUD/USD affects returns received by Investors. The figures in the table are not a forecast, do not indicate past performance and are not a guarantee that similar returns will be achieved in the future. Returns are not guaranteed.

The below break even analysis is an estimate only. The break even analysis does not take into account any Taxes, Adviser Fee (paid by you to your adviser), delivery costs or any other fees or expenses (if any).

| Units | Total Investment Amount * | Increase in Reference Asset Value required to break even over 3 years assuming no change in the AUD/USD exchange rate over the Investment Term and assuming no Coupons are paid over the Investment Term. |
|--------|---------------------------|---|
| 50,000 | \$10,425 | 23.17% |

*Total Investment Amount is the Issue Price paid in respect of the Units acquired.

Investors should note that a simulated return is not a reliable indicator of future returns.

If the AUD/USD exchange rate increases over the Investment Term, the increase in the Reference Asset Value required to break even increases. Similarly, if the AUD/USD exchange rate decreases over the Investment Term, the increase in the Reference Asset Value required to break even decreases.

For example, the table below shows the effect on the increase in Reference Asset Value required to break even if the AUD/USD exchange rate fell from 1.00 on the Commencement Date to 0.70 on the Maturity Date.

The below break even analysis is an estimate only. The break even analysis does not take into account any Taxes, Adviser Fee (paid by you to your adviser), delivery costs or any other fees or expenses (if any).

| Units | Total Investment Amount * | AUD/USD exchange rate at Commencement | Increase in Reference Asset Value required to break even over 3 years assuming steady AUD/USD spot rate and assuming no Coupons are paid over the Investment Term. | Increase in Reference Asset Value required to break even over 3 years based on AUD/USD = \$0.70 and assuming no Coupons are paid over the Investment Term. |
|--------|---------------------------|---------------------------------------|--|--|
| 50,000 | \$10,425 | 1.00 | 23.17% | 16.22% |

*Total Investment Amount comprises the Issue Price paid in respect of the Units acquired.

The table below shows the effect on the increase in Reference Asset Value required to break even if the AUD/USD exchange rate increased from 1.00 on the Commencement Date to 1.30 on the Maturity Date.

The below break even analysis is an estimate only. The break even analysis does not take into account any Taxes, Adviser Fee (paid by you to your adviser), delivery costs or any other fees or expenses (if any).

| Units | Total Investment Amount * | AUD/USD exchange rate at Commencement | Increase in Reference Asset Value required to break even over 3 years assuming steady AUD/USD spot rate and assuming no Coupons are paid over the Investment Term. | Increase in Reference Asset Value required to break even over 3 years based on AUD/USD = \$1.30 and assuming no Coupons are paid over the Investment Term. |
|--------|---------------------------|---------------------------------------|--|--|
| 50,000 | \$10,425 | 1.00 | 23.17% | 31.12% |

*Total Investment Amount comprises the Issue Price paid in respect of the Units acquired.

The tables above are for illustrative purposes only. Any growth in value or returns shown in this example are fictitious and are used only to demonstrate the features of the products, in particular, to show how changes in the AUD/USD exchange rate affect the increase in Reference Asset Value. The figures in the tables are not forecasts, do not indicate past performance and are not a guarantee that similar returns will be achieved in the future. Returns are not guaranteed.

6. MATURITY AND EARLY MATURITY

6.1 NOTICE OF MATURITY

At least 20 Business Days prior to the Maturity Date you will be sent a Notice of Maturity informing you that Maturity of the Units is approaching. Upon Maturity you can either:

- accept physical delivery of the Delivery Parcel; or
- use the Agency Sale Option and receive the Sale Monies (which includes a deduction for any Delivery Costs).

If you wish to accept physical delivery of the Delivery Parcel you do not need to do anything. Physical delivery of the Delivery Parcel is the default option.

If you want to use the Agency Sale Option and receive Sale Monies (which includes a deduction for any Delivery Costs), you need to make this election in the Notice of Maturity and return the Notice of Maturity to the Issuer at least 10 Business Days prior to the Maturity Date. Notices of Maturity received by the Issuer after this time may be accepted or rejected at the Issuer's discretion.

6.2 DELIVERY PARCEL AND SUBSTITUTION

To facilitate settlement, the Issuer will calculate the Delivery Parcel for the Units using the Final Value. The Delivery Parcel is the number of Delivery Assets to be delivered on Maturity. However, you should note that the Issuer has the right to change, delay or substitute the Delivery Asset if the nominated Delivery Asset is unable to be delivered due to any legal or regulatory restriction relating to the Delivery Asset (including cessation or Suspension from listing) or the Issuer, including but not limited to trade limitations resulting from internal conflict arrangements or if it is not reasonably practicable or economically viable for the Issuer, in its discretion, to deliver any one or more of the Delivery Assets specified in this PDS.

In these circumstances, the Issuer may delay delivery or may deliver another security listed on the ASX and which is a constituent of the S&P/ASX 200 Index as the substitute Delivery Asset.

6.3 PHYSICAL DELIVERY

At Maturity, if you have not elected to use the Agency Sale Option, you will not be delivered the Reference Asset. Instead, you will hold a parcel of ASX listed securities. You will need to carefully consider whether an investment in those securities will be a suitable investment for you to hold beyond Maturity.

The Issuer will purchase the relevant number of Delivery Assets constituting your Delivery Parcel and will register those securities on the issuer-sponsored sub register (i.e. as an issuer sponsored holding) in your name. You may at a later stage transfer the securities into your own CHESS account by providing your broker with your Holder Identification Number.

The Issuer or its nominee will deliver the Delivery Parcel comprising the Delivery Assets (less any Delivery Costs) on the Settlement Date. As the date of this PDS, the Issuer does not expect any Delivery Costs to be associated with such delivery.

6.4 AGENCY SALE OPTION

If you form the view that you do not wish to hold the Delivery Assets after the Maturity Date, you may elect for the Issuer (or its nominee) to sell or procure the sale of the Delivery Assets on your behalf and receive Sale Monies (which includes a deduction for any Delivery Costs) via the Agency Sale Option.

If you have elected to use the Agency Sale Option, then the Issuer or a nominee of the Issuer will accept physical delivery of the Delivery Assets on your behalf and the Issuer (or its nominees) will sell or procure the sale of them on your behalf. The Issuer or its nominees will then pay you the Sale Monies (which includes a deduction for any relevant Delivery Costs associated with the sale). As at the date of this PDS, the Issuer does not expect any Delivery Costs to be associated with the Agency Sale Option.

To use the Agency Sale Option and receive the Sale Monies (which includes a deduction for any Delivery Costs, or balance of Sale Monies, if any) you must return the Notice of Maturity to the Issuer at least 10 Business Days prior to the Maturity Date. Notices of Maturity received by the Issuer after this time may be accepted or rejected at the Issuer's discretion.

In circumstances where you have elected to use the Agency Sale Option, Sale Monies (if any) will be paid to your Nominated Account within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter.

See clause 4.4 of Section 12 "Terms of the Deferred Purchase Agreement" under "Delivery through the Agency Sale Option" in this PDS for further details about the Agency Sale Option.

6.5 FRACTIONS

If the Delivery Parcel includes a fraction of a Delivery Asset which is valued at more than A\$20.00, the Issuer will transfer the AUD fractional amount into your Nominated Account within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter. The Issuer is under no obligation to return fractional amounts less than A\$20.

6.6 EARLY MATURITY

The Units may mature early if an Early Maturity Event occurs or if an Investor requests an Issuer Buy-Back. Issuer Buy-Backs are discussed below in Section 6.7 under the heading "Sale of Units before Maturity – Issuer Buy – Back".

Early Maturity Events generally arise in circumstances which prevent the Issuer being able to hedge or deliver on its obligations under the Terms of the Units (e.g. if the Hedge Counterparty becomes insolvent, or if the Hedge Counterparty defaults under the Hedge). Early Maturity Events could include (but are not limited to) for example, circumstances where a Change in Law occurs that prevents the normal operation of the Units or results in the Issuer having to pay additional amounts in relation to the Units. Please refer to Section 8 "Risks" which sets out the Early Maturity Events and clause 5.1 "Early Maturity by the Issuer" of Section 12 "Terms of the Deferred Purchase Agreement".

If an Early Maturity Event occurs the Issuer may reasonably determine whether to call Early Maturity or allow the Units to continue. An Early Maturity Event may occur on the Maturity Date, in which case the Issuer may decide that the Units will mature in accordance with the Early Maturity mechanism in clause 5.4 "Early Maturity Mechanism" of Section 12 "Terms of the Deferred Purchase Agreement" in this PDS. If the Issuer calls an Early Maturity on the Maturity Date, Investors will not receive the Final Value, and instead will receive the Early Maturity Value.

An Early Maturity may lead to Investors suffering losses and bearing various costs associated with the Early Maturity.

Where the Issuer calls an Early Maturity, Investors may receive nothing and may lose their Total Investment Amount, or Investors may either receive the Termination Payment or a Delivery Parcel determined by reference to the Early Maturity Value. In calculating the Termination Payment and/or the Early Maturity Value, the Issuer may deduct any costs it reasonably incurs acting in a commercially reasonable manner in relation to the Early Maturity, including Break Costs and the costs of unwinding any hedge. The amount the Issuer achieves on the unwinding of its hedge position may be minimal or zero and Investors may receive nothing.

Please see clause 5 “Early Maturity” of Section 12 “Terms of the Deferred Purchase Agreement” for more details about Early Maturity.

6.7 SALE OF UNITS BEFORE MATURITY – ISSUER BUY BACK

Can I sell my Units prior to Maturity?

Investors may request the Issuer buy-back their Units prior to Maturity (“**Issuer Buy-Back**”).

While the Units are designed as a “buy and hold” investment, you may have the opportunity to sell your Units to the Issuer on each “Buy-Back Date” as specified in this PDS if the Issuer agrees. It is not recommended that Investors invest in Units if they intend to have the Issuer Buy-Back the Units as the Delivery Costs and Break Costs may be significant.

You may request that the Issuer Buy-Back some of your Units by requesting from the Issuer, completing and then lodging an Issuer Buy-Back Form. The Minimum Buy-Back Amount is 50,000 Units in that Series, provided that you continue to hold 50,000 Units in that Series. Issuer Buy-Back Forms must be received by the Issuer no later than 10 Business Days prior to the Buy-Back Date. If the Buy-Back Form is received after this cut-off it may be held over to the next Buy-Back Date. The Issuer’s contact details are available in the Directory at the back of this PDS. Once the Issuer Buy-Back Form is lodged, the request for an Issuer Buy-Back is irrevocable. The Issuer may in its absolute discretion accept, reject or defer a request to buy-back your Units. The Issuer shall inform you if it defers or rejects your request for Issuer Buy-Back. Generally, the Issuer would only reject or defer a request if it is unable to adequately unwind its own hedging arrangements.

The amount you receive (the “**Buy-Back Price**”) is the fair economic value of the Units as determined by the Issuer acting in good faith and a commercially reasonable manner on the Buy-Back Date, but takes into account the factors that affect the value of the Units and any Delivery Costs, and any Break Costs and may include a bid-offer spread. Break Costs include all costs, expenses and losses reasonably incurred by the Issuer acting in a commercially reasonable manner as a result of the determination of a Buy-Back Date, unwinding of any hedge position entered into by the Issuer in connection with the Units, or any loss of profits by reason of such an early termination. The amount the Issuer achieves on the unwinding of its hedge position may be minimal or zero and the Buy-Back Price may be nil.

Therefore, the actual Buy-Back Price at which the Issuer will buy-back your Units will not be known at the time the request is made or accepted, although we will provide you with an estimate which takes into account an estimate of the Break Costs. Estimates of the Buy-Back Price are only available in the few weeks prior to each Buy-Back Date.

In the case of Issuer Buy-Back, Delivery Assets shall not be provided. Instead, settlement will be in cash.

Please refer to “Break Costs” in Section 13 “Definitions” of this PDS.

6.8 CASH SETTLEMENT ONLY ON ISSUER BUY BACK

In the event of Issuer Buy-Back, the Buy-Back Price will be delivered to the Investor in cash.

Execution of Issuer Buy-Back requests and the actual Buy-Back Price will be notified to Investors by way of the Settlement Notice, which will be sent to Investors as soon as reasonably practicable after the relevant Buy-Back Date.

You should read clause 5.3 “Investor Requested Issuer Buy-Back” of Section 12 “Terms of the Deferred Purchase Agreement” carefully to understand your rights and obligations if you request an Issuer Buy-Back.

6.9 INDICATIVE VALUATIONS

At the request of an Investor, and where such a request is made during the two weeks prior to a Buy-Back Date, the Issuer will provide valuations for the Units to that Investor. Investors should note that these valuations can change at any time and as such, do not indicate the Buy-Back Price of Units that may apply on the Buy-Back Date or an Early Maturity Date.

6.10 SECONDARY MARKET

As the Units will not be listed or displayed on any securities exchange such as the ASX, there may be no secondary market for the Units. Even if a secondary market for the Units develops, it may not provide significant liquidity or trade at prices advantageous to you. Accordingly, you may receive a price that is significantly less than the Issue Price of your Units if you sell those Units to the Issuer prior to the Maturity Date.

7. WORKED EXAMPLES

Here are some examples demonstrating how the Coupons and the Final Value are calculated.

The examples are hypothetical only and are not forecasts or simulations of Unit returns nor are they a reference to past performance. The actual returns on the Units may be materially different from what is shown in these examples.

These examples may help Investors decide if the Units are a suitable investment for their financial objectives, situation or needs. No content in this section or elsewhere in the PDS is investment advice so Investors should speak to their financial adviser before investing.

7.1 HOW DOES THE INVESTMENT PERFORM?

Units have the potential for two Coupons during the Investment Term and returns at Maturity depending on the performance of the Reference Asset and the fluctuations in the AUD/USD Exchange Rate. The examples below demonstrate how the Reference Asset Value is calculated, and what Investors get during the Investment Term and at Maturity, depending on whether the Reference Asset Value over the life of the investment has been negative, positive or neutral.

7.2 WHAT DO INVESTORS RECEIVE AT MATURITY?

At Maturity, Investors (or the Issuer's nominee on behalf of the Investors) will receive the Delivery Parcel. The number of Delivery Assets in the Delivery Parcel which an Investor receives is calculated by using the following formula (subject to any rounding as described in this PDS):

No. of Delivery Assets in Delivery Parcel =

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

At Maturity, the Delivery Parcel will be transferred to Investors, unless an Investor asks the Issuer to sell it under the Agency Sale Option, in which circumstances the Investor will be deemed to authorise and direct the Issuer (or its nominees) to sell or procure the sale of the Delivery Parcel on the Investors behalf.

The examples set out below show the return on an investment in the Units at Maturity. Please note, the examples are hypothetical examples only and are not intended to be a forecast, simulation or guide to future performance.

Assumptions:

The below examples assume that Investors decide to invest in 50,000 Units (the Minimum Investment Amount) with a \$0.2085 Issue Price.

The below examples also assume that there are no Early Maturity Events, Issuer Buy-Backs, Adjustment Events or Market Disruption Events and that no Adviser Fees are payable (although note that where applicable, an amount has been deducted for the Performance Fee).

Rounding:

All calculations made by the Issuer for the purposes of these worked examples will be made to at least two decimal places. Other than as provided in these examples, rounding of numbers will not occur until the final calculation of a relevant amount or number at which time the Investor's entitlements will be aggregated and that aggregate will be rounded so that all money amounts are rounded down to the nearest whole cent

and all numbers of Delivery Assets are rounded down to the nearest whole number.

7.3 HOW IS THE REFERENCE ASSET VALUE CALCULATED?

The Reference Asset Value is calculated by using the Reference Asset Closing Price at the Commencement Date and the performance of the Reference Asset in US dollars on the Scheduled Business Day.

On the Commencement Date the Reference Asset Value is set to 100. If we assume that on the Scheduled Business Day after the Commencement Date that the closing level of the Reference Asset has risen from \$US125 to \$US126, then the Reference Asset Value for that day would be calculated as follows:

$$\begin{aligned} \text{Reference Asset} \\ \text{Value} &= (1 + (126 - 125) / 125) * 100 \\ &= 100.8 \end{aligned}$$

The formula for calculating Reference Asset Value is in the currency of the Reference Asset (i.e. US dollars).

7.4 HOW ARE THE COUPONS AND FINAL VALUE CALCULATED?

Set out in the table below are some assumed values for the Reference Asset Value and AUD/USD exchange rate over the Investment Term for three different scenarios. In Scenario 1, the Reference Asset Value steadily climbs throughout the Investment Term. In Scenario 2, the Reference Asset Value rises slightly then falls below the starting level by the end of the Investment Term. In Scenario 3, the Reference Asset Value rises slightly and finishes just above the starting level by the end of the Investment Term. 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.

| Date | Reference Asset Value | | | AUD/USD Exchange Rate |
|---|-----------------------|------------|------------|-----------------------|
| | Scenario 1 | Scenario 2 | Scenario 3 | |
| Initial Averaging Date 1 (Commencement Date) | 100 | 100 | 100 | 1.00 |
| Initial Averaging Date 2 (Commencement Date + 1 Months) | 106 | 101 | 101 | |
| Initial Averaging Date 3 (Commencement Date + 2 Months) | 107 | 102 | 102 | |
| Initial Averaging Date 4 (Commencement Date + 3 Months) | 109 | 102 | 104 | |
| Initial Averaging Date 5 (Commencement Date + 4 Months) | 110 | 103 | 105 | |
| Initial Averaging Date 6 (Commencement Date + 5 Months) | 112 | 104 | 106 | |
| First Coupon Determination Date | 125 | 102 | 116 | 1.20 |
| Second Coupon Determination Date | 138 | 91 | 101 | 0.80 |
| Maturity Averaging Date 1 | 141 | 90 | 100 | |
| Maturity Averaging Date 2 | 145 | 88 | 101 | |
| Maturity Averaging Date 3 | 149 | 85 | 100 | |
| Maturity Averaging Date 4 | 150 | 84 | 102 | |
| Maturity Averaging Date 5 | 155 | 83 | 103 | |
| Maturity Averaging Date 6 | 160 | 80 | 102 | 1.05 |

The following examples show how the Initial Reference Asset Value, First Coupon, Second Coupon, Final Reference Asset Value, Final Value of the Units and Performance Fees are calculated, based on the assumed Reference Asset Values set out for Scenario 1 in the table above.

Step 1 Calculate the Initial Reference Asset Value

The Initial Reference Asset Value is the average of the Reference Asset Values on each of the six Initial Averaging Dates:

Initial Reference Asset

$$\begin{aligned} \text{Value} &= (\text{Reference Asset Value}_1 + \text{Reference Asset Value}_2 + \\ &\quad \text{Reference Asset Value}_3 + \text{Reference Asset Value}_4 + \\ &\quad \text{Reference Asset Value}_5 + \text{Reference Asset Value}_6)/3 \\ &= (100 + 106 + 107 + 109 + 110 + 112)/6 \\ &= 107.33 \end{aligned}$$

Where:

| | |
|--|--|
| Reference Asset Value₁ | means the value of the Reference Asset Value on Initial Averaging Date 1 |
| Reference Asset Value₂ | means the value of the Reference Asset Value on Initial Averaging Date 2 |
| Reference Asset Value₃ | means the value of the Reference Asset Value on Initial Averaging Date 3 |
| Reference Asset Value₄ | means the value of the Reference Asset Value on Initial Averaging Date 4 |
| Reference Asset Value₅ | means the value of the Reference Asset Value on Initial Averaging Date 5 |
| Reference Asset Value₆ | means the value of the Reference Asset Value on Initial Averaging Date 6 |

Step 2 Calculate the value of the First Coupon

The First Coupon will be an amount per Unit calculated as follows:

First

$$\text{Coupon} = 90\% \times \text{Notional Exposure} \times [\text{Min}(10\%, 100\% \times (\text{Reference Asset Value}_{y1}/\text{Initial Reference Asset Value} - 1))] \times (\text{Series Spot Rate}_{y0}/\text{Series Spot Rate}_{y1})$$

If this calculation produces a negative result, no First Coupon will be payable.

Where:

| | |
|---|--|
| Reference Asset Value_{y1} | means the Reference Asset Value on the First Coupon Determination Date |
| Series Spot Rate_{y0} | means the AUD/USD spot rate on the Commencement Date |
| Series Spot Rate_{y1} | means the AUD/USD spot rate on the First Coupon Determination Date |

The 90% in the above formula for the First Coupon has the effect of reducing the First Coupon by the amount of the Performance Fee. The Performance Fee is 10% of the amount that would otherwise be payable.

Therefore, for Scenario 1, the First Coupon is calculated as follows:

First

$$\begin{aligned} \text{Coupon} &= 90\% \times \text{Notional Exposure} \times [\text{Min}(10\%, 100\% \times \\ &\quad (\text{Reference Asset Value}_{y1}/\text{Initial Reference Asset Value} - 1))] \times (\text{Series Spot Rate}_{y0}/\text{Series Spot Rate}_{y1}) \\ &= 90\% \times \$1.00 \times [\text{Min}(10\%, 100\% \times (125/107.33 - 1))] \\ &\quad \times (1/1.20) \\ &= 90\% \times \$1.00 \times [\text{Min}(10\%, 100\% \times (1.164632 - 1))] \\ &\quad \times (1/1.20) \end{aligned}$$

$$\begin{aligned}
&= 90\% \times \$1.00 \times [\text{Min}(10\%, 16.46\%)] \times 0.833333 \\
&= 90\% \times \$1.00 \times 10\% \times 0.833333 \\
&= 90\% \times \$0.0833333 \\
&= \$0.0750 \text{ per Unit}
\end{aligned}$$

Based on a holding of 50,000 Units, the total First Coupon paid would be \$3,750.00.

This amount of \$0.0750 per Unit has already been reduced on account of the Performance Fee.

The Performance Fee is calculated as follows:

Performance

$$\begin{aligned}
\text{Fee} &= 10\% \times \text{Notional Exposure} \times [\text{Min}(10\%, 100\% \times \\
&\quad ((\text{Reference Asset Value}_{y_1}/\text{Initial Reference Asset Value} - \\
&\quad 1) - \text{Gross Coupons}))] \times (\text{Series Spot Rate}_{y_0}/\text{Series Spot} \\
&\quad \text{Rate}_{y_1}) \\
&= 10\% \times \$1.00 \times \text{Min}[10\%, 100\% \times ((125/107.33 - 1) - 0)] \\
&\quad \times (1/1.20) \\
&= 10\% \times \$1.00 \times \text{Min}[10\%, 16.46\%] \times (1/1.20) \\
&= 10\% \times \$1.00 \times 10\% \times 0.833333 \\
&= 10\% \times \$0.0833333 \\
&= \$0.00833 \text{ per Unit}
\end{aligned}$$

The Performance Fee per Unit will be \$0.00833

The First Coupon is \$0.0750. The Gross Coupon is calculated in USD and would have been \$0.10 in this example (that is, before subtracting the Performance Fee, and before exposure to the AUD/USD exchange rate).

Note that the calculation of the Coupon set out above already takes into account the amount of the Performance Fee, and in this case, no amount is subtracted for the Gross Coupons as no previous Coupons have been paid, as this is the First Coupon.

Step 3 Calculate the value of the Second Coupon

The Second Coupon will be an amount per Unit calculated as follows:

Second

$$\text{Coupon} = 90\% \times \text{Notional Exposure} \times [\text{Min}(10\%, 100\% \times ((\text{Reference Asset Value}_{y_2}/\text{Initial Reference Asset Value} - 1) - \text{Gross First Coupon}))] \times (\text{Series Spot Rate}_{y_0}/\text{Series Spot Rate}_{y_2})$$

If this calculation produces a negative result, no Second Coupon will be payable.

Where:

| | |
|--|---|
| Reference Asset Value _{y₂} | means the Reference Asset Value on the Second Coupon Determination Date |
| Series Spot Rate _{y₀} | means the AUD/USD spot rate on the Commencement Date |
| Series Spot Rate _{y₂} | means the AUD/USD spot rate on the Second Coupon Determination Date |

The 90% in the above formula for the Second Coupon has the effect of reducing the Second Coupon by the amount of the Performance Fee. The Performance Fee is 10% of the amount that would otherwise be payable.

Note that the Gross First Coupon is the amount of the First Coupon together with any Performance Fee paid on that Coupon. The Gross First Coupon is \$0.10 (see Step 2 above).

