



JBG Income Enhancer Deferred Purchase Agreements



**Series 1 – The Australian stock market as measured by the S&P