Based on the values in the table above, the Second Coupon for Scenario 1 would be calculated as follows:

Second

$$\begin{aligned}
\text{Coupon} &= 90\% \times \text{Notional Exposure} \times [\text{Min}(10\%, 100\% \times \\
&\quad ((\text{Reference Asset Value}_{y_2}/\text{Initial Reference Asset Value} - 1) - \text{Gross First Coupon}))] \times (\text{Series Spot} \\
&\quad \text{Rate}_{y_0}/\text{Series Spot Rate}_{y_2}) \\
&= 90\% \times \text{Notional Exposure} \times [\text{Min}(10\%, 100\% \times \\
&\quad ((138/107.33 - 1) - \text{Gross First Coupon}))] \times (1/0.80) \\
&= 90\% \times \$1.00 \times [\text{Min}(10\%, 100\% \times ((138/107.33 - 1) - \\
&\quad - 0.10))] \times 1.25 \\
&= 90\% \times \$1.00 \times [\text{Min}(10\%, 100\% \times (0.285754 - \\
&\quad - 0.10))] \times 1.25 \\
&= 90\% \times \$1.00 \times [\text{Min}(10\%, 18.58\%)] \times 1.25 \\
&= 90\% \times \$1.00 \times 10\% \times 1.25 \\
&= 90\% \times \$0.125 \\
&= \$0.1125 \text{ per Unit}
\end{aligned}$$

Based on a holding of 50,000 Units, the total Second Coupon paid would be \$5,625.00.

This amount of \$0.1125 per Unit has already been reduced on account of the Performance Fee.

The Performance Fee is calculated as follows:

Performance

$$\begin{aligned}
\text{Fee} &= 10\% \times \text{Notional Exposure} \times \text{Min}[(10\%, 100\% \times \\
&\quad ((\text{Reference Asset Value}_{y_2}/\text{Initial Reference Asset Value} - \\
&\quad 1) - \text{Gross Coupons}))] \times (\text{Series Spot Rate}_{y_0}/\text{Series Spot} \\
&\quad \text{Rate}_{y_2}) \\
&= 10\% \times \$1.00 \times \text{Min}[(10\%, 100\% \times ((138/107.33 - 1) - \\
&\quad - 0.10))] \times (1/0.8) \\
&= 10\% \times \$1.00 \times \text{Min}[10\%, 18.58\%] \times 1.25 \\
&= 10\% \times \$1.00 \times 10\% \times 1.25 \\
&= 10\% \times \$0.125 \\
&= \$0.0125 \text{ per Unit}
\end{aligned}$$

The Performance Fee per Unit will be \$0.0125.

The Second Coupon is \$0.1125. The Gross Coupon is calculated in USD and would have been \$0.10 in this example (that is, before subtracting the Performance Fee, and before exposure to the AUD/USD exchange rate).

Note that the calculation of the Coupon set out above already takes into account the amount of the Performance Fee, and in this case, the Gross First Coupon is included as a subtraction in the calculation of the Gross Second Coupon.

Step 4 Calculate the Final Reference Asset Value

The Final Reference Asset Value is the average of the Reference Asset Values on each of the six Maturity Averaging Dates.

Based on the values set out in the table above, the Final Reference Asset Value for Scenario 1 would be:

$$\begin{aligned}
\text{Final Reference Asset Value} &= (141 + 145 + 149 + 150 + 155 + 160)/6 \\
&= 150
\end{aligned}$$

Step 5 Calculate the Final Value of the Units

The Final Value of the Units is calculated in accordance with the following formula:

$$\text{Final Value} = 90\% \times [\text{Max}(0, (\text{Notional Exposure} \times (\text{Final Reference Asset Value}/\text{Initial Reference Asset Value} - 1) - \text{Gross First Coupon} - \text{Gross Second Coupon}))] \times (\text{Series Spot Rate}_{y_0}/\text{Series Spot Rate}_{y_T})$$

The 90% in the above formula for Final Value has the effect of reducing the Final Value by the amount of the Performance Fee. The Performance Fee is 10% of the amount that would otherwise be payable.

Note that the Gross First Coupon and the Gross Second Coupon are the amounts of the First Coupon and the Second Coupon, respectively, together with any Performance Fee paid on that Coupon. See steps 2 and 3 (above).

Based on the values set out in the table above, the Final Value per Unit for Scenario 1 would be:

$$\begin{aligned} \text{Final Value per Unit} &= 90\% \times [\text{Max}(0, (\text{Notional Exposure} \times (\text{Final Reference Asset Value}/\text{Initial Reference Asset Value} - 1) - \text{Gross First Coupon} - \text{Gross Second Coupon}))] \times (\text{Series Spot Rate}_{y_0}/\text{Series Spot Rate}_{y_T}) \\ &= 90\% \times [\text{Max}(0, (\text{Notional Exposure} \times (150/107.33 - 1) - \text{Gross First Coupon} - \text{Gross Second Coupon}))] \times (1/1.05) \\ &= 90\% \times [\text{Max}(0, \$1.00 \times (150/107.33 - 1) - 0.10 - 0.10)] \times 0.952381 \\ &= 90\% \times [\text{Max}(0, \$0.197559)] \times 0.952381 \\ &= 90\% \times \$0.197559 \times 0.952381 \\ &= 90\% \times \$0.188151 \\ &= \$0.169336 \text{ per Unit} \end{aligned}$$

For a holding of 50,000 Units, this would be \$8,466.80.

The amount of this Final Value has been reduced on account of the Performance Fee. The Performance Fee is calculated as follows:

$$\begin{aligned} \text{Performance Fee} &= 10\% \times [\text{Max}(0, (\text{Notional Exposure} \times (\text{Final Reference Asset Value}/\text{Initial Reference Asset Value} - 1) - \text{Gross First Coupon} - \text{Gross Second Coupon}))] \times (\text{Series Spot Rate}_{y_0}/\text{Series Spot Rate}_{y_T}) \\ &= 10\% \times \text{Max}(0, \$1.00 \times (150/107.33 - 1) - 0.10 - 0.10) \times (1/1.05) \\ &= 10\% \times \text{Max}(0, \$0.197559) \times 0.952381 \\ &= 10\% \times \$0.197559 \times 0.952381 \\ &= 10\% \times \$0.188151 \\ &= \$0.0188151 \text{ per Unit} \end{aligned}$$

Therefore, the Issuer will receive a Performance Fee of \$0.0188151 per Unit.

Note that the calculation of the Final Value set out above already takes into account the amount of the Performance Fee.

Step 6 Calculate the number of Delivery Assets comprising your Delivery Parcel

Once the Final Value per Unit has been ascertained, the number of Delivery Assets that comprise your Delivery Parcel will be determined as follows.

Final Value is \$0.169336 and you hold 50,000 units, so that the Final Value per Unit multiplied by the number of Units held by you is \$8,466.80.

The value of the Delivery Parcel you receive will be \$8,466.80 less any Delivery Costs⁷ and subject to any rounding.

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

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

| Delivery Asset | Delivery Asset Price | Number of Delivery Assets |
|---------------------|----------------------|---------------------------|
| Telstra Corporation | \$3.17 | 2,670 |

The Delivery Asset Price used for the purpose of this example is indicative and is provided for illustrative purposes only. The above figures were calculated on the assumption that there were no Delivery Costs applicable (as at the date of this PDS, it is not anticipated that the Delivery Costs will apply). The number of Delivery Assets has been rounded down to the nearest whole number and is valued at \$8,463.90. Therefore, there is a difference of \$2.90 (i.e. \$8,466.80 less 8,463.90). As this amount is less than \$20, you will not receive this amount.

Investors should be aware that market movements from the Maturity Date to the Settlement Date will affect the value of the Delivery Parcel. The Issuer will transfer the Delivery Assets to Investors as soon as practical but there is a risk they may fall in value by the time they are transferred to Investors.

⁷ For the purpose of this example it has been assumed that the Units were held to Maturity and that no Early Maturity Events occurred. As at the date of this PDS, the Issuer does not expect there to be any Delivery Costs on the Delivery Parcel.

Overview of Scenarios 1, 2 and 3

The table below sets out the Coupons, Final Value per Unit and value of the Delivery Parcel per Unit which would apply to Scenario 1, 2 and 3. Each of the values listed below for Scenario 2 and 3 were calculated in the same way as set out in the examples above for Scenario 1.

| | Scenario 1 | Scenario 2 | Scenario 3 |
|---|-------------------|-------------------|-------------------|
| Initial Reference Asset Value | 107.33 | 102.00 | 103.00 |
| First Coupon per Unit | \$A0.0750 | \$0.00 | \$A0.0750 |
| Performance Fee on First Coupon* per Unit | \$A0.00833 | \$0.00 | \$A0.00833 |
| Second Coupon per Unit | \$A0.1125 | \$0.00 | \$0.00 |
| Performance Fee on Second Coupon* per Unit | \$A0.0125 | \$0.00 | \$0.00 |
| Final Reference Asset Value | 150 | 85 | 101.33 |
| Final Value per Unit | \$A0.169299 | \$0.00 | \$0.00 |
| Performance Fee on Final Value* | \$A0.018811 | \$0.00 | \$0.00 |
| Value of Delivery Parcel received by Investor who holds 50,000 Units^ | \$A8,463.90 | \$0 | \$0 |

*This is the Performance Fee.

^ This value of the Delivery Parcel may be less where there are Delivery Costs. As at the date of this PDS, the Issuer does not expect there to be any Delivery Costs on the Delivery Parcel.

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.

In Scenarios 2 and 3, the Final Value is \$0.00 therefore Investors will not receive a Delivery Parcel on Maturity. In addition, for Scenario 2 no Coupons are payable. Therefore, Investors would have lost their entire Total Investment Amount.

8. RISKS

This investment carries risk. This is a summary of the specific risks. Before investing, potential investors should read all of the PDS to make sure they understand the risks for the Units and speak to their financial, legal and tax advisor. This document does not take into account a potential investor's own financial needs, investment goals or financial circumstances.

8.1 THE UNITS

Investors may not receive any returns (Coupons) on the Units and there is no minimum Final Value. Therefore, Investors may lose the entire amount they paid upfront for the Units being the Total Investment Amount.

Counterparty risk of the Issuer and Hedge Counterparty

If the Issuer goes into liquidation or receivership or statutory management or is otherwise unable to meet its debts as they fall due, the Investor could receive none, or only some, of the amount invested. The Issuer is a special purpose vehicle established to issue Deferred Purchase Agreements and other structured products. Investors should not seek to rely on the creditworthiness of the Issuer.

The Issuer will enter into the Hedge Agreements with the relevant Hedge Counterparties. If the Hedge Counterparties fail to meet their obligations under the Hedge for any reason, the Issuer will be unable to meet its obligations to Investors under this PDS and Investors may not receive any Coupons or Final Value they would otherwise be entitled to, and could lose all of their Total Investment Amount. Therefore, a relevant factor for the assessment of counterparty risk relevant to the Units is the financial strength of the Issuer and the relevant Hedge Counterparty (as Investors will have indirect credit exposure to the creditworthiness of a Hedge Counterparty through the relevant Hedge).

Investors can assess the ability of the Issuer to meet its counterparty obligations by reviewing its financial information. A copy of the financial statements is available free of charge on request from the Issuer.

The Issuer will ensure that all Hedge Counterparties have a credit rating of at least investment grade. The Issuer will select Hedge Counterparties that are willing to enter into the Hedge on terms described in this PDS and provide competitive pricing. The Hedge Counterparty may be a U.S. entity which means that U.S. bankruptcy law may apply if the Hedge Counterparty goes bankrupt.

A credit rating of investment grade is a medium to high credit rating, and is generally accepted to mean that there is relatively low to moderate credit risk associated with the entity or obligation being rated. Investors should note that a credit rating is merely an opinion by a credit rating agency as to the likelihood of the entity or obligations being rated experiencing an event of default. It is not a recommendation or opinion in relation to the particular Hedge Agreement or the Units, and investors should not rely on the credit rating in making a decision to buy, sell or hold the Units.

The Hedge Agreement will be entered into under an ISDA Master Agreement between the Issuer and the relevant Hedge Counterparty or through other types of financial instruments issued by the Hedge Counterparty to the Issuer (such as deferred purchase agreements, warrants, and notes). Under the terms of the Hedge Agreement, the Issuer will pay an

upfront payment to enter into the transaction and that upfront payment will constitute the whole of the Issuer's consideration to be paid in respect of the Hedge Agreement, meaning that Hedge Agreement is effectively prepaid. This helps to minimise the risk of the Issuer defaulting on the Hedge Agreement.

Prior to each Coupon Payment Date, the Issuer may receive, depending on the performance of the Reference Asset and the AUD/USD foreign exchange rate, a payment from the Hedge Counterparty of a Series equivalent to the total Coupons due to be paid to Investors for that Series plus the Performance Fee. This amount received from the Hedge Counterparty, less the Performance Fee, can be paid to Investors.

Prior to the Settlement Date, the Issuer may receive, depending on the performance of the Reference Asset and the AUD/USD foreign exchange rate, either a cash amount equal to or a parcel of the Delivery Assets equal in value to the Final Value multiplied by the number of outstanding Units, plus the Performance Fee.

The Delivery Assets received from the Hedge Counterparty or, in the case that cash was received from the Hedge Counterparty, Delivery Assets purchased with this cash, can be delivered to Investors in accordance with the PDS (unless the relevant Investor elects to use or is deemed to use the Agency Sale Option).

If the Issuer defaults under the Hedge then the Hedge Counterparty will have the right (but not the obligation) to terminate the Hedge of that Series. If the Hedge is terminated, it will be an early unwind and the value derived will be the early termination value of the Hedge. This may be significantly less than the value that the relevant Investors could expect on Maturity, and may be zero. This means that Investors may lose their entire Total Investment Amount.

Investors may also have counterparty risk to the Issuer for default by the Issuer under the Hedge for a separate Series of Units. The Issuer may issue further Series of DPAs in the future and may have other Series of DPAs already on issue. If the Issuer defaults under the Hedge for one Series, this may be a default under the Hedge for another Series, or could result in the Issuer becoming insolvent. As the obligations of the Issuer are unsecured obligations, Investors only have a personal right against the general pool of assets of the Issuer. If the Issuer is insolvent, investors in a separate series of Units may also have a personal claim against the assets of the Issuer. In this case, the Issuer may not have sufficient assets to satisfy its liability to investors in full, and Investors could receive less than the amount owed to them, and in some cases, could receive nothing. If the Hedge Counterparty goes insolvent, the Issuer's obligations to pay the Final Value and any remaining Coupons will be dependent on any amounts it receives from the Hedge Counterparty under the Hedge for the Series and you may receive nothing.

Cross-liability risks

As noted above there are some circumstances in which events in relation to one Series will impact on other Series. These are as follows:

1. if there is an event of default or potential event of default in respect of the Issuer or the Hedge Counterparty under the contract between the Issuer and one particular Hedge Counterparty which establishes the Hedge, then the obligations of the other party under the Hedge Agreement

may be suspended until the event of default or potential event of default ceases to exist. If an event of default or potential event of default occurs with respect to the Issuer under the Hedge Agreement, the Hedge Counterparty may be entitled to suspend its obligations under that Hedge Agreement for an indefinite period of time.

An event of default relating to the Issuer under one Hedge Agreement may be of a type that triggers an event of default or potential event of default relating to the Issuer under another Hedge Agreement and some events of default and potential events of default relating to the Issuer may be of a type that affects more than one Hedge Agreement, where this occurs, the Hedge Counterparty may be entitled to suspend its obligations under more than one Hedge Agreement with the Issuer.

In particular, where the Hedge Agreement is an ISDA Master Agreement, if a Bankruptcy Event of Default occurs with respect to the Issuer, then this will be an event of default under all the other Hedges with a Hedge Counterparty which are also ISDA Master Agreements, and such Hedge Counterparty may suspend its obligations under all its relevant Hedge Agreements or if a Default under Specified Transaction with a Hedge Counterparty occurs with respect to the Issuer, then this will be an event of default under all the relevant Hedges with that particular Hedge Counterparty and such Hedge Counterparty may suspend its obligations under all its relevant Hedge Agreements with the Issuer.

Any such suspension of the obligations of a Hedge Counterparty could materially adversely affect Investors as Investors will not receive any Coupons or Final Value whilst the suspension continues, and even once the suspension is lifted Investors may receive nothing and lose their Total Investment Amount.

2. a Hedge Agreement between the Issuer and a particular Hedge Counterparty may be terminated if there is an event of default in respect of the Issuer or the Hedge Counterparty or if certain specified Termination Events occur and as a result payment obligations in relation to all transactions governed by that Hedge Agreement between those two parties may be terminated, and a single net amount calculated as due from one party to the other.

Under the arrangements with the Hedge Counterparties, each Hedge Agreement will be deemed to be a separate Hedge Agreement for each transaction (corresponding to each Series) and therefore each separate Hedge Agreement may be terminated only if an event of default or Termination Event occurs under that particular Hedge Agreement. However, some events of default and Termination Events relating to the Issuer may be of a type that affect more than one Hedge Agreement at the same time, or an event of default relating to the Issuer under one Hedge Agreement may be of a type that triggers an event of default relating to the Issuer under another Hedge Agreement and, where this occurs, then the Hedges for all Series (where the Issuer and the particular Hedge Counterparty are counterparties) and, depending on the type of the event of default, the Hedges for all Series with other Hedge Counterparties may be terminated by one or more Hedge Counterparties.

In particular, where the Hedge Agreement is an ISDA Master Agreement, if a Bankruptcy Event of Default occurs with respect to the Issuer, then this will be an event of default under

all the Hedges which are also ISDA Master Agreements and each Hedge Counterparty may terminate all its relevant Hedge Agreements with the Issuer, or if a Default under Specified Transaction with a Hedge Counterparty occurs with respect to the Issuer, then this will be an event of default under all the Hedges with that particular Hedge Counterparty where the Hedge Agreement is an ISDA Master Agreement and such Hedge Counterparty may terminate all its relevant Hedge Agreements with the Issuer.

If there is an event of default in respect of the Issuer, the Hedge Counterparty is not under any obligation to terminate any of the Hedges.

3. If a Bankruptcy Event of Default occurs relating to the Issuer (where the Hedge Agreement is an ISDA Master Agreement), the Hedge Counterparty may set off any obligations of the Issuer owing to that Hedge Counterparty (under the Hedge Agreement or otherwise) against any obligations of the Hedge Counterparty owing to the Issuer (including under other Hedge Agreements in respect of other Series where those Hedge Agreement are also ISDA Master Agreement). This right of set-off may be effected before or after termination of the Hedge Agreement. These rights of set off are in addition to statutory rights of set off of the Hedge Counterparty in the case that the Issuer is an insolvent company that is being wound up. Should such set-off occur following a termination of more than one Hedge Agreement with a particular Hedge Counterparty, a single amount will be received by the administrator of the Issuer to be distributed to the creditors of the Issuer.

Depending on the particular Hedge Agreement, it may be that if a Hedge Agreement is terminated then one single termination amount (called the Close-out Amount) will be calculated as due from one party to the other under that Hedge Agreement. If a particular Hedge Counterparty elects to terminate more than one Hedge i.e. Hedges for more than one Series (where the Issuer and the particular Hedge Counterparty are counterparties) across all or more than one outstanding transaction between the Issuer and that Hedge Counterparty, a Close-out Amount would be calculated as due from one party to the other separately under each Hedge Agreement. If a Bankruptcy Event of Default occurs in respect of the Issuer, the Hedge Counterparty has the right to set off any amounts it owes to the Issuer against any other amounts the Issuer owes the Hedge Counterparty whether under one or more Hedge Agreement for one or more Series. However, the Issuer will ensure that all of their obligations under each Hedge Agreement are paid up front and that there is only a positive amount owing to them from the Hedge Counterparty under the Hedge Agreement.

The Close-out Amount calculation in respect of the Hedge for a particular Series is likely to be less than the Final Value for that Series, may be less than the Issue Price for that Series and may even be zero.

Investors should note that the Issuer maintains only one trust account and all money relating to all Units on issue is paid into that trust account.

Performance of the Reference Asset

Historical prices of the Reference Asset should not be taken as an indication of the future performance during the Investment Term. It is impossible to determine with certainty whether the Reference Asset will rise or fall.

Reference Asset Risk

The Reference Asset gives exposure to Berkshire Hathaway Inc. Class B Shares. The return on the Reference Asset is subject to the performance of the Berkshire Hathaway Inc. Class B Shares. Therefore, all factors likely to affect the performance of the shares which comprise the Reference Asset are important and Investors should consider all appropriate publicly available information in relation to the Reference Asset. These factors include movements in international financial markets, interest rates, currency rates and global economic, political, technological and environmental factors.

In addition you should note that you will not have an actual investment in the Reference Asset. In particular, you should note that changes in the Reference Asset will not result in the same change in the value of the Units due to the effect of other factors which affect the value of the Units (such as the exchange rate). See Section 4.7 “What is the Unit value during the Investment Term?” for more information on these factors.

You will not receive any Accretions in relation the Reference Asset, nor you will receive a right to vote which may attach to any shares composing the Reference Asset.

The value of the Reference Asset may change substantially over the life of your investment.

Foreign exchange risk

The Reference Assets is listed on a foreign exchange and both the Reference Asset and Reference Asset Value are denominated in a currency other than Australian dollars, being US dollars. Investor's returns from Coupons and Final Value are subject to movements in the AUD/USD exchange rate. This may significantly affect the performance of the investment and may result in no Coupons or Final Value being payable, despite an increase in the Reference Asset Value. If the AUD/USD exchange rate increases, the Coupon payable will decrease. If the AUD/USD exchange rate decreases, the Coupon payable will increase..

The Final Value depends on the performance of the Reference Asset Value and the AUD/USD exchange rate.

In the event of Early Maturity or Issuer Buy-Back, the Early Maturity Value or Buy-Back Price may also be affected by adverse movements in foreign currencies.

Unit value before the Maturity Date

The market value of the Units will be determined by many factors before the Maturity Date. These include:

- the Notional Exposure;
- the performance of the Reference Asset since the Commencement Date;
- deduction of the Performance Fees and the Coupons (if any) at Early Maturity and from the Final Value;
- averaging over the final five months of the Investment Term;
- the AUD/USD foreign exchange rate
- prevailing interest rates both in Australia and the USA;
- the remaining time to Maturity; and
- general market risks and movements.

Investors should be aware the Units are designed to be held to Maturity and are not designed to be a trading instrument.

Coupons

There will be no First Coupon if there has not been an increase in the Reference Asset Value above the Initial Reference Asset Value over the first year of the Investment Term. Where the Reference Asset Value has remained constant or declined over this period (as adjusted for the AUD/USD exchange rate), there will be no First Coupon paid and Investors will not be required to make any payment to the Issuer. The First Coupon depends on the performance of the Reference Asset Value (up to a cap of 10%, prior to conversion to AUD, and the subtraction of the performance fee payable) – however, if the AUD/USD exchange rate decreases, the First Coupon payable could exceed 10% of the Notional Exposure per Unit.

There will be no Second Coupon if there has not been an increase in the Reference Asset Value greater than the Gross First Coupon, over the first two years of the Investment Term. Where the Initial Reference Asset Value has remained constant or declined over this period (as adjusted for the AUD/USD exchange rate), there will be no Second Coupon paid and Investors will not be required to make any payment to the Issuer. The Second Coupon is subject to exchange rate risk (please refer to “Foreign exchange risk” above). The Second Coupon depends on the performance of the Reference Asset Value (up to a cap of 10%, prior to conversion to AUD, and the subtraction of the performance fee payable) – however, if the AUD/USD exchange rate decreases, the Second Coupon payable could exceed 10% of the Notional Exposure per Unit.

Further information on the Coupons and how they are calculated can be found in Section 3.2 “Key Information” and Section 4.1.2 “Two potential Coupon payments”.

Leverage risk

Returns on Units are determined by reference to the Notional Exposure per Unit which is significantly larger than the Issue Price offered under this PDS. This means that movements in the Reference Asset will have a magnified effect on returns on the Coupons and Final Value (if any). While this has the potential to increase returns on your Total Investment Amount it will also magnify losses if the Reference Asset decreases.

Loss of Total Investment Amount

The Total Investment Amount must be paid upfront by Investors. Investors must provide direct debit details with their Application. Cleared funds must be received by the Issuer by the Final Application Payment Date. Additionally, in the event of an Investor requested Issuer Buy-Back or an Early Maturity Event, or you will not receive a refund of the Issue Price or Adviser Fees paid. There is no guarantee of any financial returns in relation to the Units. In particular, there is no guarantee that the Units will generate returns in excess of the Total Investment Amount paid.

The returns on the Units, being the Coupons and Final Value (if any), depend on the performance of the Reference Asset and, movements in the AUD/USD exchange rate. No Coupons may be paid and the Final Value may be equal to zero. Therefore, Investors may lose part or all of their Total Investment Amount if the Reference Asset does not increase over the Investment Term.

Averaging risk

The Final Value per Unit and the Coupons will be determined having regard to the average levels of the Reference Asset Value used to calculate the Initial Reference Asset Value and the Final Reference Asset Value. This averaging technique is expected to reduce the effect of volatility of the Reference Asset Value when calculating the Initial Reference Asset Value and the Final Value per Unit at Maturity. While this averaging over the first five months and the last five months of the Investment Term would be expected to decrease the impact of a fall in the value of the Reference Asset Value during that period on the value of your Units, it would also be expected to decrease the impact of an increase in the value of the Reference Asset Value during that period on the value of your Units.

Delivery Assets

The Delivery Assets are subject to market risks and other risks inherent in owning listed instruments. For example, the market value of the Delivery Assets could fall between the date the Issuer buys them for the Investors and the date they are transferred to Investors or sold on the Investor's behalf.

The Delivery Assets might not be very liquid so Investors may not be able to sell when they would like to.

Investors could be delivered something other than the Delivery Assets if the Issuer decides to substitute them or delivery of the Delivery Assets may be delayed. Although the Issuer does not intend to substitute the Delivery Assets, the Issuer might need to make a substitution because they decide it is not practical to transfer the Delivery Assets to Investors or sell the Delivery Assets for Investors.

Adjustment Events and Market Disruption Events

Unexpected events can occur which can impact the Units in a way the Issuer had not anticipated, often adversely. The Issuer has certain powers under Section 12 "Terms of the Deferred Purchase Agreement" in relation to how it can deal with such events, referred to as Adjustment Events and Market Disruption Events. Examples of these are changes in the Reference Asset or in laws and regulations that would in turn affect the Units. For example, if the Reference Asset (or a component of the Reference Asset) was an index and was amended, replaced, terminated or otherwise stopped and stopped being calculated and published then Units would be affected because there is no longer a Reference Asset. In this case, the Issuer might, amongst other options, consider replacing the Reference Asset or, where the Reference Asset has more than one component, replacing the affected component or determining to continue using the unaffected components only.

Another example is if the Reference Asset was consolidated, reconstructed, sub-divided or replaced with some other form of security or property then the Units would be affected as the Reference Asset has been changed. Other Adjustment Events in relation to securities include the insolvency of the issuer of any of the securities comprising the Reference Asset, or the administration, liquidation, winding up or termination or other similar event in respect of the issuer of any security comprising the Reference Asset. Other corporate action events (including, without limitation, returns of capital, capital raising, share buy-back, rights issue, scheme of arrangement, compulsory acquisition) could also impact on the securities comprising Reference Asset.

Other Adjustment Events include where the Issuer is unable to perform its obligations or it would be illegal to do so, or there is a disruption or material increase in costs in the Issuer's hedging arrangements. A full list of Adjustment Events is set out in Section 13 "Definitions" of this PDS.

If there is a Market Disruption Event affecting the Reference Asset or the AUD/USD exchange rate on certain dates for working calculations during the Investment Term (such as Coupon Determination Date or the Maturity Date) then the Issuer may determine to take action to take account of the disruption, or can delay the calculation to the next Scheduled Business Day or where there is no Market Disruption Event. However, if the next 10 Scheduled Business Days are all affected by a Market Disruption Event, then the Issuer will make a good faith determination, acting in a commercially reasonable manner, of the calculation which would have applied for the original date. The Issuer will notify you of a Market Disruption Event as soon as practicable and in any event within 5 business days. Please refer to clause 6.2 "Market Disruption Events" of Section 12 "Terms of the Deferred Purchase Agreement" of this PDS.

In some circumstances these events could also be classified as Early Maturity Events and lead to Early Maturity of the Units. Please refer to clause 6 "Adjustment Events and Market Disruption Events" of Section 12 "Terms of the Deferred Purchase Agreement".

Early Maturity

The Issuer can determine an Early Maturity Date for specific events for example disruptions to the Issuer's hedging arrangements such as where the hedging arrangements are suspended or terminated (whether due to the Hedge Counterparty's insolvency or any other reason). Other examples of Early Maturity Events include, increased tax costs, a Change in Law occurs, it becomes illegal for the Issuer to perform its obligations, investor insolvency, and an appropriate replacement cannot be found, or there is an Adjustment Event or Market Disruption Event which the Issuer nominates as an Early Maturity Event under clause 6 "Adjustment Events and Market Disruption Events" of Section 12 "Terms of the Deferred Purchase Agreement".

The Issuer will determine the Early Maturity Value, acting in good faith and a commercially reasonable manner, and Investors will almost certainly receive a different amount from what they would have received if an Early Maturity Event had not occurred and they had held the Units to Maturity and may receive nothing at all. Investors could receive a lower amount than the Total Investment Amount paid for the Units or receive returns that are lower than the performance of the Reference Asset or Reference Asset Value.

Withdrawals and liquidity

There is no established market for trading the Units.

The Issuer can reject an Investor's Issuer Buy-Back Request or restrict when they withdraw. Generally, the Issuer would only reject or defer an Issuer Buy-Back Request if it is unable to adequately unwind its own hedging arrangements. The Issuer determines the Buy-Back Price, acting in good faith and a commercially reasonable manner, and Investors will almost certainly receive a different amount from what they would have received if they held the Units to Maturity. Investors could receive a lower amount than the Total Investment Amount they paid or receive returns that are lower than the performance of the Reference Asset and may receive nothing.

Investors can contact the Issuer for estimates of the Buy-Back Price in the few weeks prior to each Buy-Back Date.

No Investigation

No investigation or review of the Reference Asset have been made for the purposes of forming a view as to the merits of an investment linked to the Reference Asset. Investors should not conclude that the sale by the Issuer of the Units is any form of investment recommendation by it or any of its affiliates.

You will not receive any Accretions, dividends or distributions on the Delivery Assets or the securities making up the Reference Asset during the Investment Term. In addition you will not have voting rights or any other rights that you may otherwise have if you were the holder of the Delivery Assets, Reference Asset or the securities making up the Reference Asset during the Investment Term.

8.2 GENERAL RISKS

General market risk

The performance of the Reference Asset will largely determine the market price of the Units. The volatility of the Reference Asset, the market price of the security comprising the Reference Asset and other interrelated and complex factors and general risks applicable to financial markets on which the Reference Asset will be traded (such as investor confidence and present and expected future global economic conditions) will be relevant as well.

Conflicts of interest

The Issuer may face possible conflicts of interest in connection with its roles as Issuer and any other role as described in this PDS. The Issuer and its affiliates may also face possible conflicts. For example, the Issuer and its affiliates may engage in other financial service activities in relation to the Units and the Issuer or companies in which the Units or Reference Asset invest, or trade in the underlying assets that comprise the Reference Assets or Delivery Assets or financial instruments linked thereto for their own account, or for the account of others.

The Issuer has a conflicts of interest policy to ensure that it identifies and appropriately manages all conflicts of interest. The Issuer's conflicts of interest policy relates to its monitoring, prevention and other compliance measures related to the management of conflicts of interests. At all times the Issuer attempts to prevent or manage conflicts of interest in accordance with its policy.

Change of Issuer

Under the Terms of the Units, the Issuer has the right to transfer its rights and obligations under this PDS and the Terms provided it is not unfair to Investors (as defined in Section 12BG of ASIC Act).

Tax Risk

The expected tax implications of entering into and exiting of the Units at Maturity may change as a result of changes in the taxation laws and interpretation of them by the Australian Tax Office ("ATO"). Please refer to Section 10 "Taxation" of this PDS for a more detailed description of the taxation of the Units and obtain independent advice that takes into account your specific circumstances.

No claim against underlying asset

You do not have any interest in or rights to the Reference Asset to which the Units relate. Any claim against the Delivery Assets only arises after Maturity and upon taking physical delivery of them.

Interest Rate Risk

You are exposed to the movement of interest rates whenever you redeem, transfer or sell your Units prior to the Maturity Date. Movements in interest rates will have an impact upon the value of Units. As interest rates move upwards, the value of the Units generally fall.

Settlement Risk

Upon purchasing the Units, you assume settlement risks relating to the Issuer failing to deliver the Delivery Assets. The Issuer believes this risk is remote, however, a delay in delivering the Delivery Parcel and/or Sale Monies could occur.

Compounding of risks

An investment in the Units involves risks and should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the Reference Asset, and the terms and conditions of the Units as contained in the PDS.

More than one risk factor may have simultaneous effects with regard to the Units such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Units.

Break Costs

The Issuer may deduct Break Costs in relation to Early Maturity or Issuer Buy-Back. The Break Costs will form part of the calculation of the amount you will receive if your Issuer Buy – Back request is permitted or if an Early Maturity Event occurs. Break Costs include all costs, expenses and losses reasonably incurred by the Issuer as a result of the determination of an Early Maturity Date, Buy – Back Date or other early termination, unwinding of any hedge position entered into in connection with the Units, or any loss of bargain. Break Costs could be significant and may not be in your favour. Break Costs will depend on the economic value the Issuer achieves on the unwinding of its hedge position (i.e. the amount it achieves on the sale or unwind of the instruments that underlie the Units). The economic value the Issuer achieves will be reliant on several factors including but not limited to market liquidity, volatility, interest rates, market prices, foreign exchange rates, and the time to Maturity. The economic value that the Issuer achieves may be minimal or nothing, in which case the amount of the Break Costs may mean that the Investor receives nothing on Early Maturity.

The impact of these factors is largely unknown and is dependent on movements in financial markets. Investors and their advisers may contact the Issuer and request an estimate of the Buy-Back Price (including Break Costs) that would apply to Units in the few weeks leading up to each Buy-Back Date. The Issuer will provide estimates of Buy-Back Prices (which will include Break Costs) to investors when it is able to accurately value the Units to enable them to determine the likely Buy-Back Price if the Investor requests an Issuer Buy-Back. However, the actual Buy-Back Price at which the Issuer will buy-back your Units will not be known at the time an Issuer Buy-Back request is made and may be significantly less than the estimate provided.

Derivatives risk

Derivatives (such as swap agreements, options, futures, forward rate agreements and forward foreign exchange contracts) may be utilised by the Issuer to manage risk or to gain exposure to individual securities, currencies and investment markets. Risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity, and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). Any such risk occurring is likely to adversely impact on the value of your Units prior to Maturity.

Regulatory risk

The following risks may apply when investing in the Units:

- characteristics of the Units may change;
- taxation, superannuation and other laws and their interpretation are subject to continual change and may affect the tax implications or other characteristics of your investment;
- investors, particularly superannuation fund trustees must be satisfied that the Units are a permissible investment and suitable for their superannuation fund;
- there may be different tax consequences for different Investors compared to investing directly in underlying investment;
- the Units could be, by regulation, deemed not to be securities but another class of financial product;
- additional regulatory requirements may make an investment in the Units more difficult, may require additional steps to be taken by the Investor or the Issuer, or may force Investors to disclose certain information in relation to the Units;
- the Reference Asset could be terminated or cease to exist; and
- the Issuer's hedging arrangements could be adjusted, amended or terminated.

Managing your risks

You can always help manage risks. Importantly, you can manage risk by:

- obtaining professional investment advice to determine whether the Units suit your investment objectives, financial situation and particular needs;
- reading all the information in this PDS before investing in the Units and making sure you understand what it is you are investing into;
- obtaining professional investment advice concerning a suggested minimum investment timeframe for the Units.

Please note, however, that investing for the suggested minimum investment timeframe does not entirely eliminate the risk of loss. You should note that your Total Investment Amount is at risk as there is no guarantee that returns on the Units will be in excess of the total Issue Price and Adviser Fee paid to acquire the Units. You should consider your investments in light of your investment objectives, financial situation and particular needs.

9. PARTIES TO THE OFFER

Issuer

Tailored Investment Solutions Pty Ltd (ACN 169 320 905) is the Issuer of Units. Tailored Investment Solutions can be contacted on 1300 760 397 or at Suite 3.20, Capri on Via Roma, 15 Via Roma, Isle of Capri QLD 4217.

The Issuer was incorporated in Australia in 2014 for the purpose of issuing deferred purchase agreements (including the Units under this PDS) and other financial products (it has no other business activities). All major administration functions, such as registry are outsourced to third party providers.

The Issuer has set up a corporate structure which involves a Hedge Counterparty who provides the Hedge.

The Issuer undertakes to only ever issue financial products which are a distinct separate series.

Arranger

Pinnacle Securities Pty Ltd ABN 61 608 667 778 holds an Australian Financial Services License No: 485760 which enables it to operate a financial services business.. These financial services are offered to both wholesale and retail investors.

The Board and responsible managers of Pinnacle Securities Pty Ltd have extensive financial services experience.

Registrar

Registry Direct Limited (ABN 35 160 181 840) ("Registry Direct") is a provider of share registry software and services to listed and unlisted companies, fund managers and product issuers. Their services include: pre-IPO and IPO registers; proxy solicitation and meeting management; corporate actions; dividends and distribution of payments; investor reporting and management; employee share plans management; security holder communication; and security holder enquiry services.

10. TAXATION

This summary provides a general outline of the main Australian income tax, GST and stamp duty implications arising for an Australian resident Investor operating from Australia for the purpose of this investment who:

- (a) will hold the Units until Maturity and will hold the Delivery Assets which are related to their Units post Maturity i.e. without using the Agency Sale Option; and
- (b) will hold the Units and the Delivery Assets in their own capacity as capital assets.

Investors who are engaged in a business of trading or investment of securities, who acquire the Units for the purpose of resale at a profit, or those which are banks, insurance companies, tax exempt organisations or superannuation funds, may be subject to special or different tax consequences peculiar to their circumstances which are not discussed in this opinion. Additionally, the tax discussion outlined here is not relevant to an Investor who assigns their Units to a third party prior to Maturity or does not receive delivery of the Delivery Assets.

The taxation of Investors who invest in the Units through a platform or Investor Directed Portfolio Service ("IDPS") will be affected by the arrangements governing the platform or IDPS. Such Investors should refer to the information provided by the platform provider or IDPS operator in relation to the tax implications of investing through the platform or IDPS.

The following discussion is based on Australian law and administrative practice as at 15 October 2018. Investors should be aware that the ultimate interpretation of taxation law rests with the Courts and that the law, and the way the Commissioner of Taxation ("Commissioner") and state and territory revenue authorities administer the law, may change at any time. The Australian Taxation Office is currently examining certain features of deferred purchase agreements. As a result of this review process, there may be changes to the tax outcomes of investing in deferred purchase agreements. At this stage, we do not have a clear indication of what these changes (if any) may involve.

This statement is necessarily general in nature and does not take into account the specific taxation circumstances of each individual Investor. The Australian Taxation Office actively encourages issuers of financial products to apply for a product ruling for financial products before offering products to the public. A product ruling was not sought for this product. It is also possible for investors to obtain certainty regarding the tax treatment of this product by applying for a private ruling from the Australian Taxation Office. Investors should seek independent professional taxation advice in relation to their own particular circumstances before making any investment decision, including whether it is appropriate to apply for a private ruling regarding the tax treatment of this product.

References in this section to the "1936 Act" and the "1997 Act" are references to the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth), respectively.

Baker & McKenzie is not involved in the marketing of Units and its role should not be interpreted to mean that it encourages any party to invest.

Coupon Payments

Any Coupon payments received should be characterised as ordinary income and should be included in the Investor's assessable income in the income year they are received by an Investor.

Capital Gains Tax ("CGT")

1. DELIVERY OF DELIVERY ASSETS

In making an investment in the Units, an Investor has contracted to purchase from the Issuer the Delivery Assets.

An Investor's rights under financial products similar to a Unit constitutes a discrete CGT asset and, accordingly, the ending of the rights on Maturity (i.e. at the time of delivery of the Delivery Assets to the Investor or to the Issuer (or its nominee) if the Agency Sale Option is chosen) triggers a CGT event C2 for the Investor.

An Investor makes a capital gain on Maturity equal to the difference between the market value of the Delivery Assets (determined at the date of delivery) plus any fractional amount paid in cash less the Investor's cost base in the relevant Unit. We consider that an Investor's cost base in the Unit should include:

- (a) the money the Investor paid to acquire the Unit (i.e. the Issue Price);
- (b) the incidental costs of acquisition and disposal of the Unit (i.e. Adviser Fee); and
- (c) any costs of ownership of the Unit (i.e. interest which an Investor incurs as a result of borrowing funds to acquire the Unit, where the interest is not otherwise allowable as a tax deduction).

The Performance Fee is not incurred by the Investor and would not be included in cost base. The Performance Fee affects the value of Delivery Assets to be delivered to the Investor on Maturity.

Alternatively, Investors may make a capital loss equal to the difference between the Investor's reduced cost base in the Units and the market value of the Delivery Assets (determined at that time). The reduced cost base of a Unit should include (a), (b) but not (c) (as listed above).

CGT discount provisions

Capital gains made by resident individuals regarding assets held for at least 12 months (excluding the dates of acquisition and disposal) that are assessed under the CGT provisions in Part 3-1 of the 1997 Act can qualify for the CGT discount concessions – under which the assessable portion of any capital gain is discounted by 50%.

For complying superannuation funds and certain other entities, the discount is 33.33%. Companies do not qualify for this discount.

An Investor is required to first apply any prior year or current year capital losses against the full capital gain before applying this CGT discount to the remaining net amount.

For these purposes, an Investor is considered to have acquired their rights in a Unit on the day they enter into the Unit. CGT event C2 happens when the Delivery Assets are received by the Investor. As such, an Investor that holds the Unit for its full term should satisfy the 12 month holding period in order to qualify for the CGT discount.

2. DISPOSAL OF DELIVERY ASSETS

The Delivery Assets received by the Investor or by the Issuer (or its nominee) on behalf of the Investor under the Agency Sale Option are CGT assets.

Each Delivery Asset is taken to be acquired by the Investor at the time it is delivered to the Investor or the Issuer (or its nominee) to be held on behalf of the Investor.

A CGT event would happen when the Investor disposes of their Delivery Assets after they have been delivered to the Investor, or when they are disposed of on behalf of the Investor under the Agency Sale Option.

An Investor may make a capital gain made from the CGT event. The capital gain should be the difference between the capital proceeds received on disposal less the cost base of the Delivery Assets. If the capital proceeds received by an Investor are less than the reduced cost base of the Delivery Assets, then the Investor should make a capital loss. Capital losses can be offset against taxable capital gains made by an Investor but not against other types of income.

The capital proceeds which an Investor receives will be the cash or other property the Investor receives or is entitled to receive when the Investor disposes of the Delivery Assets.

The Investor's cost base in the Delivery Assets should be their market value on the date of delivery to the Investor or to the Issuer (or its nominee) to be held on behalf of the Investor.

CGT discount provisions

An Investor that is a resident individual may claim the benefit of the CGT discount (as described above) on any assessable portion of the capital gain made on the disposal of the Delivery Assets, where they have held the Delivery Assets for more than 12 months (excluding the days of acquisition and disposal).

3. EARLY MATURITY AND ISSUER BUY-BACK

Early Maturity or Issuer Buy-Back should not affect the above CGT analysis, unless Early Maturity or Issuer Buy-Back occurs within 12 months of the Commencement Date. If this occurs then the Investor would not meet the 12 month holding period required to claim the CGT discount on any assessable capital gains made on the ending of the Units.

If an Investor's Unit is bought back by the Issuer, there is a risk that any gain will be assessed as ordinary income, in which case the Investor will not qualify for the CGT discount concessions. This will depend on the circumstances in which these events occur.

Security

A Unit should not be characterised as either a "qualifying security" for the purposes of Division 16E of the 1936 Act, or a "traditional security" for the purposes of sections 26BB and 70B of the 1936 Act. This is because a Unit is a contract for the delivery of the Delivery Assets and is not a "security" as defined for the purposes of these provisions. Accordingly, those provisions should not apply to a Unit acquired by an Investor.

This view is supported by the Commissioner in Taxation Determination *TD 2008/21*.

Forex gains and losses

The Investor should not be required to bring to account foreign exchange gains or losses as the Investor does not acquire a right to receive an amount of foreign currency or an amount

calculated by reference to a "currency exchange rate effect". While the Reference Asset and Reference Asset Value is denominated in USD, the Coupons and Final Value are only calculated by reference to changes in the Reference Asset Value and the AUD/USD exchange rate and ultimate returns are expressed in Australian dollars. A forex realisation event does not therefore happen in respect of an Investor's units.

Gearing

Gearing is not offered in respect of this product. Investors should seek their own independent advice as to the tax treatment of an amount borrowed to fund an investment in an Unit.

In addition, complying superannuation funds must also consider the rules contained in the *Superannuation Industry (Supervision) Act 1993* and the *Superannuation Industry (Supervision) Regulations 1994*, if they are considering borrowing to purchase the Units.

Part IVA of the 1936 Act

Part IVA of the 1936 Act contains the general anti-avoidance regime for income tax. Broadly, Part IVA can apply to an Investor's investment if any party has entered into this arrangement for the dominant purpose of enabling the Investor to obtain a tax benefit. A tax benefit can include deferring the recognition of assessable income to a later income year, or converting an assessable income amount into a discount capital gain.

An Investor in this product may obtain a tax benefit.

Part IVA of the 1936 Act may apply if, viewed objectively, an Investor would be taken to have invested in this product with the dominant purpose of obtaining a tax benefit. This question would depend on the circumstances of each Investor. Depending on the profile of the Investor, the Commissioner may need to weigh the commercial advantages of investing in the Unit – including those set out in this PDS – against the tax benefits of the Investor.

Investors should discuss the potential application of Part IVA of the 1936 Act with their own tax adviser.

Product ruling

The Australian Taxation Office actively encourages issuers of financial products to apply for a product ruling before offering products to the public. The clear preference of the Australian Taxation Office is that issuers apply for a product ruling for each product, however the application for a product ruling is not mandatory. A product ruling was not sought for this product.

Private ruling and independent tax advice

The Australian Taxation Office encourages investors that invest in products for which no product ruling has been obtained by the issuer, to consider whether the investment in question is suitable for their needs. Investors should carefully review any materials, such as product disclosure statements, that describe the tax treatment of financial products before deciding whether to invest in the product.

In particular, the Australian Taxation Office recommends that investors seek independent tax or legal advice about the tax consequences of investing in financial products from an independent adviser who is not involved in selling the product. Such tax advice should be separate from advice from a licensed financial planner about the benefits or risks of making the investment.

In light of the various risks associated with the tax treatment of this investment, should an Investor obtain external finance to fund an investment in a Unit, we would recommend not claiming a deduction for the interest without first obtaining a favourable private ruling from the Australian Taxation Office regarding the tax treatment of this investment. Your tax advisor can discuss this process with you.

Taxation of Financial Arrangements

Division 230 of the 1997 Act contains specific rules relating to the taxation of financial arrangements (“TOFA”). There are a number of exclusions from TOFA. Specifically, the TOFA rules should not apply to superannuation entities with assets of less than \$100 million, or individuals that hold a Unit (since the Unit is not regarded as a qualifying security (see comments above). Other Investors should seek their own advice as to the possible application of the TOFA regime to their investment in a Unit.

Stamp Duty

Stamp duty should not be payable on the issue or transfer of the Delivery Assets or on the issue or transfer of a Unit provided that the Delivery Assets are interests in local ASX listed companies that are quoted on the Australian Stock Exchange at all relevant times (including for example the dates of issue of the Units and transfer of the Delivery Assets) and the Delivery Assets will not represent 90% or more of the issued capital of any of the issuing companies.

Notwithstanding the above, if stamp duty becomes payable by the Issuer in connection with the terms of this PDS or as a consequence of, or in connection with the purchase, sale or transfer of, or the Maturity of the purchase and sale of the Delivery Assets or the Units, then the Issuer can under the terms of this PDS require an Investor to pay such stamp duty.

Goods and Services Tax (“GST”)

The sale and acquisition of shares (including a right to acquire shares) is likely to be an input taxed financial supply and as a result no GST should be payable in respect of the acquisition of the Delivery Assets or the Units.

If GST becomes payable by the Issuer in connection with the terms of this PDS or as a consequence of, or in connection with the purchase, sale or transfer of, or the Maturity of the purchase and sale of the Delivery Assets or the Units, then the Investor can be required to pay an additional amount on account of such GST.

An Investor may not be entitled to input tax credits for GST paid on the acquisition of goods and services (for example, financial advisory services or brokerage) relating to the issue of the Units and acquisition and or subsequent sale the of Delivery Assets. This will depend on the Investor’s personal circumstances.

Tax Agent Service

The Issuer does not give taxation advice and the provision of this tax section is not intended to constitute a “tax agent service” for the purposes of the Tax Agent Services Act 2009. Investors should seek their own advice on the taxation implications of making an investment in Units, and cannot rely on this summary.

11. ADDITIONAL INFORMATION

11.1 WHAT ARE THE UNITS?

Each Unit is a separate right to receive the Delivery Parcel and certain related rights under a deferred purchase agreement as described in this PDS. A Unit is not an interest in a trust or other type of managed investment scheme, and the investment is not a direct investment in the Reference Asset or, for a Reference Asset that is an index, the securities making up the Reference Asset.

11.2 PREPARATION OF THIS PDS

You should also note that no person is authorised by the Issuer to give any information to Investors or to make any representation not contained in this PDS. In particular, none of the Issuer, Arranger, or any of their affiliates takes any responsibility for statements or actions of any distributor of the product or any financial adviser of an Investor. None of the Issuer, Arranger, or any of their affiliates accepts any liability or responsibility for, and makes no representation or warranty, express or implied, as to the adequacy, accuracy or completeness of such information.

No representation as to future performance of the Reference Asset, the Delivery Assets or as to the future performance of assets, dividends or other distributions of any of the Reference Asset or Delivery Assets are made in this PDS or in any offer or invitation to subscribe for, sell or issue Units. The Issuer does not take into account labour standards or environmental, social or ethical considerations.

11.3 OBLIGATIONS OF THE ISSUER

The Units will constitute direct, unsecured obligations of the Issuer. Please refer to Section 8 “Risks” under the heading “Creditworthiness of the Issuer and Hedge Counterparty” for more details.

Applications can be lodged at any time during the Offer Period for the Units, subject to the right of the Issuer to close the offer at an earlier date without prior notice. No cooling-off rights apply in respect of a purchase of the Units.

11.4 CONSENTS

None of the parties referred to below have authorised or caused the issue of this PDS or make or purport to make any statement in this PDS (or any statement on which a statement in this PDS is based) other than as specified below.

Baker & McKenzie, solicitors, has given, and not withdrawn, its written consent to being named as having acted as solicitors to the Issuer in connection with the issue of the Units pursuant to this PDS. It has in that capacity, prepared the Terms of the Deferred Purchase Agreement and Section 10 “Taxation”. Otherwise, Baker & McKenzie does not make any statement in, or take responsibility for any part of this PDS and has not authorised the issue of the PDS nor does any statement herein purport to be based on a statement made by Baker & McKenzie except for the Terms of the Deferred Purchase Agreement and Section 10 “Taxation”.

Registry Direct Limited has given and, as at the date of this PDS, not withdrawn its consent to the inclusion of statements regarding Registry Direct in this PDS in the form and context in which they are included and to be named as the Registrar in this PDS in the form and context in which it is named. It has not been involved in the preparation of any part of the PDS. It has not authorised or caused the issue of, and expressly disclaims

and takes no responsibility for any part of the PDS other than reference to its name and it takes no responsibility for the contents of the PDS. Registry Direct does not guarantee the success of the Units, the repayment of capital or any particular rate of capital or income return.

Pinnacle Securities Pty Ltd has given, and not withdrawn, its written consent to being named in the form and context in which it has been named (in particular, to being named as having acted as Arranger) and to the descriptions of the Arranger in this PDS. The Arranger does not make any statement in, or take responsibility for any part of this PDS and has not authorised the issue of the PDS nor does any statement herein purport to be based on a statement made by the Arranger.

11.5 SELF MANAGED SUPERANNUATION FUNDS

Self managed superannuation funds (SMSFs) are eligible to apply for the Units. SMSF trustees should note that SMSFs may be subject to restrictions on entering into transactions that involve leverage under the Superannuation Industry (Supervision) Act 1993 (SIS Act).

The SMSF trustee must also ensure that it complies with all relevant investment restrictions, such as restrictions on in-house assets and acquiring certain assets from a related party of the SMSF. The SMSF trustee must also ensure that the investment in the Units is appropriate in their investment strategy. Trustees of SMSFs should seek their own advice as to whether an investment in the Units is an appropriate investment for their SMSF.

11.6 PRIVACY POLICY

Should you apply for Units by lodging an Application Form with the Issuer, you acknowledge and agree that:

- (a) The Issuer (and or any of its nominees) may collect your personal information for the purpose of processing your Application for the Units, issuing the Units, managing your investment and complying with relevant laws. If you do not provide the personal information as the Issuer requires, your Application may not be processed; and
- (b) The Issuer may be required to disclose all or some of your personal information to:
 - (i) related bodies corporate that might not be governed by Australian laws for the purpose of account maintenance and administration;
 - (ii) share registries, custodians and certain software providers related to the operational management and settlement of the Units;
 - (iii) other third parties for the purpose of account maintenance and administration, marketing research or acquiring any interest in any part of the business of your adviser; and
 - (iv) regulatory authorities such as the ASX.

All personal information collected from you will be collected, used and stored by the Issuer in accordance with the Issuer's Privacy Policy, a copy of which can be made available to you on request. To obtain a copy, please contact the Issuer as per the details in the Directory at the back of this PDS.

You can access the personal information the Issuer holds about you. The Issuer will take reasonable steps to correct any information that the Issuer holds about you which you notify the

Issuer is incorrect, inaccurate, incomplete or out of date. The Issuer and/or its associates may wish to communicate with you in the future about other investment opportunities which may be of interest to you. If you do not wish to be contacted for these purposes, please contact the Issuer.

11.7 DISPUTE RESOLUTION

The Corporations Act requires the Issuer to have procedures in place for dispute resolution. The Issuer's process for dispute resolution is available by contacting the Issuer.

If an Investor has an enquiry or concern about their Units, they should contact Tailored Investment Solutions on 1300 760 397 or by writing to:

Tailored Investment Solutions
Suite 3.20, Capri on Via Roma
15 Via Roma
Isle of Capri QLD 4217

If you have a complaint and it is not addressed to your satisfaction by Tailored Investment Solutions complaints department, you can then direct your complaint to the Head of Compliance using the addresses above.

TIS Compliance will acknowledge receipt of your complaint in writing. Your complaint will be investigated in accordance with the Tailored Investment Solutions Complaints Policy and will be responded to within 45 days. The Issuer will take all steps necessary to investigate any complaint and seek a resolution. You will be informed in writing of the result of the Compliance investigation into your complaint.

If you are not satisfied with TIS's response to your complaint you can then contact the Financial Ombudsman Service ("FOS") at:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1800 367 287
Fax: (03) 9613 6399
Email: info@fos.org.au

FOS is a free independent dispute resolution scheme.

In order for the complaint to be considered by FOS, the claim must be for less than A\$500,000 (unless otherwise agreed in writing between you and the Issuer).

11.8 POTENTIAL CONFLICTS OF INTEREST

The Issuer and other related companies may conduct transactions as principal and agent in various securities including the Reference Asset and the Delivery Assets. These trading activities may impact the price at which the Reference Asset and Delivery Assets trade or the level of the Units at any point in time. Please see the Section 8 "Risks" for more details of conflicts of interest.

11.9 WHAT INFORMATION WILL I RECEIVE DURING THE INVESTMENT TERM?

Confirmations

Generally within 10 Business Days of the Commencement Date, the Issuer will send you a Confirmation Notice acknowledging either the acceptance or rejection of your application and setting out any relevant details of the Unit.

Coupon notices

The Issuer will send you a notice generally within 10 Business Days of the relevant Coupon Determination Date confirming the amount of the Coupon payable (if any).

Other Notices

Investors will receive confirmation of any other transactions affecting their Units.

12. TERMS OF THE DEFERRED PURCHASE AGREEMENT

These Terms form the terms and conditions between the Issuer and each Investor on which the Investor agrees to acquire the Delivery Parcel from the Issuer. Capitalised words have the meaning given to them in the 'Definitions' section of this PDS.

1. Applications and Acceptance

1.1 Offer by the Investor

An Investor may make an offer to the Issuer to acquire the Delivery Parcel from the Issuer on a deferred basis in accordance with these Terms:

- (a) by completing and returning a valid Application Form (including direct debit details) to their financial adviser by the Issue Closing Date (or such other time if accepted by the Issuer in its discretion); and
- (b) by ensuring that an amount equal to the Total Investment Amount is received by the Issuer in cleared funds by the Final Application Payment Date (or such other time if accepted by the Issuer in its discretion).

1.2 Investor bound

By signing the Application Form and arranging for the Arranger to lodge it with the Issuer, or lodging it directly with the Issuer, the Investor agrees to be bound by these Terms including any variation to these Terms advised to Investors in a supplementary PDS or otherwise provided that the variation is not unfair to the Investor (as defined in Section 12BG of the ASIC Act).

1.3 Acceptance of the offer by the Issuer

- (a) The Issuer may decide in its absolute discretion whether or not they will accept the Investor's offer to acquire the Delivery Parcel from the Issuer and whether or not to issue the Units to the Investor.
- (b) If the Issuer decides that they will accept an Application and provided that the Issuer has received the Total Investment Amount in cleared funds by the Final Application Payment Date (or such other time if otherwise accepted by the Issuer in its discretion) (the direct debit details must be provided with the Application by the Issue Closing Date), acceptance of the Investor's offer will take place, and the parties' rights and obligations under these Terms, the agreement will commence on the date the Units are issued by entry in the Register as notified to Investors in the confirmation they receive from the Issuer, provided that the Investor acknowledges that the economic exposure for the Units commences on the Commencement Date.
- (c) Within 10 Business Days of the Commencement Date, the Issuer will send to the Investor a Confirmation Notice acknowledging either the acceptance or rejection of an Investor's offer and setting out any relevant details of the Unit.

For each multiple of the Issue Price paid for each particular Series, the Investor will be entitled to one Unit in that particular Series (see Section 3.2 "Key Information" for the Issue Price applicable to each Series offered under this PDS).

1.4 Issue of Units

The Units will be issued if the Issuer accepts an Application under clause 1.3(a) of this Section 12. Units are issued within one month of an Application being accepted. Economic exposure for the Units commences on the Commencement

Date. Each Unit will be issued by the Issuer to the Investor. If the Issuer is unable to achieve the economic exposure described in the PDS on the Commencement Date due to any condition set out in the PDS not being satisfied (e.g. Minimum Total Subscription not met or unable to hedge its obligations), or otherwise determines not to proceed with the issue for any reason, then the Issuer will terminate any Units already issued and return the Total Investment Amount without interest.

1.5 Payment of the Adviser Fee

- (a) An Adviser Fee may be payable in addition to the Total Investment Amount as agreed between an Investor and their financial adviser, and payment indicated on the Application Form must be received by the Issuer in cleared funds by the Payment Date (or such other time if accepted by the Issuer in its discretion).
- (b) By signing the Application Form and applying for Units, the Investor:
 - (i) agrees to pay the Adviser Fee specified in their Application Form to their adviser;
 - (ii) irrevocably authorises the Issuer to collect the Adviser Fee;
 - (iii) irrevocably directs the Issuer to deduct the Adviser Fee from their total application monies and to pay the Adviser Fee to their adviser on their behalf as soon as reasonably practicable following issue of the Units; and
 - (iv) indemnifies the Issuer against any claim from an adviser to recover the Adviser Fee once the investment has commenced and Units have been issued.

By signing the Application Form, the adviser agrees to and consents to the payment of the Adviser Fee in the manner set out in paragraph (b) above.

2. Appointment of Registrar

- (a) The Issuer will appoint the Registrar set out in the PDS. The Issuer will ensure that there is always a Registrar appointed.
- (b) The Registrar will be responsible for establishing and maintaining a Register for the Units issued by the Issuer during the term of the Registrar's appointment. The Register will be established and maintained in Melbourne (or any other place in Australia as the Issuer and the Registrar may agree).
- (c) The Investor acknowledges and agrees that the Register will be conclusive evidence of legal and beneficial ownership of interests in the Units. The Issuer is not required to recognise any interest in Units not recorded in the Register.

3. Deferred purchase of Delivery Assets

3.1 Purchase of Delivery Assets

The Investor agrees to purchase from the Issuer the Delivery Parcel for the Total Investment Amount (which will be paid by the Investor in accordance with clause 3.2 of this Section 12). The Issuer will deliver the Delivery Parcel to the Investor on the Settlement Date in accordance with clause 4 of this Section 12.

3.2 Payment of the Investment Amount

- (a) The Investor must pay the Total Investment Amount to the Issuer in cleared funds by the Commencement Date (or such other time if otherwise accepted by the Issuer in its discretion).

- (b) The Minimum Investment Amount for which an Application will be accepted by the Issuer under these Terms is the minimum amount set out in Section 3.2 “Key Information”.
- (c) Any Adviser Fee is payable in addition to the Investment Amount and must be received by the Issuer in cleared funds in addition to the Investment Amount.

3.3 Coupons and payments

- (a) The Issuer will pay the First Coupon (if any) and the Second Coupon (if any) to the Investor as described in the PDS for the Offer.
- (b) The Coupons will be paid on the relevant Coupon Payment Dates as set out in, and subject to such conditions as specified in, the PDS.
- (c) In the event the Issuer is required by law to make any deduction or withholding from the payment of any Coupon, the Issuer will make the required deduction or withholding and pay the Coupon to the Investor after such deduction or withholding.

3.4 Offer features and Final Value

The Notional Exposure, Reference Asset Value, Performance Fee, Coupons and, the AUD/USD exchange rate, affect the Final Value and the calculation of the Delivery Parcel.

4. Maturity and Settlement

4.1 Notice of Maturity

The Issuer will give a Notice of Maturity to each Investor not less than 20 Business Days prior to the Maturity Date, unless otherwise specified in the PDS.

4.2 Effecting Maturity

Physical delivery of the Delivery Parcel will occur in accordance with clause 4.3 of this Section 12, unless the Investor wishes to use the Agency Sale Option and validly elects to do so by:

- (a) returning a Notice of Maturity to the Issuer at least 10 Business Days before the Maturity Date; and
- (b) clearly specifying in the Notice of Maturity that the Investor will use the Agency Sale Option.

4.3 Physical delivery of the Delivery Assets to the Investor

- (a) The Issuer (either itself or through a nominee) will procure the performance of all acts required of a transferor of marketable securities under the ASX Settlement Operating Rules for ASX listed Delivery Assets to enable the Delivery Assets to be transferred to the Investor on the Settlement Date or as soon as possible thereafter, free from any Security Interest or third party interest or restriction on transfer;
- (b) In respect of ASX listed Delivery Assets, the Investor irrevocably authorises the Issuer and any of their nominees, at the option of the Issuer to act as the Investor’s agent to do all things required to be done, including but not limited to supplying the Investor’s HIN, to effect the delivery of Delivery Assets to the Investor (or the Investor’s nominee); and
- (c) Investors will have their Delivery Parcel delivered to an issuer sponsored subregister CHESS account of the Delivery Asset issuer.

4.4 Delivery through the Agency Sale Option

If the Investor has elected to use the Agency Sale Option, the Issuer (either itself or through a nominee) will procure the delivery and sale of the Delivery Parcel as follows:

- (a) the Investor irrevocably authorises and directs the Issuer to direct its nominee to hold the Delivery Parcel and to accept physical delivery of the Delivery Parcel for and on behalf of the Investor;
- (b) the Issuer (either itself or through a nominee) will procure the performance of all acts required of a transferor of marketable securities under the ASX Settlement Operating Rules for ASX listed Delivery Assets to enable the Delivery Parcel to be transferred to the Issuer’s nominee on behalf of the Investor on the Settlement Date or as soon as possible thereafter, free from any Security Interest or third party interest or restriction on transfer;
- (c) the Investor irrevocably authorises and directs the Issuer or its nominees to sell or procure the sale, and irrevocably authorises and directs the Issuer or any of its nominees to take all actions necessary or desirable to effect the sale, or procure the sale, of the Delivery Parcel for and on behalf of the Investor;
- (d) the Issuer or its nominees will pay or procure payment of the Sale Monies (which includes a deduction for any Delivery Costs) to the Investor’s Nominated Account within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter. As at the date of this PDS, it is anticipated that no Delivery Costs will apply; and
- (e) the Investor acknowledges and agrees that:
 - (i) the Issuer or its nominees agree to sell, or procure the sale of, the Delivery Parcel on behalf of the Investor as soon as reasonably practicable on or after the Settlement Date for an amount per Delivery Asset equal to the Delivery Asset Price;
 - (ii) to the maximum extent permitted by law, the Issuer and its nominees are not responsible for any loss, costs or expense incurred by the Investor as a result of the Agency Sale Option, except to the extent that such loss, cost or expense arises as a direct result of the Issuer’s or the nominee’s negligence, willful default, fraud or dishonesty;
 - (iii) If, for any reason whatsoever, the Issuer and its nominees are unable to sell or procure the sale of the relevant Delivery Parcel at the Delivery Asset Price, the Investor irrevocably authorises the Issuer and its nominees to sell or procure the sale of, the relevant Delivery Parcel as soon as reasonably practicable for the market price applicable at the time of sale.

4.5 Satisfaction of obligations

Upon delivery of the Delivery Assets to the Investor in accordance with clause 4.3 of this Section 12 or payment of Sale Monies (if any) to an Investor in accordance with clause 4.4 of this Section 12, the Issuer’s obligations to the Investor under these Terms are satisfied in full and discharged.

4.6 Delivery of a whole number of Delivery Assets only

The Issuer or its nominee will not transfer a fractional Delivery Asset or parts of a Delivery Asset. If after aggregating all Delivery Assets transferred to an Investor or a nominee of the Issuer on behalf of an Investor on the Settlement Date, and if any fractional unit would be transferable by the Issuer on the Settlement Date, the Issuer will cause to be paid to the Investor (within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter) an amount equal to the value of the fraction of the unit forgone based on the Delivery Asset Price provided that such amount exceeds twenty Australian Dollars (A\$20.00). If the amount does not exceed A\$20.00, the Issuer is under no obligation to the Investor to make any payment for the fractional unit. Upon payment of the amount under this clause, the Issuer is discharged of its obligation to deliver the fraction of the unit forgone.

4.7 Substitution of Delivery Assets

If the Delivery Asset selected by the Investor is unable to be delivered due to any legal or regulatory restriction relating to the Delivery Asset (including but not limited to cessation, illiquidity or Suspension from listing) or the Issuer, including but not limited to trade limitations resulting from internal conflict arrangements, or if it is not reasonably practicable or economically viable for the Issuer, in its discretion, to deliver any one or more of the Delivery Assets specified in this PDS. In these circumstances the Issuer shall either:

- (a) delay delivery of the Delivery Asset(s);
- (b) substitute the affected Delivery Asset with any other security listed on the ASX and which is a constituent of the S&P/ASX 200 Index and deliver that substituted security in accordance with these Terms as if the definition of "Delivery Asset" was amended to refer to the substituted security; or
- (c) if a basket of Delivery Assets is to be delivered, the Issuer may substitute the affected Delivery Asset with any other security listed on the ASX and which is a constituent of the S&P/ASX 200 Index or deliver only the remaining unaffected Delivery Assets in the basket.

In selecting a substitute Delivery Asset, the Issuer may, in its discretion, have regard to a number of factors including, without limitation, the industry category, price, liquidity and volatility of the substitute Delivery Asset with reference to the Delivery Assets

5. Early Maturity

5.1 Early Maturity by the Issuer

The Issuer may, acting reasonably, at any time nominate (including on the Maturity Date) any of the following events as an Early Maturity Event:

- (a) any arrangements entered into by the Issuer in order to hedge the Issuer's obligations in respect of the Units in whole or in part are terminated, redeemed, suspended, ended or cannot reasonably be acquired, established, maintained, substituted or re-established;
- (b) the Hedge Counterparty defaults (for any reason, including, without limitation, insolvency of the Hedge Counterparty) under the Hedge;
- (c) the Issuer does not receive any of the amounts due to the Issuer under any arrangements entered into by the Issuer

in order to hedge the Issuer's obligations in respect of the Units (including the Hedge);

- (d) the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of or any political subdivision or any authority thereof or therein having power to Tax, or any change in the application of official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Commencement Date;
- (e) a Change in Law occurs;
- (f) if the Issuer determines in good faith that the performance of its obligations in relation to or under these Terms has or will become, in circumstances beyond the reasonable control of the Issuer, impossible, unlawful, illegal or otherwise prohibited or that the Units or investment returns provided by the Units are or will be substantially different from those described in this PDS as a result of one or more Adjustment Events;
- (g) the Investor is, or becomes, bankrupt or insolvent;
- (h) if the Reference Asset ceases to exist or is materially changed, fails to be calculated and published, or the method of calculation materially changes; or
- (i) the Reference Asset is terminated or ceases to exist for any reason whatsoever;
- (j) any actual or proposed event that may reasonably (in the Issuer's opinion) be expected to lead to any of the events referred to in paragraphs (a) to (i) above occurring.

If any event occurs which constitutes both an Adjustment Event and an Early Maturity Event as defined in this clause, the Issuer may, acting in good faith and a commercially reasonable manner, treat that event as either an Adjustment Event or Early Maturity Event and notify investors accordingly.

5.2 Determination that there will be an Early Maturity

Where the Issuer has nominated an event as an Early Maturity Event, the Issuer may reasonably determine that there will be an Early Maturity and may specify a date as the Early Maturity Date.

5.3 Investor Requested Issuer Buy-Back

Unless specified otherwise, the Investor may request the Issuer to buy back their Units on any Buy-Back Date by giving an Issuer Buy-Back Form to the Issuer. An Issuer Buy-Back may only be requested in respect of the Minimum Buy-Back Amount of Units. Once lodged the request for an Issuer Buy-Back is irrevocable. It is in the Issuer's absolute discretion to accept or reject or hold over the request for an Issuer Buy-Back. If the Issuer accepts:

- (a) The Investor acknowledges that it may receive less than their Issue Price per Unit and that the Final Value does not apply.
- (b) The Issuer will as soon as practicable after the request is received and accepted, execute the Issuer Buy-Back on the Buy-Back Date. The Investor acknowledges that the Buy-Back Date will depend, in part, upon the Issuer's ability to liquidate its hedging arrangement (if any), and may require the Issuer to delay and holdover an Issuer Buy-Back request.

- (c) The Issuer will in its absolute discretion determine the Buy-Back Price for the purchase of the Investor's Units. The Buy-Back Price will be calculated by reference to the fair market value of the Units on the Buy-Back Date less any Delivery Costs, Break Costs and any bid-offer spread charged by the Issuer. The Issuer may provide an Investor with an estimate of the Buy-Back Price before effecting the buy-back but is not obliged to do so. The Investor acknowledges this is an estimate only and the actual Buy-Back Price on the Buy-Back Date may be significantly less than the estimate.
- (d) Settlement of an Issuer Buy-Back will take place by payment of the Buy-Back Price to the Investor in cash.
- (e) Upon settlement of the Issuer Buy-Back the Issuer will arrange for an Investor's name and details as legal owner of the Units that have been bought back to be removed from the Register.
- (f) Upon payment by the Issuer of the Buy-Back Price to an Investor all of the Issuer's obligations to the Investor under these Terms in respect of the Units purchased by the Issuer from the Investor are deemed to be satisfied and discharged in full.

5.4 Early Maturity Mechanism

- (a) If the Issuer determines that there will be an Early Maturity, the Early Maturity will take place as follows:
 - (i) The Issuer will, before the Early Maturity Date, notify the Investor that Early Maturity will occur on the Early Maturity Date in accordance with clause 5 of this Section 12. The Issuer will specify in the Early Maturity Notice whether Early Maturity will occur by the Maturity process in accordance with clause 5.4(a)(ii) or by Termination Payment in accordance with clause 5.4(a)(iii) of this Section 12.
 - (ii) If specified in the Early Maturity Notice and subject to clause 5.4(b), Early Maturity will take place in accordance with the procedures set out in clauses 4.2 to 4.5 of this Section 12.
 - (iii) If specified in the Early Maturity Notice, Early Maturity will occur by the Issuer or its nominees paying or procuring payment to the Investor of the Termination Payment on the Early Maturity Date to the Investor's Nominated Account by the Settlement Date or as soon as practicable thereafter.
 - (iv) After the Delivery Parcel is delivered to the Investor under clause 4.3 of this Section 12 or the Issuer or its nominees pays or procures payment to the Investor the Termination Payment in accordance with clause 5.4(a)(iii) above as a result of an Early Maturity Event occurring, all obligations of the Issuer to the Investor under these Terms are satisfied in full and discharged. Investors do not otherwise have any recourse to the Issuer or to the Hedge for another Series. This clause does not discharge the Issuer of its obligations under the Privacy Act or the terms of its privacy policy.
- (b) If an Early Maturity is nominated by the Issuer, for the purposes of determining the Delivery Parcel, the definition of "Delivery Parcel" in the Definition section of the PDS and in Section 3.2 "Key Information" is amended by replacing "Final Value" with "Early Maturity Value".

5.5 Costs on Early Maturity or Issuer Buy-Back

In determining the "Early Maturity Value" or the Buy-Back Price the Issuer may deduct any costs, losses or expenses that it reasonably incurs acting in a commercially reasonable manner in relation to the Early Maturity or Issuer Buy-Back, including without limitation, Delivery Costs, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms, and any cost of funding or any loss of bargain.

5.6 Possible reduction of value on Early Maturity

If there is an Early Maturity, the Issuer does not guarantee to deliver a Delivery Parcel based on the Final Value per Unit. For the avoidance of doubt, when there is an Early Maturity (and the Issuer elects to apply the Maturity process in accordance with clause 5.4(a)(ii)) the Delivery Parcel will only be determined in accordance with clause 5.4(b).

5.7 Adjustments to this clause

Subject to clause 12, where the Issuer determines that any of the provisions of this clause 5 are not appropriate in any particular circumstances, or that any event which is not dealt with in clause 5 should have been dealt with, it may make any alterations to the effect of this provision or any other Term that it considers to be appropriate provided that the alteration is not unfair (as defined in Section 12BG of the ASIC Act).

6. Adjustment Events and Market Disruption Events

6.1 Adjustment Events

If an Adjustment Event occurs or is proposed to occur on or before the Maturity Date, the Issuer may in its reasonable discretion elect to do any or all of the following:

- (a) substitute part or all of the affected Reference Asset with any other asset (including an index) or withdraw part or all of the affected Reference Asset; and/or
- (b) substitute the affected Delivery Asset with any other security quoted and trading on the ASX which is a constituent of the S&P/ASX 200 Index or, where the Delivery Asset is a basket of securities, determine to withdraw the affected Delivery Asset and deliver only the unaffected Delivery Assets in the basket; and/or
- (c) adjust, change, amend, delay or bring forward any variable, formula, amount or calculation as set out or used in these Terms (including the PDS); and/or
- (d) adjust, amend or substitute the definition of Reference Asset or Delivery Asset and/or vary, adjust, amend or replace any of the terms referred to in the PDS;
- (e) vary any of the Terms referred to in this PDS; and/or
- (f) determine to suspend, delay, defer or bring forward any of the necessary calculations or any date which a calculation, valuation or payment is due to be made referred to in these Terms as appropriate until reliable values can be obtained, either:
 - (i) in a manner consistent with any adjustment or change made to the Issuer's hedging arrangement, and, where appropriate, using similar data as referred to in the Hedge; or
 - (ii) as the Issuer otherwise determines, provided that in the reasonable opinion of the Issuer the adjustment is

appropriate to put both the Issuer and the Investor in as substantially similar and economic position as possible to what the Investor and the Issuer would have been in had the Adjustment Event not occurred.

If in the reasonable opinion of the Issuer it is not possible or desirable to deal with the occurrence of the Adjustment Event in accordance with this clause 6, the Issuer may nominate the event as an Early Maturity Event and may deal with that event in accordance with clause 5 of this Section 12. The Issuer will notify Investors of any adjustment that it proposes to make under this clause before the adjustment occurs or, if it is not possible to notify before the adjustment, as soon as reasonably practicable after the adjustment occurs and the Issuer will reasonably determine and notify Investors of the effective date of that adjustment.

6.2 Market Disruption Events

- (a) If there is a Market Disruption Event affecting the Reference Asset, any part of the Reference Asset, Delivery Asset or AUD/USD exchange rate on the Maturity Date, the Buy-Back Date, any Coupon Determination Date, any Coupon Payment Date, Settlement Date or on any Observation Date (together, the “Relevant Dates”), or any other date on which a payment, calculation, adjustment or amendment is to be made or a level is to be observed then the Issuer may reasonably determine in its discretion to either:
- (i) take any action required to reflect any adjustment, change, substitution, delay, Suspension or other action taken in relation to its hedging arrangements: or
 - (ii) to determine that such date is to be the first following Scheduled Business Day on which there is no Market Disruption Event. However, if there is a Market Disruption Event affecting the Reference Asset, Delivery Asset or the AUD/USD exchange rate on each of the 10 Scheduled Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Relevant Date, then (A) that 10th Scheduled Business Day is to be taken to be the Relevant Date (as applicable), despite the Market Disruption Event; and (B) the Issuer must on that 10th Scheduled Business Day in good faith and acting in a commercially reasonable manner determine the observation to be recorded for the calculation of the Reference Asset Closing Price, the Reference Asset Value, Coupon, AUD/USD exchange rate or any other formulae or calculation required to be determined, that would have prevailed on the original date but for that Market Disruption Event.
- (b) The Issuer must, as soon as practicable (and, in relation to the Maturity Date, in no event later than 5 Business Days after the original date that, but for the occurrence or existence of a Market Disruption Event, would have been the Maturity Date) notify Investors of the existence or occurrence of a Market Disruption Event.
- (c) If there is a Market Disruption Event affecting a Delivery Asset on the Settlement Date, then the Settlement Date for the affected Delivery Asset is to be the first following Business Day on which there is no Market Disruption Event.
- (d) If an event is both a Market Disruption Event and an Adjustment Event, the Issuer may, acting in good faith and a commercially reasonable manner, determine whether to

treat the event as either a Market Disruption Event or an Adjustment Event or both (if possible).

7. Accretions

These Terms do not confer on the Investor any right or interest in respect of Accretions to the Delivery Assets arising prior to delivery of the Delivery Assets. Accretions to the Delivery Assets or the Reference Asset may lead to adjustments as provided for in clause 6 of this Section 12.

8. Issuer’s obligations unsecured

The Issuer’s obligations under these Terms (including in relation to the deferred purchase of the Delivery Assets) are direct, unsecured obligations of the Issuer.

The Issuer undertakes to only issue financial products which are a distinct separate series.

9. Beneficial Interest in Delivery Asset

- (a) Upon the issue of Units, the Investor receives, in respect of their Investment Amount, a Beneficial Interest in a Portion of the Delivery Assets on the Commencement Date. The Investor holds the Beneficial Interest in the Portion of the Delivery Assets until the earlier of the Maturity Date or transfer of their Units in accordance with these Terms.
- (b) An Investor may deal with the Beneficial Interest only in accordance with these Terms.
- (c) The Beneficial Interest held by the Investor may not be severed from the balance of the rights in connection with those Units or dealt with separately in any way from the Investor’s interest in the Units.
- (d) When an Investor deals with its interest in the Units in any way, then without the need for any additional writing or action, the same dealing between the same parties shall occur in respect of the corresponding Beneficial Interest. When an Investor deals with a Beneficial Interest in any way, then without the need for any additional writing or action, the same dealing between the same parties shall occur in respect of the corresponding interest in the Units. For example, when an Investor (the “old holder”) transfers its interest in the Units to another person (the “new holder”):
- (i) all the rights and obligations that attach to those Units, including the Beneficial Interest are transferred from the old holder to the new holder;
 - (ii) the old holder’s interest in the Units will be removed from the Register and the new holder will be added to the Register; and
 - (iii) the old holder ceases to have any rights in relation to those Units or the Beneficial Interest.
- (e) If any Investor purports to deal with its interest in the Units without an equivalent dealing in the corresponding Beneficial Interest, or if any Investor purports to deal with a Beneficial Interest without an equivalent dealing in the corresponding interest in the Units, or if any Investor purports to contract out of this clause in any way, any such dealing will be void and the interest in the Units and the Beneficial Interest will remain with the Investor recorded on the Register of holders.
- (f) The Issuer or its nominee will hold the Portion of the Delivery Assets from the Commencement Date until the Maturity Date for the relevant Investor and will be entitled to retain any distributions made in connection with those assets,

exercise all voting rights and will not be required to pass on any notice of meeting or other material in connection with those assets to the Investor. On the Maturity Date, the Issuer will sell the Portion of the Delivery Assets and the Sale Monies from this sale will be included in the Final Value.

- (g) The Investor agrees and acknowledges that the agreement to purchase the Delivery Assets as set out in these Terms and the payment of the total Investment Amount does not transfer the legal or beneficial interest in the Delivery Assets to the Investor other than the Beneficial Interest in a Portion of the Delivery Assets. The parties agree and acknowledge that the legal or beneficial interest in the balance of the Delivery Assets will transfer to the Investor only on the Settlement Date. If the Issuer fails to deliver the balance of the Delivery Parcel to the Investor in accordance with these Terms, the Investor agrees that it will not be entitled to an injunction, specific performance or any other equitable rights or remedies and will be entitled only to damages.

10. Taxes and indemnity

- (a) The Issuer is not liable for any Taxes or other charges:
- (i) payable by the Investor in connection with these Terms; or
 - (ii) payable by the Issuer or any other person arising in any way in connection with the Transaction Documents (other than any Tax payable by the Issuer on its own taxable income (as defined under in the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth)));

and are not liable to pay the Investor any additional amount on account of any Taxes or other charges.

- (b) The Investor:
- (i) must pay all Taxes (including GST) and other charges for which the Investor becomes liable in connection with these Terms; or
 - (ii) must pay an additional amount to the Issuer on demand equal to any applicable Taxes (including GST) and other charges arising in any way in connection with the Transaction Documents (other than any Tax payable by the Issuer on its own taxable income (as defined under in the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth))) for which the Issuer or any other person becomes liable and indemnifies the Issuer on demand for any such amounts;
 - (iii) acknowledges that the indemnities are continuing obligations, independent of the Investor's other obligations and continue, without limitation, after this agreement ends, the delivery of the Delivery Parcel to the Investor. It is not necessary for the Issuer to incur any expense or make any payment before enforcing a right of indemnity.

11. Investor's representations and warranties

11.1 General

By signing the Application Form and lodging it with their financial adviser the Investor represents and warrants to the Issuer (as a continuing representation and warranty) that:

- (a) the Investor has full legal capacity to make the Application and be bound by these Terms and has taken all actions that are necessary to authorise the Application and be bound by these Terms;

- (b) the Investor has reviewed these Terms and the PDS and has made its own independent investigations and appraisals of the taxation, legal, commercial and credit aspects associated with the purchase of the Delivery Assets;
- (c) the Investor has not relied in any way on any statements made by the Issuer or its related entities or their servants, agents, employees or representatives in relation to these Terms, the deferred purchase of the Delivery Assets or the PDS and the Investor acknowledges that neither the Issuer nor any of its related entities has made any representations to the Investor regarding the suitability or appropriateness of the deferred purchase of Delivery Assets pursuant to these Terms or the relevant transactions in connection with them;
- (d) the Investor understands that nothing in these Terms or the PDS or any marketing material associated with these Terms can be considered investment advice or a recommendation to acquire the Delivery Assets;
- (e) the Investor has obtained all consents which may be required by law to enable the Investor, as the case may be, to acquire the Delivery Assets and to become registered as the holder of the Delivery Assets and the registration of the Investor the holder of the Delivery Assets will not contravene any law, regulation or ruling the constitution of the issuer of the Delivery Assets;
- (f) the Units being applied for will not breach or result in a breach of any exchange controls, fiscal, securities or other laws or regulations for the time being applicable the Investor and the Investor is not a resident or national of any jurisdiction where Application for or the Maturity of the Units is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by the Issuer or any of its related bodies corporate;
- (g) the Investor acknowledges that the section in the PDS entitled "Taxation " provided only for the benefit of the Issuer and is necessarily general in nature and does not take into account the specific taxation circumstances of each Investor; and
- (h) the Investor has the power to enter into and perform its obligations under the Terms and that its obligations under the Terms constitute valid and binding obligations of the Investor.
- (i) the Investor has not used any Borrowed Amount to pay any part or all of the Total Investment Amount. "Borrowed Amount" in this clause 11.1(i) means an amount borrowed in any form, whether secured or unsecured, including through a credit facility (within the meaning of the Corporations Regulations 2001 (Cth)), a margin lending facility (as defined in the Corporations Act 2001 (Cth)) or otherwise.

11.2 Superannuation Funds and Trusts

By signing the Application Form and lodging it with their financial adviser an Investor which is the trustee of a trust or fund ("**Fund**") (including, without limitation, one which is a regulated superannuation fund) (as that term is defined in the Superannuation Industry (Supervision) Act 1993 ("**SIS Act**")) ("**Governing Rules**") also represents and warrants to the Issuer (as a continuing representation and warranty) that:

- (a) the Fund has been validly constituted (and where necessary, the relevant documents have been duly stamped according to the laws of the relevant state or territory) and the Fund is continuing at the date of this agreement;
- (b) where the trustee is a body corporate, the trustee has been validly constituted;
- (c) the trustee has been properly appointed as trustee of the Fund and the Trustee is not in breach of the Trust;
- (d) the terms of the Governing Rules or the constitution for other trusts empower and authorise the Trustee (i) to invest in the Units; and (ii) to borrow as permitted by the SIS Act and (iii) to enter into and be bound by the Deferred Purchase Agreement;
- (e) the terms of the Governing Rules or constitution do not restrict the right of the Trustee to be fully indemnified out of the assets of the Fund to satisfy a liability to any party which is properly incurred by the trustee as trustee of the Fund under the Units;
- (f) investing in Units will be for the benefit and in the best interests of the Fund and its beneficiaries; and
- (g) if investing as joint trustees, each applicant declares that the applicants are all trustees of one Fund and there are no other trustees of the Fund and that each joint trustee has the authority to act as agent for all of the joint trustees to give instructions or to receive notices on behalf of all of the joint trustees.

11.3 Set off Rights

- (a) All monetary obligations imposed on the Investor under these Terms are absolute, free of any right to counterclaim or set off and may only be satisfied once the payment has cleared.
- (b) The Issuer may at any time (including without limitation during the Investment Term or at Maturity) set off any amount payable to it by the Investor against any amount payable by the Issuer to the Investor whether payable under these Terms or otherwise. The Issuer may withhold any amount payable by it to the Investor in satisfaction of any amount payable to it by the Investor.

11.4 Notices

- (a) The Investor agrees that any notice or statement to be given or demand to be made on the Investor under these Terms or required by the Corporation Act:
 - (i) will be effectively signed on behalf of the Issuer if it is executed by the Issuer, any of its officers, its solicitor or its attorney;
 - (ii) may be served by being delivered personally to, by being left at, by being e-mailed to, or by being posted in a prepaid envelope or wrapper to the Investor's address (or e-mail address) notified to the Issuer or the Investor's registered office, place of business, or residence last known to the Issuer, or by being sent to the Investor by facsimile transmission; and
 - (iii) may be posted on the Issuer website or an announcement made in an Australian newspaper with national coverage, if providing notice in such a manner is allowed by the Corporations Act or any ASIC policy.

- (b) A demand or notice if:
 - (i) posted will be deemed served two Business Days after posting;
 - (ii) sent by facsimile or electronic transmission will be deemed served on conclusion of transmission;
 - (iii) posted on a website or published in a newspaper will be given the date of posting or publishing.
- (c) Service by any of these methods will be valid and effectual even if the Investor does not receive the document or if the document is returned to the Issuer unclaimed.

12. Amendment of Terms

The Issuer may from time to time by notice sent to the Investor make any modification, variation, alteration or deletion of, or addition to these Terms ("**Change**") where:

- (a) the Change is one reasonably determined by the Issuer as being required under either of clauses 5 or 6 of this Section 12 provided that the change is not unfair (as defined in Section 12BG of the ASIC Act);
- (b) the Change is necessary or desirable in the reasonable opinion of the Issuer to comply with any statutory or other requirement of law; or
- (c) the Change is desirable to correct an inconsistency or error in these Terms (but only if such is not unfair (as defined in Section 12BG of the ASIC Act)).

The Issuer will give the Investor notice of any Change to these Terms and the Investor will be bound by any such Change at the time the Investor is given such notice.

13. General provisions

13.1 Currency

All amounts payable by either party under these Terms will be paid in the denomination specified in Section 3.2 "Key Information". All calculations will be performed in the currency specified as the "Currency" in Section 3.2 "Key Information", unless otherwise specified.

13.2 No merger

The Issuer's rights under these Terms are additional to and do not merge with or affect and are not affected by any mortgage, charge or other encumbrance held by them or any other obligation of the Investor to the Issuer, despite any rule of law or equity or any other statutory provision to the contrary.

13.3 Rounding

All calculations made by the Issuer for the purposes of these Terms will be made to not fewer than two decimal places. Other than as provided in these Terms, rounding of numbers will not occur until the final calculation of a relevant amount or number at which time the Investor's entitlements will be aggregated and that aggregate will be rounded so that all money amounts are rounded down to the nearest whole cent and all numbers of Delivery Assets are rounded down to the nearest whole number.

13.4 Certificates

Any document or thing required to be certified by the Investor or the Issuer must be certified by the Investor (if an individual) or a director, secretary or authorised officer of the Investor (if a company) or the Issuer, as the case requires, or in any other manner that the Issuer may approve.

13.5 Execution by attorneys

Each attorney executing an Application Form which binds the Investor to these Terms states that he, she or it has no notice of revocation or suspension of the power of attorney under which the attorney executes that form.

13.6 Appointment of Agent

The Investor irrevocably appoints the Issuer, and their nominees and any of their directors, secretaries and officers whose title includes the word “director” from time to time jointly and severally as their agent to do (either in the name of the Investor or the agent) all acts and things:

- (a) necessary to bind the Investor to the Terms, give effect to the Terms, including without limitation, completing or amending any Application Forms (if the Issuer, in its absolute discretion, has accepted the Application Form);
- (b) that the Investor is obliged to do under these Terms;
- (c) which, in the opinion of the Issuer are necessary in connection with:
 - (i) payment of any moneys to the Investor;
 - (ii) the Maturity process, including without limitation, if an Early Maturity Event occurs;
 - (iii) any Issuer Buy-Back;
 - (iv) the Delivery Assets, including without limitation the delivery or sale of the Delivery Assets;
- (d) anything incidental or necessary in relation to the above (including, but not limited to, appointing any person as sub-agent to do any of the above).

13.7 Invalid or unenforceable provisions

If a provision of these Terms is invalid or unenforceable in a jurisdiction, it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability, and that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

13.8 Waiver and exercise of rights

A single or partial exercise of a right by the Issuer does not preclude another exercise or attempted exercise of that right or the exercise of another right by the Issuer. Failure by the Issuer to exercise or delay in exercising a right does not prevent its exercise or operate as a waiver.

13.9 Assignment and transfer of interests

- (a) The Issuer may transfer its rights and obligations, under these Terms at any time by giving notice to the holder of the Units provided that the transfer is not to the detriment of the Investor and is otherwise not unfair within the meaning of Section 12BG of the ASIC Act.
- (b) Subject to clause 1.3, the rights and obligations under these Terms may be transferred or novated by an Investor in whole only, not in part, with the prior consent of the Issuer.
- (c) If an Investor wishes to transfer their Units, they should contact the Issuer in relation to the transfer, mechanics of transfer and any relevant forms required.
- (d) When an Investor deals with a Unit in a manner that does not involve the transfer of beneficial or legal ownership of the Unit or a change of the person identified on the Register, the Issuer has no duty to record, or procure the recording of, the dealing on the Register. Each Beneficial Interest

corresponding to the Units will pass to a new Investor upon registration of the transfer of those Units in the Register.

13.10 Recording conversations

The Investor acknowledges that conversations between the Investor and the Issuer (or any officer of the Issuer or an adviser) may be tape-recorded. The Investor consents to the tape-recording and its use (or any transcript of the recording) in any proceedings that may be commenced in connection with these Terms.

13.11 Calculations and references to dates and times

Calculations or determinations which are to be made on or by reference to a particular day, are to be made on or by reference to that day in the place and time zone of the Relevant Exchange to which that calculation or determination relates.

13.12 Payments by the Issuer

All amounts payable by the Issuer under these Terms will be paid to the Investor’s Nominated Account and on doing so the Issuer is discharged of their obligations under these Terms. Payments will only be made by Electronic Funds Transfer. Investors agree to provide the Issuer with a valid Nominated Account.

13.13 Governing law and jurisdiction

These Terms are governed by the laws of New South Wales. The Investor irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

13.14 Terms of Deferred Purchase Agreement prevail

If there is an inconsistency between the terms and conditions of the Deferred Purchase Agreement and statements made in the PDS, the terms and conditions of the Deferred Purchase Agreement prevail.

13.15 Time is of the essence

Time is of the essence in respect of the obligations of the Investor under these Terms.

13.16 Discretions

Any determination made by the Issuer will be made by acting in good faith and in a commercially reasonable manner and will be conclusive and binding on all parties, except in the case of manifest error.

13.17 Interpretation

- (a) In these Terms, unless the context requires another meaning, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a document (including these Terms) is a reference to that document (including any schedules and annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iii) to a person (including a party) includes an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency, and it also includes the person’s successors, permitted assigns, substitutes, executors and administrators;

- (iv) to a law is a reference to that law as amended, consolidated, supplemented or replaced and it includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation made under that law, or any legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange;
- (b) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) Headings are for convenience only and do not affect interpretation.
- (d) If a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day.
- (e) If a period occurs from, after or before a day or the day of an act or event, it excludes that day.
- (f) These Terms may not be construed adversely to a party only because that party was responsible for preparing them.
- (g) Any term not defined in these Terms and which is defined in the PDS has the same meaning as in the PDS unless the context otherwise requires.
- (h) All references to time are to time in Sydney, Australia (unless otherwise stated).

13. DEFINITIONS

Capitalised words have the following meaning given to them, unless the context requires otherwise. All references to clauses are to clauses in Section 12 “Terms of the Deferred Purchase Agreement”.

Accretions means all rights, accretions and entitlements attaching to any Reference Assets or Delivery Assets after the Commencement Date including without limitation, all voting rights, all dividends and all rights to receive dividends and other distributions or shares, notes, options, units or other financial products exercisable, declared, paid or issued in respect of the Delivery Asset;

Adjustment Event means any of the following in respect of the Units, and where relevant, in respect of one or more of the Assets:

- (a) where the Asset is a security or interest in a managed investment scheme:
- (i) any event which results in the Asset being consolidated, reconstructed, sub-divided or replaced with some other form of security or property;
 - (ii) the issuer of the Asset reduces its share capital through either a cash return of share capital, capital distribution or otherwise (whether or not resulting in the cancellation of securities in the Delivery Parcel);
 - (iii) the issuer of the Asset declares a rights issue or restructures its share capital in any manner;
 - (iv) a scheme of arrangement, quasi-scheme of arrangement or merger in the nature of a scheme of arrangement occurs in relation to the issuer of the Asset;
 - (v) the issuer of the Asset makes a buy-back offer in relation to all or any of the Assets;
 - (vi) the issuer of the Asset issues bonus shares, units or other property to holders of the Asset;
 - (vii) a takeover bid is made or announced for all or any of the Assets;
 - (viii) any part of the Asset is or becomes subject to compulsory acquisition under the Corporations Act or otherwise;
 - (ix) the issuer of the Asset declares or makes a non-cash Dividend or Special Dividend;
 - (x) any event occurs which constitutes a Disposal Event; or
 - (xi) the issuer of the Asset is insolvent by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the issuer of the Asset; or
 - (xii) any event which is or which results in the actual or proposed de-listing of the or the actual or proposed removal from quotation of the Asset or the actual or proposed Suspension from trading of the Asset.
- (b) where the Asset is an index:
- (i) the Asset is suspended or ceases to be published for a period of 24 hours or more;
 - (ii) the Asset is terminated or ceases to exist for any reason whatsoever;
 - (iii) the Asset is not calculated and announced by the index sponsor, but is calculated and announced by a successor to the index sponsor;
 - (iv) the Asset is replaced by a successor index using the same or a substantially similar formula for and method of calculation; or
 - (v) there is a Suspension or material limitation on trading of securities generally on a Relevant Exchange or a Related Exchange for a period of 24 hours or more;
 - (vi) the index sponsor or any successor makes a material change in the formula for or the method of calculating the Asset or the basket constituents of the index or in any way materially modifies that Asset;
- (c) where the Asset is a futures contract:
- (i) the temporary or permanent discontinuance or unavailability of the Price Source;
 - (ii) the failure to obtain at least three quotations as requested from relevant dealers, if pricing is determined by reference to dealer quotes;
 - (iii) the permanent discontinuation of trading in the relevant futures contract on the relevant exchange;
 - (iv) the disappearance of, or of trading in, the relevant asset underlying the futures contract;
 - (v) the disappearance or permanent discontinuation or unavailability of a price for the relevant futures contract notwithstanding the availability of the Price Source;
 - (vi) the occurrence of a material change (as determined by the Issuer in its discretion) in the formula for or the method of calculating the relevant futures contract price; and
 - (vii) the occurrence of a material change (as determined by the Issuer in its discretion) in the content, composition or constitution of the relevant futures contract, or the asset underlying the futures contract.
- (d) any Force Majeure Event occurs, or any other event occurs which Issuer determines in good faith results in the performance of its obligations having become or becoming, in circumstances beyond its reasonable control, impossible, unlawful, illegal or otherwise prohibited;
- (e) a Change of Law occurs;
- (f) the Issuer is unable, on or after the date of this PDS up to and including the Settlement Date (which includes the Maturity Date) or any other relevant date, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Units, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s);
- (g) the Issuer would, on or after the date of this PDS up to and including the Settlement Date (which includes the Maturity Date) or any other relevant date, incur a materially increased (as compared with circumstances existing on the date of this PDS) amount of tax, duty, expense or fee (other than brokerage commissions) to
- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Units, or
 - (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such

materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer will not be deemed an Adjustment Event;

- (h) the Issuer's hedging arrangements are suspended, terminated, adjusted or changed for any reason as determined by the Issuer for those hedging arrangements or any Asset relevant to the hedging arrangement is terminated suspended, adjusted or changed in any way;
- (i) the Hedge Counterparty ceases to have a credit rating of at least investment grade;
- (j) a security granted by the Asset, its manager or certain service providers becomes enforceable or any of their trading or dealing arrangements become terminable because of default by them;
- (k) the net asset value of the Asset is not calculated or published as required, or the timing of the calculation or publication changes, or the methodology used changes;
- (l) information about the Asset is not published or provided as required;
- (m) trading in the Asset is suspended or restricted;
- (n) the Asset, its manager or certain service providers become insolvent by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the issuer of the Asset;
- (o) there is an event in respect of the Asset or its manager by which:
 - (i) the entity will be merged with another entity (unless it will continue as an entity without reclassification or change of its shares/units); or
 - (ii) there is a change in control of the entity;
- (p) a securities lending agreement (if any) is terminated, adjusted or changed;
- (q) any other event TIS reasonably declares to be an Adjustment Event;
- (r) any actual or proposed event that in the Issuer's reasonable opinion be expected to lead to any of the events referred to in paragraphs (a) to (q) above occurring;

Adviser Fee means the Adviser Fee specified in Section 3.2 "Key Information";

Agency Sale Option means the agreement between the Investor and the Issuer entered into on receipt by the Issuer of a Notice of Maturity specifying the Investor's election to use the Agency Sale Option, under which the Issuer (or its nominee) will sell, or procure the sale of, the Delivery Assets for and on behalf of the Investor on or as soon as practicable after the Settlement Date in accordance with clause 4.4 of Section 12 "Terms of the Deferred Purchase Agreement" in this PDS;

Application means an offer by the Investor to the Issuer to acquire the Delivery Parcel on a deferred basis on the terms and conditions set out in the Terms;

Application Form means the Application Form attached at the back of this PDS;

Arranger means the entity specified as such in Section 3.2 "Key Information";

ASIC means the Australian Securities and Investments Commission;

ASIC Act means the Australian Securities and Investments Commission Act 2001 (Cth), as amended from time to time;

Asset means the Reference Asset, Delivery Asset, or any component or constituent thereof, or a factor relevant to the calculation of, any payment or any component of the Units as specified in Section 3.2 "Key Information" as such;

ASX Settlement Operating Rules means the settlement rules of the ASX Settlement and Transfer Corporations Pty Limited as amended or substituted from time to time;

ASX means Australian Securities Exchange as operated by ASX Limited (ABN 98 008 624 691);

ATO means the Australian Taxation Office;

AUSTRAC means the Australian Transaction Reports and Analysis Centre which regulates the Anti-Money Laundering and Counter-Terrorism Financing Act 2006;

Bankruptcy Event of Default means a Bankruptcy Event of Default as specified in Section 5(a)(vii) of the 2002 ISDA Master Agreement;

Beneficial Interest means the beneficial interest in the Portion of the Delivery Assets in accordance with clause 9 of Section 12 "Terms of the Deferred Purchase Agreement";

Break Costs means all costs, expenses and losses reasonably incurred by the Issuer acting in a commercially reasonable manner (including without limitation, any amounts paid or incurred on account of GST to the extent that input tax credits are not available and any upfront selling fees paid to an adviser that may be applicable) and notified by the Issuer as payable by the Investor as a result of:

- (a) the determination of an Early Maturity Date or Buy-Back Date or other early termination of the Deferred Purchase Agreement;
- (b) the termination or reversal of any arrangements service contracts or hedge position entered into by the Issuer in connection with Units which is terminated early; or
- (c) any loss of profits that the Issuer may suffer by reason of the early termination of the Deferred Purchase Agreement;

Business Day means:

- (a) a day when the ASX and any other Relevant Exchange is open for trading; and
- (b) in relation to any payments or deliveries due under the Terms, a day on which the ASX is open for trading; and
- (c) in relation to any calculations involving a Relevant Exchange or an Asset, a day on which banks are open for business in the primary jurisdiction in which that Relevant Exchange is located or in which the Asset is traded;

Buy-Back Date has the meaning given in Section 3.1 "Timeline";

Buy-Back Price means the fair economic value of the Units as determined by the Issuer, acting in good faith and a commercially reasonable manner, on the Buy-Back Date taking into account any Delivery Costs, Break Costs and bid-offer spread;

Change has the meaning given in clause 13 "General provisions" of Section 12 "Terms of the Deferred Purchase Agreement"

Change of Law means that due to the adoption of, or any change in any applicable law or regulation (including any tax legislation) or due to the promulgation of or any change in the

interpretation (by any court, tribunal or regulatory authority with competent jurisdiction) of any applicable law or regulation (including any action taken by a taxing authority) the Issuer determines in good faith that it has become illegal for any party to hold, acquire or dispose of the relevant assets or the Issuer or any other party will incur a materially increased cost in performing its obligations under the Units (including due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

CHES has the meaning given in the ASX Settlement Operating Rules;

Close-out Amount has the meaning given in the Hedge Agreement;

Commencement Date means the date specified in the Investor's Confirmation Notice as the "Commencement Date" for the Units held, which is expected to be on or around the date specified in Section 3.1 "Timeline";

Confirmation Notice means a notice provided by the Issuer to an Investor in accordance with clause 1.3(c) of Section 12 "Terms of the Deferred Purchase Agreement";

Corporations Act means the Corporations Act 2001 (Cth) as amended from time to time;

Coupon means the First Coupon or the Second Coupon or either or both of them as the context requires;

Coupon Determination Date means the First Coupon Determination Date and the Second Determination Date;

Coupon Payment Date has the meaning provided under Section 3.1 "Timeline";

Default under Specified Transaction has the meaning given in a relevant Hedge Agreement and includes where a relevant party under the Hedge Agreement defaults under a Specified Transaction and this results in an acceleration or early termination of that Specified Transaction (or other transactions under the same documentation), defaults on the last payment date, or any payment on early termination of, a Specified Transaction or repudiates or otherwise challenges the validity of a Specified Transaction. Where Specified Transaction means any swap, forward, future, option or other derivative transaction entered into between the parties to the Hedge Agreement, any similar transaction or combination of these transactions and any other transactions specified as such by the parties;

Deferred Purchase Agreement or **DPA** means the agreement between the Issuer and Investor as set out in the Terms and the PDS including Section 3.2 "Key Information";

Delivery Asset means the Delivery Assets specified in Section 3.2 "Key Information" or determined by the Issuer in accordance with the Terms;

Delivery Asset Price means, as calculated by the Issuer in its reasonable discretion, the price per Delivery Asset at which the Issuer (or its nominee) acquires or purchases, in connection with the Units, the Delivery Asset on the Business Day immediately following the Maturity Date (or in the case of an Early Maturity, the Early Maturity Date), unless it is not possible or practical to determine the price of the Delivery Asset at that time, in which case the Issuer may, in its reasonable discretion acting in a commercially reasonable manner, nominate another time or period of time to determine the price (including, if the Issuer determines in its discretion, the average weighted price at which the Issuer (or its nominee) acquires or purchases, in connection with the Units, the Delivery Asset;

Delivery Costs means any incidental costs or expenses incurred by the Issuer in relation to the transfer of any Delivery Assets to or for the benefit of the Investor following Maturity or Early Maturity. For the avoidance of doubt, this includes, without limitation, any amounts paid or incurred by the Issuer or its nominees on account of GST to the extent that input tax credits are not available or on account of any other Taxes incurred as a result of transferring the Delivery Assets on Maturity or Early Maturity. As at the date of this PDS the Issuer does not expect to charge any Delivery Costs;

Delivery Parcel has the meaning given in Section 3.2 "Key Information" and the number of each type of Delivery Asset in the Delivery Parcel to be delivered by the Issuer to the Investor on the Settlement Date is determined by the following formula (subject to any rounding as described in this PDS):

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

Where N means the number of different types of Delivery Assets in each Delivery Parcel;

Disposal Event means an event which gives rise to an obligation on the Issuer under law to dispose of all or part of the Delivery Assets, or Reference Asset;

Dividend means an ordinary dividend or distribution;

Early Maturity means accelerated Maturity by the Issuer in accordance with clause 5 of Section 12 "Terms of the Deferred Purchase Agreement" and includes early maturity following an Early Maturity Event or an Issuer Buy-Back;

Early Maturity Date means the date notified to the Investor as such in the Early Maturity Notice;

Early Maturity Event has the meaning given in clause 5.1 "Early Maturity by the Issuer" of Section 12 "Terms of the Deferred Purchase Agreement";

Early Maturity Notice means the notice of early maturity given in accordance with clause 5.4(a)(i) of Section 12 "Terms of the Deferred Purchase Agreement";

Early Maturity Value means the fair economic value of the Unit at or around 5:00 pm Sydney time on the Early Maturity Date as determined by the Issuer acting in good faith and a commercially reasonable manner, unless it is not possible or practical to determine the fair economic value of the Unit at that time, in which case the Issuer may nominate another time to determine the Early Maturity Value. In determining the fair economic value of the Units, the Issuer will have regard to the value it receives from its Hedge;

Event of Default means "event of default" (or similar term) as defined in the relevant Hedge Agreement, and may include (but is not limited to) the occurrence of the following events:

- (a) failure to pay or deliver, when due, any payment or delivery under the Hedge;
- (b) breach or repudiation by either party of the Hedge;
- (c) default under a credit support document (such as a credit support annex);
- (d) a representation made by a party to the Hedge proves to have been incorrect or misleading in any material respect when made or repeated (or deemed to have been made or repeated);
- (e) default by a party in a transaction specified in the Hedge;
- (f) if applicable in the Hedge, default under any other

agreements of a specified type where the aggregate principal amount of such agreements exceeds a specified threshold amount;

- (g) bankruptcy event in relation to a party (including the party being dissolved, becoming insolvent, having bankruptcy proceedings instituted against it, having a liquidator, receiver or other similar official appointed); and
- (h) a party consolidates or amalgamates with, or merges with or into, another entity and the other entity does not assume all the obligations of the party under the Hedge.

Exchange Business Day means a day that is both a Business Day and on which the Relevant Exchange is open for trading;

Final Application Payment Date means the date specified in Section 3.1 "Timeline";

Final Reference Asset Value has the meaning given in Section 3.2 "Key Information";

Final Value means: the value specified in, and calculated in accordance with the formula in, Section 3.2 "Key Information" as the "Final Value at Maturity";

First Coupon means the distribution per unit made to investors determined by reference to the value of the Reference Asset Value on the First Coupon Determination Date. Please refer to the Section 3.2 "Key Information" for the First Coupon formula;

First Coupon Determination Date has the meaning provided under Section 3.1 "Timeline";

Force Majeure Event means an event or circumstance beyond the reasonable control of a party that prevents one or more parties from performing their obligations under this Agreement;

Fund has the meaning given in clause 11.2 of Section 12 "Terms of the Deferred Purchase Agreement" under "Superannuation Funds"

Governing Rules has the meaning given in clause 11.2 of Section 12 "Terms of the Deferred Purchase Agreement" under "Superannuation Funds";

Government Agency means:

- (a) a government, whether foreign, federal, state, territorial or local;
- (b) a department, office or minister of a government acting in that capacity; or
- (c) a commission, delegate, instrumentality, agency, board or other governmental, semi-governmental, administrative or judicial, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not and includes any self-regulatory organisation established under statute or any stock exchange;

Gross Coupon means the Gross First Coupon or the Gross Second Coupon or either or both of them as the context requires;

Gross First Coupon has the meaning given in Section 3.2 "Key Information";

Gross Second Coupon has the meaning given in Section 3.2 "Key Information";

GST has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (as amended from time to time);

Hedge and **Hedge Agreement** means any contract to pursuant to which the Issuer hedges its obligations under a DPA of a Series and, where this is an ISDA Master Agreement

entered into by and between the Issuer and the Hedge Counterparty (the counterparty to the Hedge with the Issuer) from time to time, includes the Schedules, any Credit Support Annex and Confirmations relating to hedging the Issuer's obligations under the Units;

Hedge Counterparty means an entity with whom the Issuer enters into a Hedge;

Holder Identification Number or **HIN** has the meaning given in the ASX Settlement Operating Rules;

Identification Form means the identification form attached to or accompanying the PDS;

IDPS and **Investor Directed Portfolio Service** has the meaning given in ASIC Class Order (CO) 13/763;

Initial Application Payment Date means the date specified in Section 3.1 "Timeline";

Initial Averaging Dates has the meaning given in Section 3.1 "Timeline";

Initial Reference Asset Value has the meaning given in Section 3.2 "Key Information";

Investor means the person or entity whose name is entered on the Register from time to time during the Investment Term;

Investment Amount means an amount equal to the Issue Price multiplied by the number of Units purchased;

Investment Term means, in respect of Units held by an Investor, the time period from the Commencement Date to the scheduled Maturity Date as specified in the Timeline in Section 3.1;

Issue Closing Date means the date specified in Section 3.1 "Timeline" as the cut off time for initial investments;

Issue Opening Date means the opening dates of the Offer Period as specified in Section 3.1 "Timeline" as the time from which Applications for Units will be accepted;

Issue Price means the price specified in Section 3.2 "Key Information" as the amount payable by an Investor for a Unit issued on or before the Commencement Date;

Issuer has the meaning given to it in Section 3.2 "Key Information";

Issuer Buy-Back means an Investor requested buy back of Units by the Issuer in accordance with Section 12 "Terms of the Deferred Purchase Agreement";

Issuer Buy-Back Form means the form by that name attached at the back of this PDS;

Issuer Buy-Back Request means an Investor's request for the Issuer to buy back their Units as made via the Issuer Buy-Back Form contained in the PDS or provided by the Issuer upon request or any other method specified from the Issuer from time to time;

TIS or **Tailored Investment Solutions** means Tailored Investment Solutions Pty Limited, the Issuer for the Units;

Market Disruption Event means the occurrence or existence on any Business Day of any of the following events, in the determination of the Issuer:

- (a) the Suspension or material limitation or disruption of trading in one or more of the Assets or in securities or futures contracts generally on the ASX, Relevant Exchange, Related Exchange or a market associated with any of the Assets; or

- (b) any of the Assets or prices relating to the Assets ceases to exist or is materially changed, fails to be calculated and published, or the method of calculation materially changes;
- (c) any event occurs that disrupts or impairs the ability of market participants in general (i) to effect transactions in, or obtain market values for, any of the Assets, on the Relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts related to the Assets on the Relevant Exchange or any Related Exchange;
- (d) the Relevant Exchange closes prior to its scheduled closing time on a Business Day and the earlier closing time was not expected or announced with sufficient notice;
- (e) the declaration of a general moratorium in respect of banking activities in the country where any Relevant Exchange or Related Exchange is located;
- (f) any market disruption event (however described) under the Hedge Agreement; or
- (g) any similar event the Issuer reasonably declares to be a Market Disruption Event, including a Force Majeure Event.

For the purposes of this definition, (1) a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Relevant Exchange or Related Exchange; (2) a limitation on trading imposed during the course of a day by reason of movements in price otherwise exceeding levels permitted by the Relevant Exchange or Related Exchange will constitute a Market Disruption Event; and (3) issues of materiality are to be determined in the reasonable discretion of the Issuer;

Maturity means the settlement of the deferred purchase of the Delivery Parcel in accordance with clause 4 of Section 12 “Terms of the Deferred Purchase Agreement” other than as a result of Early Maturity;

Maturity Averaging Dates has the meaning given in Section 3.1 “Timeline”;

Maturity Date means the date specified in the “Timeline” in Section 3.1 of the PDS as the “Maturity Date”, unless there is an Early Maturity under clause 5 of Section 12 “Terms of the Deferred Purchase Agreement”, in which case the Maturity Date will be the Early Maturity Date;

Minimum Buy-Back Amount has the meaning given to it in Section 3.2 “Key Information”;

Minimum Investment Amount means, the amount specified in Section 3.2 “Key Information” as the “Minimum Investment Amount” or such lesser amount as the Issuer in its discretion may determine for any one or more Applicants;

Minimum Total Subscription means the amount specified as such in Section 3.2 “Key Information”;

Nominated Account means the transactional banking account held with an Australian bank which is nominated by the Investor on its Application Form;

Notional Exposure means the amount of notional exposure per Unit an Investor obtains, as specified in Section 3.2 “Key Information”;

Notice of Maturity means the notice sent to Investors at least 20 Business Days prior to the Maturity Date in which an Investor may elect to participate in the Agency Sale Option;

Observation Date means the Initial Averaging Dates and the Maturity Averaging Dates;

Offer means the offer of an agreement to purchase the Delivery Assets specified in Section 3.2 “Key Information” on certain terms including deferred delivery under the Terms of the PDS;

Offer Period means offer period for Units with open and close dates as specified in the Section 3.1 “Timeline”;

Performance Fee means the performance fee set out in Section 3.2 “Key Information”;

PDS means the Product Disclosure Statement, including any Application Form and any Issuer Buy-Back Form, for the relevant Units as supplemented or updated from time to time;

Portion means the number of Delivery Assets per Unit held by the Issuer on the Commencement Date and is equal to 0.00001 Delivery Assets per Unit. In the event the Portion is adjusted due to substitution of the Delivery Asset or otherwise in accordance with this PDS and the Corporations Act, the Issuer will notify Investors of such an adjustment;

Price Source means the publication or other origin reporting or publishing the price of a Reference Asset;

Reference Asset has the meaning given in Section 3.2 “Key Information”;

Reference Asset Closing Price has the meaning given in Section 3.2 “Key Information”;

Reference Asset Value has the meaning given in Section 3.2 “Key Information”;

Register means the registers of legal and beneficial owners of Units, as named on the register, maintained by the Registrar;

Registrar means the person or entity identified in Section 3.2 “Key Information” or any other registrar appointed by the Issuer from time to time;

Related Exchange means each exchange or quotation system where trading has a material effect (as determined by the Issuer) on the overall market for the futures, options, securities or other assets underlying the Reference Asset are traded;

Relevant Exchange means in the case of:

- (a) any exchange traded security or financial product, the primary exchange on which that financial product is traded;
- (b) an index, the primary exchange on which the financial product which primary constitute that index are traded; and
- (c) a commodity, any exchange where contracts or futures relating to the commodity are traded,

or as determined in the reasonable discretion of the Issuer;

RG146 means ASIC Regulatory Guide 146 entitled Licensing: Training of financial product advisers;

Sale Monies mean the monies from the sale of the Delivery Assets obtained by the Issuer (or its nominee) on behalf of the Investor under the Agency Sale Option, less Break Costs and if applicable Delivery Costs, including brokerage, applicable to the sale of the Delivery Parcel;

Scheduled Business Day means, in respect of a Reference Asset or Delivery Asset, any day on which the Relevant Exchange and/or related exchange in respect of such Reference Asset or Delivery Asset is scheduled to be open for trading for their respective regular trading sessions;

Second Coupon means the distribution per unit made to Investors determined by reference to the value of the Reference

Asset Value on the First Coupon Determination Date. Please refer to the Section 3.2 “Key Information” for the Second Coupon formula;

Second Coupon Determination Date has the meaning provided under Section 3.1 “Timeline”;

Security Interest means a right, interest, power or arrangement in relation to any property which provides security for, or protects against default by a person in, the payment or satisfaction of a debt, obligation or Liability, including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance or hypothecation and a security interest as defined in sections 12(1) and 12(2) of the Personal Property Securities Act 2009 (Cth).

Series means each series of Units offered under this PDS and each other series of financial products issued by the Issuer;

Settlement Date means the tenth Exchange Business Day after the Maturity Date or such other date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfill its obligations under the Terms;

Settlement Notice means the notice from the Issuer to Investors following settlement on Early Maturity or a Buy-Back Date;

Special Dividend means any special or abnormal dividend or distribution in respect of securities (including a distribution of income or capital) and includes a dividend or distribution described by the entity declaring that dividend or distribution as:

- (a) special, abnormal, extraordinary, additional or extra;
- (b) part of a scheme of arrangement or takeover consideration;
- (c) part of a special distribution involving a return of capital, or are otherwise characterised by the ASX or the Relevant Exchange as a special dividend or special distribution.

Specified Transaction has the meaning given in the relevant Hedge Agreement and includes any swap, forward, future, option or other derivative transaction entered into between the parties to the Hedge Agreement, any similar transaction or combination of these transactions and any other transactions specified as such by the parties;

Suspension means any temporary cessation of the trading or quotation of the Delivery Asset, Reference Asset or an asset comprising the Reference Asset, including a trading halt on the ASX, Relevant Exchange or Related Exchange (as the context requires);

Tax or **Taxes** means any income tax, capital gains tax, GST, withholding tax, stamp, registration and other duties and other related taxes, levies, imposts, deductions, interest, penalties and charges;

Termination Event means “termination event” (or other similar term) as defined in the relevant Hedge Agreement, and may include (but is not limited to) the occurrence of the following events:

- (a) illegality i.e. it becomes unlawful for any obligations entered into under the Hedge to be performed;
- (b) force majeure event;
- (c) due to changes in taxation law, action taken by a taxing authority, court proceedings or the merger, consolidation or amalgamation of a party the amount of tax payable by a party is increased;

(d) if applicable in the Hedge, on the merger, consolidation or amalgamation of a party, the credit rating of that party is materially weaker; and

(e) any other event under the terms of the Hedge Agreement that constitute early termination or maturity of the Hedge;

Termination Payment means the amount determined by the Issuer acting in good faith and a commercially reasonable manner. Without limiting the foregoing, in determining the Termination Payment, the Issuer may adjust the Termination Payment for any costs, losses or expenses that it reasonably incurs acting in a commercially reasonable manner in relation to the Early Maturity, including without limitation, Delivery Costs, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under the Terms, and any cost of funding or any loss of bargain;

Terms means the Terms of the Deferred Purchase Agreement which are set out in Section 12 of the PDS on which the Investor agrees to acquire the Delivery Parcel from the;

Timeline means the timeline set out in Section 3.1 “Timeline”;

Total Investment Amount means the total amount an Investor pays to acquire their Units;

Units or **Unit** means a Deferred Purchase Agreement entered into by the Issuer and the Investor. The total number of Units held by the Investor will be notified by the Issuer to the Investor in the Confirmation Notice provided by the Issuer in accordance with clause 1.3(c) of Section 12 “Terms of the Deferred Purchase Agreement”.

14. REFERENCE ASSET DISCLAIMERS

The Units are issued by the Issuer, they are not sponsored, endorsed, issued, distributed, sold, marketed or promoted by Berkshire Hathaway Inc. in any way. Berkshire Hathaway Inc. has no obligations or liabilities whatsoever in connection with the Units.

Berkshire Hathaway Inc. including its affiliates have not been involved in the preparation of any part of the PDS.

PREPARATION OF THIS PDS

This PDS has been prepared by TIS from publicly available information only. No entity has been a party to its preparation or furnished any information specifically to TIS for the purpose of its preparation. Similarly, information in this PDS concerning an entity has not been independently verified. TIS has no affiliation with any entities underlying the Reference Assets and have no access to information concerning them other than that which is in the public domain.

TIS, and the Arranger do not accept any liability or responsibility for, and make no representation or warranty, express or implied, as to the accuracy or completeness of any information about an entity in this PDS. Investors should make their own enquiries about an entity. Nothing in this PDS can be relied upon as implying that there has been no change in the affairs of an entity, TIS and the Arranger since the dates as at which information is given in this PDS.

15. MANAGING THE INVESTMENT

15.1 WHO CAN INVEST?

The Offer of Units under this PDS is available to both retail and wholesale clients as those terms are defined under the Corporations Act.

Please note that the Issuer can only accept Applications submitted within Australia.

15.2 MINIMUM INVESTMENT, MINIMUM BALANCE AND MINIMUM WITHDRAWAL AMOUNTS

The Minimum Investment Amount is 50,000 Units in the Series offered under this PDS.

The minimum number of Units for an Issuer Buy Back is 50,000 Units in that Series or if an Investor's holding is less than 50,000 Units in that Series, the Investor's entire holding.

15.3 HOW TO INVEST

Complete an Application Form (with any supporting documentation requested in the Application Form, including appropriate identification documents) forward it together with the Total Investment Amount as instructed on the Application Form. Investors can elect to have their funds direct debited, in this case the funds will be direct debited on or after the Initial or Final Application Payment Date.

By signing the Application Form and applying for Units, the Investor:

- (i) agrees to pay the Adviser Fee specified in their Application Form to their adviser;
- (ii) irrevocably authorises the Issuer to collect the Adviser Fee as part the total application monies;
- (iii) irrevocably directs the Issuer to deduct the Adviser Fee from their total application monies and to pay the Adviser Fee to their adviser on their behalf as soon as reasonably practicable following issue of the Units;
- (iv) indemnifies the Issuer against any claim from an adviser to recover the Adviser Fee (if, for example, the Units are terminated early) once the investment has commenced and Units have been issued.

15.4 IDENTIFICATION

As part of the Issuer's and the Registrar's obligations to comply with anti-money laundering legislation, the Issuer needs to adequately identify Investors by collecting certain details. Depending on the type of investor (for example, an individual, company, trustee or otherwise) different Identification Documents need to be supplied.

Please include the identification that corresponds to the appropriate type of investor, and post it with the Application Form to Tailored Investment Solutions.

15.5 PROCESSING APPLICATIONS AND ISSUE OF UNITS

TIS will deliver the Application Forms to the Registrar who will accept and process Applications for the Issuer. The acceptance of Applications will, however, be at the Issuer's discretion.

Units will be issued within one month upon receipt of an Application from an investor which is accepted by the Issuer. The Unit's economic exposure to the Reference Asset will begin on the Commencement Date. If a Unit is issued prior to the Commencement Date it will have no economic exposure until the Commencement Date.

If for any reason the exposure to the Reference Asset cannot be achieved or the Minimum Subscription Amount is not reached on the Commencement Date, or the issue of Units does not proceed for any other reason, the Issuer will return the Total Investment Amount without interest and the Issue will not proceed (any Units already issued will be terminated).

Once an Application to invest in the Units is accepted, and Units are issued to the Investor, the Investor will receive a confirmation detailing the particulars of their investment. The Issuer will confirm all subsequent transactions Investors make regarding their Units. No interest will be payable in respect of Application amounts received before the Commencement Date.

15.6 COOLING OFF

No cooling off rights apply in respect of an investment in the Units.

15.7 TRANSFER OF UNITS

Investors may request a transfer of their Units which may or may not be accepted by the Issuer in its absolute discretion. Investors should contact the Issuer for the relevant transfer form.

16. HOW TO COMPLETE THE APPLICATION FORM

1. Complete the information required in the Application Form. Please read Section 1 below for further instructions.
2. Provide the identification and verification documents listed in Section 2 below. These documents are required under the Anti-Money Laundering & Counter-Terrorism Financing legislative regime in Australia.

The Application Form, payment as set out in Section C of the Application Form and certified copies of the documents required to verify the applicant's identity should be sent to:

Tailored Investment Solutions
Suite 3.20, Capri on Via Roma
15 Via Roma
Isle of Capri QLD 4217

Re: Application for Tailored Investment Solutions Berkshire Hathaway Units Series 5

Section 1 **General**

Please use CAPITAL LETTERS and a black ball point when completing the forms. For joint investors the Issuer requires the usual residential address of each investor. Applicants may only elect one postal address for all notices and correspondence. The applicant's usual residential address cannot be the applicant's financial advisors address or a PO Box. Company applications should include a contact name and ACN, ABN, or ARBN as applicable. For company Applications the Issuer requires the full address of the registered office, plus principal place of business. Individual applicants should be 18 years of age or over. Investors can invest on a minor's behalf by putting their name in the account designation box. The unit holder will not, however, be the minor. If an applicant has an existing account and would like to add to the account, they should note their existing account number.

Application Instructions

The Minimum Investment Amount for the Units is 50,000 Units per Series at the Issue Price shown in Section 3.2 "Key Information". To calculate the Investment Amount, multiply the Issue Price per Unit for the Series by the number of Units in that Series to be purchased.

You should insert any Adviser Fee you agreed with your adviser in the Application Form.

By signing the Application Form and applying for Units, you:

- (i) agree to pay the Adviser Fee specified in your Application Form to your adviser;
- (ii) irrevocably authorise the Issuer to collect the Adviser Fee as part the total application monies;
- (iii) irrevocably direct the Issuer to deduct the Adviser Fee from their total application monies and to pay the Adviser Fee to their adviser on their behalf as soon as reasonably practicable following issue of the Units;
- (iv) indemnify the Issuer against any claim from an adviser to recover the Adviser Fee (if, for example, the Units are terminated early) once the investment has commenced and Units have been issued.

To calculate the Total Investment Amount, follow the instructions on the Application Form.

Cash is not accepted. If an applicant would like to pay by direct debit, they should complete bank account details and direct debit authority in Section D and I of the Application Form.

Please note that direct debits may be made any time between the date Investors lodge their Application and the Commencement Date. Investors should ensure that the account they nominate for a direct debit has adequate funds during this time to avoid any dishonour fees.

Account operation instructions

The applicant must specify how they would like their account to be operated. In the case of joint accounts, applicants may request joint signatures or allow either signatory to sign. Company or trustee applicants should indicate their operation instructions by ticking the appropriate box. See Section E of the Application Form.

Cash Payment Amount

Any payments of cash in respect of an Early Maturity or Issuer Buy Back will be paid directly into the Investors bank account specified in Section D. Applicants must ensure they complete all details of the institution in full.

Signature(s)

Applicants should ensure that they have read the attached PDS in full before signing the Application Form. Joint applications must be signed by all persons. If the account nominated for Direct Debit is held in Joint names, both account holders must sign. If the Application is being signed under power of attorney a certified copy of the power of attorney and appropriate photo identification of the attorney must be enclosed.

Examples of Correct Names and Account Designations

| Type of investor | Correct name | Incorrect name | Signature(s) required |
|---|--|---|---|
| Individual/joint holding Use full name of each applicant, not initials | Luke John Smith Susan Mary Smith | Luke J Smith Susan M Smith | Each applicant |
| Company holding Use full company name | ZYX Pty Ltd | ZYX inc ZYX Co ZYX p/l | 2 directors OR a director & secretary OR a single director (if a sole director company) |
| Minors Use full name of each applicant, not initials. Use minor name as beneficiary. | Susan Mary Smith a/c designation <Josh Smith> | Josh Smith | Each Applicant (not minor) |
| Superannuation funds/trusts – individual trustee(s) Use trustee(s) personal name(s). Use fund/trust name as beneficiary. | Susan Mary Smith a/c designation <Susan Smith Trust> <Susan Smith Super Fund> | S M Smith Trust S M Smith Super Fund | Each Trustee |
| Superannuation funds/trusts – corporate trustee Use trustee company name. Use fund/trust name as beneficiary. | ZYX Pty Ltd <ZYX Trust> <ZYX Super Fund> | ZYX Trust ZYX Super Fund | Trustee – as per company holding above |

Lodging the Application

Please mail the completed Application form, along with the documents to certifying the applicant's identity to:

Tailored Investment solutions
Suite 3.20, Capri on Via Roma
15 Via Roma
Isle of Capri QLD 4217

Re: Application for Tailored Investment Solutions Berkshire Hathaway Units Series 5

Please ensure payment is made in full.

Units will only be issued on receipt of a properly completed Application Form (containing direct debit details) by the Issue Closing Date, issued together with the PDS dated 29 October 2018 and the receipt of cleared funds by the Application Payment. Applicants must ensure they sign in Section J of the Application Form and Section K for Trust Applicants.

If applicants have any queries they should call their financial adviser, the Registrar (see details at the back of this PDS) or contact Tailored Investment Solutions at:

Internet: www.tailoredinvestmentsolutions.com.au
Email: info@tailoredinvestmentsolutions.com.au
Telephone: 1300 760 397

Section 2 Anti-Money Laundering and Counter-Terrorism Financing Act 2006

Identification and Verification Requirements

Under the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) legislative regime, certain due diligence must be conducted on any prospective investor before Units may be issued to that Investor. The due diligence includes identifying and verifying the identity of a prospective investor. Applications made without providing this information cannot be processed until all the necessary information has been provided. There are also ongoing customer due diligence obligations under the AML/CTF legislative regime which may require the Issuer to collect further information. The Issuer is obliged under the AML/CTF legislative regime to take and

maintain copies of any information collected from applicants. The Issuer may be required to share collected information with the Australian Transaction Reports and Analysis Centre (AUSTRAC) and may be prohibited from informing applicants of such disclosures. The Issuer may share collected information with related entities.

Under the AML/CTF legislative regime, the Issuer has an obligation to report suspicious matters to AUSTRAC. This obligation may require the collection of further information from investors. The Issuer may be prohibited from informing investors that reporting to AUSTRAC has taken place. The Issuer has the right to not accept Buy-Back requests or transfers or pay benefits under this product where there are reasonable grounds to believe doing so would breach Australian law or sanctions (or the law or sanctions of any other country) and the Issuer is not liable for any resulting loss.

By applying for units in the Units, applicants are acknowledging that the Issuer may, in its absolute discretion, not issue units to them, cancel any Units previously issued to them, delay, block or freeze any transactions or redeem any Units issued to them if it believes it necessary to comply with the AML/CTF legislative regime. In the above circumstances, the Issuer will not be liable to applicants for any resulting loss.

2.1 Requirements for Individuals/Sole Traders

Individual Investor and sole trader must give the Issuer certified copies of one document from column [1] OR one document from each of column [2] AND [3]:

Please note: for Companies, Trusts, Partnerships, Associations and Co-Operative Applicants, please contact the Issuer in addition to referring to Section 2.2 below for details of the information the Issuer must collect and verify in reference to the Application. If the individual section of the Application Form is completed in addition to other sections, then the applicant must provide the documents required for an individual applicant in addition to any others required.

Reliable and Independent Verification Documentation

Reliable and Independent Verification Documentation – Do not send originals, certified copies only

| Column [1] Primary Photographic (one proof required) | Column [2] Primary Non-Photographic (one proof required) | Column [3] Secondary Identification (one proof required) |
|---|---|---|
| <input type="checkbox"/> Current photographic Australian driver's licence <input type="checkbox"/> Current Australian passport # <input type="checkbox"/> Current State or Territory photographic ID card <input type="checkbox"/> Current foreign passport* <input type="checkbox"/> Current ID card issued by a foreign government containing a photograph & signature* <input type="checkbox"/> Current foreign driver's licence with photograph & date of birth* | OR | <input type="checkbox"/> Commonwealth, State and Territory financial benefits notice (less than 12 months old) <input type="checkbox"/> ATO Tax notice (less than 12 months old) <input type="checkbox"/> Local government body or utility provider notice (less than 3 months old) recording provision of services to the person at the address <input type="checkbox"/> Notice issued within the last 3 months by school principal for a person under 18, recording period of time person attended school and person's residential address |
| | AND | |

A passport that expired within the two years prior to submitting the application form will also be accepted.

*Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

There is a wide range of persons who may certify an applicant's documents. A list is given below:

^Who may certify your documents as being a true and correct copy of the original

- | | | |
|---|--|---|
| <input type="checkbox"/> Legal Practitioner enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia | <input type="checkbox"/> An agent of the Australian Postal Corporation | <input type="checkbox"/> A finance company officer |
| <input type="checkbox"/> A Judge of a court CEO of a Commonwealth Court | <input type="checkbox"/> Permanent employee of a post office* | <input type="checkbox"/> Officer of or authorised representative of a holder of an Australian financial services licence* |
| <input type="checkbox"/> Registrar or deputy registrar of a court | <input type="checkbox"/> Australian Consular Officer or Diplomatic Officer | <input type="checkbox"/> A member of the Institute of Chartered Accountants in Australia, CPA or NIA membership* |
| <input type="checkbox"/> Justice of the Peace | <input type="checkbox"/> Financial institution officer/employee of a bank* | |
| <input type="checkbox"/> Notary public | | |
| <input type="checkbox"/> Police Officer | | |

*Those persons marked with an asterisk * are required to have two or more years of continuous service or membership.

The eligible certifier must include the following information:

- Their full name
- Address
- Telephone number
- The date of certifying
- Capacity in which they are eligible to certify, and
- An official stamp/seal if applicable

The certified copy must include the statement, "I certify this is a true copy of the original document".

For photographic documents, the certified copy must include the statement, "I certify this is a true copy of the original document and the photograph is a true likeness".

2.2 Non-individual investors

Different identification and verification requirements apply to prospective investors who are not individuals, such as companies, other bodies corporate, trusts; including superannuation trusts, partnerships, associations and registered co-operatives. Where applicable, applicants will need to give us:

Australian Companies – Any one of the following documents: a certified copy of the certification of registration or licence or other records of the relevant commonwealth, state or territory statutory regulator or a public document issued by the relevant company.

Foreign Companies – a certified copy of the certification of registration or licence or other records held by ASIC (if registered in Australia), registration document issued by the foreign registration body or Disclosure Certificate, or a public document issued by the company.

Trusts & Trustees – If the trust is a registered managed investment scheme, regulated trust or government superannuation fund any one of the following documents: a certified copy; or certified extract from the relevant regulator's website showing the full name of the trust, and that the trust is a registered scheme, regulated trust or government superannuation fund.

Other trust type – any one of the following documents: a certified copy or certified extract of the Trust Deed showing the name of the trust, reliable and independent documents relating to the trust or reliable and independent electronic data relating to the trust. This may include the following:

- A letter from a solicitor or qualified accountant that confirms the name of the trust;
- A notice issued by the Australian Tax Office within the last 12 months in relation to the trust Individual Trustee;
- Australian Company Trustee – a certified copy of the certification of registration.
- Australian Listed Company or majority owned subsidiary of an Australian Listed Company or is a regulated company – a certified copy of a public document issued by the relevant company.
- Foreign Company Trustee – copy or extract of the Trust Deed; reliable and independent documents relating to the trust or reliable and independent electronic data relating to the trust.

Partnerships, Associations, and Registered Cooperatives

- partnership agreement or Australian Partnership Taxation Return or Australian State or Territory Business Names Search or Minutes of a partnership meeting or Disclosure Certificate; Rules or constitution of the association or minutes of meeting of the association or search of databases of ASIC or State, Territory or overseas body responsible for the incorporation of the association or reliable and independent documents relating to the trust or reliable and independent electronic data relating to the association; Register maintained by the cooperative or minutes of meeting of the co-operative or search of databases of ASIC or State, Territory or overseas body responsible for the registration of the co-operative or reliable and independent documents relating to the trust or reliable and independent electronic data relating to the cooperative.

Important: If applicants need further information they may contact Tailored Investment Solutions Pty Ltd to obtain details of the Issuer's identification and verification requirements as an AML/CTF Reporting Entity for each type of applicant.

17. HOW TO COMPLETE THE ISSUER BUY-BACK FORM

General

Please use CAPITAL LETTERS and a black ball point when completing the form.

Investor Details

For joint investors the Issuer requires the usual residential address of each investor.

The applicant's usual residential address cannot be their financial advisors address or a PO Box.

Company requests should include a contact name and ACN, ABN, or ARBN as applicable.

For company requests the Issuer requires the full address of the registered office, plus principal place of business.

Details of the Units to be Sold

Please complete this section by selecting the investment to be sold and the number of Units to be sold.

Signature(s)

Joint Applications must be signed by all persons. If the Issuer Buy-Back Form is being signed under Power of Attorney please enclose a certified copy of the Power of Attorney and appropriate photo identification of the attorney.

Lodging the Issuer Buy-Back Form

Please mail the completed form to:

Tailored Investment Solutions
Attn: Issuer Buy Back
Suite 3.20, Capri on Via Roma
15 Via Roma
Isle of Capri QLD 4217

Re: Buy-Back for Tailored Investment Solutions Berkshire Hathaway Units Series 5

Requests will only be processed on receipt of a properly completed Issuer Buy-Back Form.

Applicants must ensure they sign in Section C of the form.

If applicants have any queries they should call their financial adviser, the Registrar (see details at the back of this PDS) or contact;

Tailored Investment Solutions
Suite 3.20, Capri on Via Roma
15 Via Roma
Isle of Capri QLD 4217

Tailored Investment Solutions Berkshire Hathaway Units Series 5 Application Form

This is an Application Form for Units in the Tailored Investment Solutions Berkshire Hathaway Units Series 5 issued by Tailored Investment Solutions Pty Ltd (ACN 169 320 905) and arranged by Pinnacle Securities Pty Ltd (ABN 61 608 667 778, AFSL 485760). This Application Form accompanies the PDS dated 29 October 2018 and any supplementary PDS issued for the Units. It is important that you read the PDS in full and the acknowledgements contained in this Application Form before applying for the Units. The Issuer will provide you with a paper copy of the PDS including any supplemental PDS and the Application Form, on request without charge.

A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the PDS including any supplemental PDS.

Please see the instructions on how to complete this Application Form in the PDS.

The Minimum Investment is 50,000 Units in each Series.

This Application Form and your Total Investment Amount must be received by the Registrar by 4:00 pm in order to be processed that day.

Units are only issued on receipt of:

- this Application Form,
- verification of the applicant's identity,
- payment in full of the Total Investment Amount.

Potential Investors should obtain independent financial and taxation advice as to the suitability of this investment to them having regard to their investment objectives, financial situation and particular needs. Nothing in this PDS is a recommendation by the Issuer or its related bodies corporate concerning investment in the Units or any specific taxation consequences arising from an investment in the Units.

SECTION A - INVESTOR DETAILS

What type of person or entity is applying? Please tick one box ONLY and complete all the sections indicated.

- Individual, joint or sole trader - must complete section **A1, B, C, D, E, F, G, I and J**
- Partnership - must complete **A1, A4, B, C, D, E, F, G, I, J**
- Australian Company - must complete **A1 (Directors), A2, B, C, D, E, F, G, I and J**
- Trust/Super Fund with Individuals as Trustee - must complete **A1 (Trustees), A3, B, C, D, E, F, G, I, J and K**
- Trust/Super Fund with Corporate Trustee - must complete **A1 (Directors), A2 (Company), A3, B, C, D, E, F, G, I, J and K**
- Other

For other entities, including foreign companies, please contact us for an appropriate Application Form.

A1 INDIVIDUAL INVESTOR DETAILS (MUST COMPLETE) (including individuals acting as trustee and corporate directors)

INVESTOR 1 (Your name MUST match your ID exactly.)

All individuals must provide certified copies of photo identification, such as passports, driver's licenses or similar government issued photo ID

Title: Given Names (in full) Surname:

Date of Birth (dd/mm/yyyy) Country of Citizenship

Are you an Australian resident for tax purposes? Yes No

If no, please specify your country of tax residence

Residential Address

City/Suburb/Town State Postcode Country

Email Address

Telephone (home) Area code Number

Telephone (business hours) Area code Number

Mobile

Fax: Area code Number

INVESTOR 2 (Your name MUST match your ID exactly.)

All individuals must provide certified copies of photo identification, such as passports, driver's licenses or similar government issued photo ID

Title: Given Names (in full) Surname:

Date of Birth (dd/mm/yyyy) Country of Citizenship

Are you an Australian resident for tax purposes? Yes No

If no, please specify your country of tax residence

Residential Address

City/Suburb/Town State Postcode Country

Email Address

Telephone (home) Area code Number

Telephone (business hours) Area code Number

Mobile

Fax: Area code Number

COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER

Full Business Name (if any) ABN

Principal Place of Business (if any) (PO Box is NOT acceptable)

City/Suburb/Town State Postcode Country

Email Address

Telephone (home) Area code Number

Telephone (business hours) Area code Number

Mobile

Fax: Area code Number

A2 AUSTRALIAN CORPORATIONS & CORPORATE TRUSTEES

Must provide a certified copy of an ASIC search on the company name or certificate of registration

Full name of the company as registered by ASIC ACN or ABN

Registered Office Address (PO Box is NOT acceptable)

City/Suburb/Town State Postcode Country

Principal Place of Business (if any) (PO Box is NOT acceptable)

City/Suburb/Town State Postcode Country

Main Contact Email Address

Telephone (business hours) Area code Number

Fax: Area code Number

COMPANY TYPE

Public – note that at least one Director must also complete A1

Proprietary – complete Director details below for all directors and at least one Director must also complete A1

How many directors are there?

Each Director’s name in full (in Capitals)

If the company is a proprietary company and is not a regulated company, the full name and residential address (in capitals) of each individual that who owns, through one or more shareholdings, more than 25% of the issued capital of the Company.

If the company is a majority owned subsidiary of an Australian listed company, the name of the listed company and the relevant exchange.

If the company is regulated, the name of the regulator and details of the relevant license.

Is the company an Australian resident for tax purposes? Yes No

If no, please specify the company’s country of tax residence

A3 TRUSTS or SUPER FUND DETAILS

Must provide certified copy of the first few pages of the Trust deed or ATO website extract or ATO communication

Name of Trust or Fund Country of establishment

Date of establishment ABN

Business name of the Trustee (if any)

Full name of the settlor of the trust*

*Not required if the material asset contribution by the settlor was less than \$10,000 or the settlor is deceased.

Note: individual trustees must complete A1; corporate trustees must complete A2

Type of trust

Regulated trust (SMSF). If applicable please provide name of regulator, ABN and registration or license details.

Registered managed investment scheme. If applicable please provide ARSN

Unregistered managed investment scheme with only wholesale clients which does not make small-scale offerings under section 1012E of the Corporations Act 2001

Government superannuation fund. If applicable please specify the legislation establishing the fund.

Other – If applicable, please provide:

- If other, please specify (e.g. family, unit, charitable, estate)

- Full name, date of birth, and residential address of **each beneficiary** AND/OR if the terms of the trust identify the beneficiaries by reference to membership of a class – details of the class.

Are you an Australian resident for tax purposes? Yes No

If no, please specify the Trust or Fund’s country of tax residence

NOTE: The Issuer only recognises the Trustee(s) as the investor and not the beneficiary, therefore the trustee(s) details must be given above. However the Issuer is also required to record the individual beneficiary details or, if the terms of the trust identify the beneficiaries by reference to class, the details of the class if you have ticked “Other” in the section “Type of Trust” above.

BENEFICIARY 1 Name ABN (if applicable)

Date of Birth Residential Address

BENEFICIARY 2 Name ABN (if applicable)

Date of Birth Residential Address

BENEFICIARY 3 Name ABN (if applicable)

Date of Birth Residential Address

BENEFICIARY 4 Name ABN (if applicable)

Date of Birth Residential Address

Class Details of Beneficiaries (if applicable)

A4 PARTNERSHIPS

Must provide certified copy of the Partnership Agreement or ATO correspondence in the past 12 months or Certificate of Registration

Full Name of the Partnership

Full business name of Partnership registered in any State or Territory (if applicable)

Business of Partnership Country of Establishment Date of Establishment

If regulated, specify the professional association and relevant membership details:

How many Partners are there?

Please provide the full name, date of birth and residential address (in capitals) of each Partner.

| Full Name | Full Residential Address | Partnership Share |
|----------------------|--------------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

NB: One Partner MUST complete A1

SECTION B - ACCOUNT CONTACT DETAILS (MUST COMPLETE)

Please indicate your preferred account contact details:

Same as Section A

Joint investors with different residential addresses must elect one:

Investor 1

Investor 2

Other. Please complete the following if contact details are different from those provided in Section A.

We will not accept your financial adviser's address.

Account Designation (optional)

Main Contact

Postal Address

City/Suburb/Town State Postcode Country

Email Address

Telephone (home) Area code Number

Telephone (business hours) Area code Number

Mobile

Fax: Area code Number

SECTION C - INVESTMENT DETAILS (MUST COMPLETE)

Details of the Units to be purchased:

| Investment Tailored Investment Solutions Berkshire Hathaway Units Series 5 | Units (min 50,000 units) | | Issue Price Per Unit | Total Investment Amount Payable (assuming no Adviser Fee) |
|--|--------------------------------|---|-------------------------|---|
| Example | 200,000 | x | \$A0.2085 | = \$41,700 |

Application Amount _____ x \$A0.2085 = \$ _____ (A)

Adviser Fee

(Collected by the Issuer and paid to your financial adviser's dealer group)

Please discuss and agree with your adviser the total amount that you will pay for financial product advice given by your adviser to you in relation to your investment in the Units.

= \$ _____ (B)

By signing the Application Form you irrevocably authorise the Issuer to collect the Adviser Fee specified on this Application Form at the same time as the other payments are direct debited and irrevocably direct the Issuer to pay these amounts to your adviser on your behalf.

Total Investment Amount (A) + (B) = _____ = \$ _____

Australian Investors:

Please tick the box below to advise how your payment will be made.

 Direct Debit

Please complete Bank Account Details and Direct Debit Authority in Section D1 and D2.

A Direct Debit Dishonour Fee may be charged by your nominated financial institution if insufficient funds are available in your Nominated Account.

SECTION D - BANK ACCOUNT DETAILS - Payments to you

Investors must complete this section by providing details of an Australian banking institution for Coupon Payments, Issuer Buy-Backs and other payments made by the Issuer.

Bank Name/Institution _____

Branch name and address _____

City/Suburb/Town _____ State _____ Postcode _____ Country _____

BSB _____ Account Number _____

Account Name _____

SECTION E - OPERATING AUTHORITY (MUST COMPLETE)

When giving instructions to us about your investment please indicate who has authority to operate your account:

INDIVIDUAL/JOINT ACCOUNTS (if no box is ticked we will assume all can sign)

 any one applicant to sign both applicants to sign

COMPANY, TRUST, SUPER FUND ACCOUNTS (if no box is ticked all future written instructions must be signed by two directors/trustees, director and secretary, or the sole director)

 any one applicant to sign any two applicants to sign all applicants to sign OTHER _____**SECTION F - PRIVACY**

Tailored Investment Solutions Pty Ltd may wish to contact you about future investment opportunities that may be of interest. Please tick the box if you do NOT wish to be contacted for this purpose.

 I/We do not wish to receive information from Tailored Investment Solutions regarding future investment opportunities.**SECTION G - PROVIDING IDENTIFICATION** I/We confirm I/we have ATTACHED CERTIFIED COPIES of the required proof of identification with this application form for each investor/applicant.

Persons authorised to certify a copy of the documents used to verify individual's identity can be found in Section 17 of the PDS.

SECTION H - DECLARATIONS & SIGNATURES

YOU SHOULD READ THE PDS IN FULL BEFORE SIGNING THIS APPLICATION FORM

By completing the application form you:

1. declare that you have read and understood this PDS.
2. declare that you have read and understood Section 12 "Terms of the Deferred Purchase Agreement".
3. agree to the collection, use and disclosure of your personal information provided in the application form.
4. declare that you have received this PDS personally, or a print-out of it, accompanied by or attached to the application form before signing the form.
5. declare that all information provided in the Application Form or any other information provided in support of the application is true and correct.
6. declare if you have received the PDS from the internet or other electronic means, that it was received either personally or a printout accompanied the application form before making an application for Units.
7. acknowledge that none of the Issuer or any member of their respective groups or any of their directors or associates or any other entity guarantees the performance of or the repayment of capital invested in, or income from the Units.
8. declare that if the Execution Page of this Application Form is signed under power of attorney, you have no knowledge of the revocation of that power of attorney.
9. declare that you have the power to make an investment in accordance with this application, including the application for the Units in accordance with the terms of this PDS.
10. declare that you have read and understood the Direct Debit Request Service Agreement.
11. confirm and make the declarations set out in the Direct Debit Authority.
12. declare that sole signatories signing on behalf of a company are signing as sole director or as a sole director/ secretary of the company.
13. acknowledge that an investment in the Units is subject to risks including possible delays in repayment and possible loss of entire capital invested.
14. agree to be bound by the provisions of the terms and conditions of the Units set out in the PDS, specifically those contained in Section 12 "Terms of the Deferred Purchase Agreement", and as amended from time to time.
15. acknowledge that the terms and conditions of the Units are an agreement between the Issuer and the Investor arising on the terms and conditions set out in Section 12 "Terms of the Deferred Purchase Agreement".
16. acknowledge that you give the indemnities in clause 10 of Section 12 "Terms of the Deferred Purchase Agreement" for the benefit of the Issuer.
17. acknowledge that this PDS does not constitute an offer in any jurisdiction in which, or to any person of whom, it would be unlawful to make the offer.
18. declare that if investing as a trustee of a trust ("**Trust**") (including acting as trustee for a superannuation fund) you are acting in accordance with your designated powers and authority under the Trust Deed. In the case of Superannuation Funds, you also confirm that the funds are complying funds under the Superannuation Industry (Supervision) Act.
19. declare that if investing as a trustee of a trust (Trust) (including acting as trustee for a superannuation fund), you are familiar with the documents constituting the trust (the Trust Documents) (and as amended, if applicable) purporting to establish, and relating to, the Trust and hereby declare and confirm that:
 - a) the Trust and the Trust Documents have been validly constituted and is subsisting at the date of this declaration;
 - b) you will be and are empowered and authorised by the terms of the Trust Documents examined by you to enter into and bind the Trust to the transactions completed by the Terms and this PDS;
 - c) the transactions completed by the Terms and this PDS do or will benefit the beneficiaries of the Trust; and
 - d) you have all the power, authority and discretion vested as trustee to apply for and hold the Units.
20. acknowledge that all information relating to this Application Form for investment or any subsequent information relating to this investment may be disclosed to any service provider and to your adviser. This authority will continue unless revoked in writing by you.
21. If you use the facsimile or email facility you:
 - a) release, discharge and agree to indemnify the Issuer and their agents, including the registrar and their respective officers from and against all losses, liabilities, actions, proceedings, accounts, claims and demand arising from instructions received under the facility;
 - b) agree that a payment made in accordance with the conditions of the facility shall be in complete satisfaction of all obligations to you for a payment, notwithstanding it was requested, made or received without your knowledge or authority.
22. irrevocably appoint for valuable consideration the Issuer, its related bodies corporate and each of their respective employees whose title includes the word "director" jointly, and each of them severally as my/our true and lawful agent to do all acts and things:
 - a) necessary to bind you to the Terms, give effect to the Terms, including without limitation, completing or amending any Application Forms (if the Issuer, in its absolute discretion, has accepted the Application Form);
 - b) that the Investor is obliged to do under the Terms;
 - c) which, in the opinion of the Issuer are necessary in connection with:
 - i. payment of any moneys to the Investor;
 - ii. the Maturity process, including without limitation, if an Early Maturity Event occurs;
 - iii. any Issuer Buy-Back;
 - iv. the Delivery Assets, including without limitation the delivery or sale of the Delivery Assets;
 - d) anything incidental or necessary in relation to the above (including, but not limited to, appointing any person as sub-agent to do any of the above).
23. authorise the Issuer to collect the Adviser Fee at the same time as other payments are direct debited from your account, or otherwise paid by you, and irrevocably direct the Issuer to pay these amounts to your adviser on your behalf in accordance with Clause 1.5 of Section 12 Terms.
24. indemnify the agent against all claims, losses, damages and expenses suffered or incurred as a result of anything done in accordance with the above agency appointment.
25. agree to give further information or personal details to the issuer if it reasonably believes that it is required to meet its obligations under anti-money laundering counterterrorism or taxation legislation. By making this application, you represent and covenant that the funds you are investing are not the proceeds of crime or money laundering, nor connected with the financing of terrorism. You agree that the Issuer may in its absolute discretion determine not to issue units to you, may cancel any units that have been issued to you or may redeem any units issued to you if the Issuer believes that such action is necessary or desirable in light of its obligations under the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006 or any related legislation.

SECTION I - DIRECT DEBIT REQUEST (Complete only if paying by Direct Debit)

This Direct Debit Request includes this page and the next section entitled "Section J - Execution Page".

Important Note: Bank account name(s) must match the Applicant name(s) in the Application Form attached to the Product Disclosure Statement (PDS) dated 29 October 2018 and be signed by that person(s). If a company or corporate Trust is applying, this form must be signed by either the sole director (if there is only one) OR two directors or a director and secretary (if there are two or more).

In the case of a joint account, both signatures are required in Section J.

Surname or Company Name

Given Name or ACN

Surname or Company Name

Given Name or ACN

authorise and request Tailored Investment Solutions Pty Ltd ACN 169 320 905, (or its nominee, related entity assignee, transferee, participant or sub-participant as required), until further notice in writing, to arrange, through its own Financial Institution, for any amount that Tailored Investment Solutions Pty Ltd may properly charge me/us to be debited from my/our Nominated Account via the Bulk Electronic Clearing System at the financial institution shown below and paid to Tailored Investment Solutions Pty Ltd subject to the terms and conditions of the Direct Debit Request Service Agreement in this PDS. The Investment Amount will be deducted on or after the Initial or Final Application Payment Date. Investors should ensure sufficient funds are in the Nominated Account from the Initial Application Date to prevent any dishonour fees.

Account Details (For Direct Debit)

CHECK THIS BOX IF ACCOUNT IS THE SAME AS SECTION D "Payments to You"

Bank Name/Institution

Branch name and address

City/Suburb/Town

State

Postcode

Country

BSB

Account Number

Account Name

SECTION J - EXECUTION PAGE

This execution page forms part of the Application Form and Direct Debit Request

Acknowledgments

I/We understand and acknowledge that by signing below:

- I/We have read and understood, and agree to, the terms and conditions governing the direct debit arrangements between me/us and Tailored Investment Solutions Pty Ltd as set out in the Direct Debit Request Service Agreement of this PDS;
- I/We make the declarations set out in Section H of this Application Form.

Signature of Unitholder 1

Name of Unitholder 1

Date

Tick capacity - mandatory for companies

Sole Director

Director

Secretary

Tick capacity if appropriate:

Individual Trustee

Corporate Trustee

Partner

If you are signing this form in your own capacity, then please state your name and the capacity in which you are signing e.g. James West, director of West Pty Ltd as Trustee for the West Family Trust.

Signature of Unitholder 2

Name of Unitholder 2

Date

Tick capacity - mandatory for companies

Sole Director

Director

Secretary

Tick capacity if appropriate:

Individual Trustee

Corporate Trustee

Partner

If you are signing this form in your own capacity, then please state your name and the capacity in which you are signing e.g. James West, director of West Pty Ltd as Trustee for the West Family Trust.

Acknowledgments

I/We understand and acknowledge that by signing below:

- I/We have read and understood, and agree to, the terms and conditions governing the direct debit arrangements between me/us and Tailored Investment Solutions Pty Ltd as set out in the Direct Debit Request Service Agreement of this PDS; and
- I/We make the declarations set out in Section H of this Application Form.
- I/We irrevocably authorise the Issuer to collect the Adviser Fee specified on our Application Form at the same time as the other payments are direct debited and irrevocably direct the Issuer to pay these amounts to your adviser on our behalf.
- I/We indemnify the Issuer against any claim from an adviser to recover the Adviser Fee once the investment has commenced and Units have been issued.

DIRECT DEBIT REQUEST SERVICE AGREEMENT

Between the Investor and Tailored Investment Solutions Pty Ltd ACN 169 320 905.

1. Definitions

The following definitions apply in this agreement.

“**Account**” means the account held at Your Financial Institution from which We are authorised to arrange for funds to be debited.

“**Agreement**” means this Direct Debit Request Service Agreement between You and Us.

“**Banking Day**” means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

“**Debit Day**” means the day that payment by You to Us is due.

“**Debit Payment**” means a particular transaction where a debit is made.

“**Direct Debit Request**” means the Direct Debit Request between Us and You.

“**Our, Us or We**” means Tailored Investment Solutions Pty Ltd (“**TIS**”) which You have authorised by signing a Direct Debit Request.

“**PDS**” means the document to which this Agreement was attached and which sets out the terms of the offer of the Tailored Investment Solutions Berkshire Hathaway Units Series 5 Deferred Purchase Agreements.

“**You or Your**” means the person(s) who has signed or authorised by other means the Direct Debit Request.

“**Your Financial Institution**” is the financial institution where You hold the Account that You have authorised Us to arrange to debit.

2. Debiting Your account

2.1 By signing an Application Form that contains the Direct Debit Request, You have authorised Us to arrange for funds to be debited from Your Account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between Us and You.

2.2 We will only arrange for funds to be debited from Your Account as authorised in the Direct Debit Request.

2.3 If the Debit Day falls on a day that is not a Banking Day, We may direct Your Financial Institution to debit Your Account on the following Banking Day.

2.4 If You are unsure about which day Your Account has or will be debited You should ask Your Financial Institution.

3. Amendments by Us

3.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least fourteen (14) days written notice.

4. Amendments by You

4.1 You may change, stop or defer a debit payment, or terminate this agreement by providing Us with at least fourteen (14) days notification by writing to:

Tailored Investment Solutions Pty Ltd
Suite 3.20, Capri on Via Roma, 15 Via Roma
Isle of Capri QLD 4217

or

by telephoning Us on 1300 760 397 during business hours;

or

arranging it through Your own financial institution.

5. Your obligations

5.1 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.

5.2 If there are insufficient clear funds in Your Account to meet a Debit Payment:

- (a) You may be charged a fee and/or interest by Your Financial Institution;

- (b) You may also incur fees or charges imposed or incurred by Us; and

- (c) You must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.

5.3 You should check Your account statement to verify that the amounts debited from Your Account are correct

5.4 If We are liable to pay goods and services tax (“**GST**”) on a supply made in connection with this Agreement, then You agree to pay Us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

6. Dispute

6.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly and confirm that notice in writing with Us as soon as possible so that We can resolve Your query more quickly. Alternatively You can take it up with Your Financial Institution direct.

6.2 If We conclude as a result of Our investigations that Your Account has been incorrectly debited We will respond to Your query by arranging for Your Financial Institution to adjust Your account (including interest and charges) accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.

6.3 If We conclude as a result of Our investigations that Your Account has not been incorrectly debited We will respond to Your query by providing You with reasons and any evidence for this finding in writing.

7. Accounts

You should check:

- (a) with Your Financial Institution whether direct debiting is available from Your account as direct debiting is not available on all accounts offered by financial institutions;
- (b) Your account details which You have provided to Us are correct by checking them against a recent account statement; and
- (c) with Your Financial Institution before completing the Direct Debit Request if You have any queries about how to complete the Direct Debit Request.

8. Confidentiality

8.1 We will keep any information (including Your account details) in Your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that We have about You secure and to ensure that any of our employees or agents who have access to information about You do not make any unauthorised use, modification, reproduction or disclosure of that information.

8.2 We will only disclose information that We have about You:

- (a) to the extent specifically required by law; or
- (b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

9. Notice

9.1 If You wish to notify Us in writing about anything relating to this agreement, You should write to Your Account Manager.

9.2 We will notify You by sending a notice in the ordinary post to the address You have given Us in the Application Form to the PDS.

9.3 Any notice will be deemed to have been received on the third banking day after posting. Execution by You of the Application Form that contains the Direct Debit Request deems You to have read and understood the terms of this Direct Debit Request Service Agreement.

SECTION K - TRUSTEE DECLARATION (Trusts & SMSFs to complete)

This form must be provided to the Issuer by you, as Trustee of the Trust named in the Application Form (the "Trust"), if you are applying for Tailored Investment Solutions Berkshire Hathaway Units Series 5:

Dear Sir/Madam

This Trustee's Declaration is provided to the Issuer (and each of its related bodies corporate) in connection with the issue of the Tailored Investment Solutions Berkshire Hathaway Units Series 5

I am the Trustee of the Trust and am familiar with the documents constituting the Trust (the "Trust Documents") (and as amended if applicable) purporting to establish, and relating to, the Trust.

I hereby declare and confirm that:

1. The Trust and Trust Documents to have been validly constituted and is subsisting at the date of this declaration
2. I am empowered and authorised by the terms of the Trust Documents examined by me to enter into and bind the Trust to the transactions contemplated by the Terms of the Tailored Investment solutions Berkshire Hathaway Units Series 5 and the PDS dated 29 October 2018.

Trustee (Print Name)

Signature (Director/Trustee 1) Date

Tick capacity - mandatory for companies Sole Director Director Secretary

Tick capacity if appropriate: Individual Trustee Corporate Trustee Partner

Signature (Director/Trustee 2) Date

Tick capacity - mandatory for companies Sole Director Director Secretary

Tick capacity if appropriate: Individual Trustee Corporate Trustee Partner

ADVISER USE ONLY

Adviser Name (in full)

Adviser Postal Residential Address

City/Suburb/Town

State

Postcode

Country

Adviser Phone (business hours)

Adviser Email

Adviser
Stamp

Dealer Group name

Dealer Phone (business hours)

Dealer Group AFS License Number

Dealer Group ABN

IMPORTANT - MUST BE COMPLETED FOR EACH APPLICATION

The following must be completed in order to fulfil the legislative requirements of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* as amended from time to time ("**AML/CTF**"). Please refer to Section 16 for a guide to acceptable identification documentation.

| ID Document Details | Applicant 1 | | Applicant 2 | |
|---------------------|-----------------------------------|---|-----------------------------------|---|
| Verified From | <input type="checkbox"/> Original | <input type="checkbox"/> Certified Copy | <input type="checkbox"/> Original | <input type="checkbox"/> Certified Copy |
| Document Issuer | | | | |
| Issue Date | | | | |
| Expiry Date | | | | |
| Document Number | | | | |

Applicant Information

I confirm the following:

I confirm that I have sighted original or certified copies of the Applicants identity documents.

- I am registered with AUSTRAC as an item 54 reporting entity.
- I will hold the material from which I have verified the information for 7 years from the date of this investment.
- I have attached identity documents for this Application and will provide any available information about that client, if requested by the Issuer, its agent or AUSTRAC.
- I acknowledge that it may be a criminal offence to knowingly provide false, forged, altered or falsified documents or misleading information or documents when completing this Application form.

Authorised Investment Adviser Signature

Date

Authorised Representative Number

Payment of the Adviser Fee - consent to fee payment arrangements

By signing this Application Form, we:

- agree that our fee for the provision of financial product advice to the Investors(s) (i.e. the Adviser Fee) is as specified in Section C of the Application Form;
- consent to the collection of the Adviser Fee by the Issuer;
- agree that the Issuer has no liability to us for the amount of the Adviser Fee or the collection or remittance of the Adviser Fee to us;
- agree and acknowledge that if the Issuer decides not to proceed with the issue of the Units for any reason then the Adviser Fee will not be collected (or, if collected, will be returned to applicants without interest), the Adviser Fee will not be payable to us and we will have no action against the Issuer in respect of the Adviser Fee;
- agree and acknowledge that if the Unitholder(s) investment in the Units is terminated for any reason, the Adviser Fee will not be collected and we will have no action against the Issuer in respect of any unpaid Adviser Fee; and
- agree to indemnify and hold the Issuer harmless against any damage, loss, cost, liability or expense of any kind (including without limitation penalties, fines and interest) incurred by the Issuer arising from or connecting in any way with the collection and remittance of the Adviser Fee.

Tailored Investment Solutions Berkshire Hathaway Units Series 5 Issuer Buy-Back Form

This is an Issuer Buy-Back Form for Units in the Tailored Investment Solutions Berkshire Hathaway Inc. Class B Units issued by Tailored Investment Solutions Pty Ltd (ACN 169 320 905) and arranged by Pinnacle Securities Pty Ltd (ABN 61 608 667 778, AFSL 485760) This Issuer Buy-Back Form accompanies the PDS dated 29 October 2018 and any supplementary PDS issued for the Units. This form is to be used if you are an investor in the Units and wish to request an Issuer Buy-Back prior to Maturity. Please see the instructions on how to complete this Form in the PDS. This Buy-Back Request Form must be received by the Registrar by 2:00 pm in order to be processed that day.

SECTION A - INVESTOR DETAILS

I/We hereby apply for the following Units issued by Tailored Investment Solutions Pty Ltd pursuant to the PDS dated 29 October 2018 to be transferred from me/us to the Issuer.

Name of Seller (if a company, please provide full name and ABN/ACN/ARBN):

Address

City/Suburb/Town

State

Postcode

Country

Telephone

SECTION B - DETAILS OF THE UNITS TO BE SOLD

Investment:

Tailored Investment Solutions Berkshire Hathaway Units Series 5

Total Number of Units to be Sold (this must be greater than or equal to the Minimum Buy-Back Amount)*

*The Minimum Buy-Back Amount is 50,000 Units in a particular Series, provided Investors continue to hold at least 50,000 Units in that Series.

SECTION C - DECLARATIONS & SIGNATURES

I/We the registered Unitholder(s) request the Issuer Buy-Back the Units specified above, subject to the conditions contained in the PDS on which I/we held those Units at the time of signing of this form.

I/We have full legal power to request this Issuer Buy-Back and do so free of any encumbrance or security (whether registered or not).

I/We understand that there may be significant Break Costs for the Issuer Buy-Back.

I/We understand that the Buy-Back Price (if any) may differ significantly from the quoted value provided by TIS and/or the Hedge Provider.

I/We understand that the tax outcome may differ from the PDS by participating in an Issuer Buy-Back.

The Issuer strongly recommends you seek independent expert tax advice before submitting this request.

I/We understand by submitting the Issuer Buy-Back request, that it is irrevocable.

Signature of Unitholder 1

Name of Unitholder 1

Date

Tick capacity - mandatory for companies

Sole Director

Director

Secretary

Tick capacity if appropriate:

Individual Trustee

Corporate Trustee

Partner

Signature of Unitholder 2

Name of Unitholder 2

Date

Tick capacity - mandatory for companies

Sole Director

Director

Secretary

DIRECTORY

Issuer:

Tailored Investment Solutions
Suite 3.20, Capri on Via Roma
15 Via Roma
Isle of Capri QLD 4217
1300 760 397

Registrar:

Registry Direct Limited
Level 6, 2 Russell Street
Melbourne, VIC, 3000
1300 556 635

Issuer's Solicitors:

Baker & McKenzie
Tower One – International Towers Sydney
Level 46, 100 Barangaroo Avenue
Sydney NSW 2000

Arranger:

Pinnacle Securities Pty Ltd
Suite 1, Level 13
49 Clarence Street
Sydney NSW 2000

All Application Forms and Correspondence to the Issuer:

Tailored Investment Solutions
Suite 3.20, Capri on Via Roma
15 Via Roma
Isle of Capri QLD 4217

For more information please contact;

Tailored Investment Solutions

Suite 3.20, Capri on Via Roma
15 Via Roma
Isle of Capri QLD 4217

1300 760 397

www.tailoredinvestmentsolutions.com.au

info@tailoredinvestmentsolutions.com.au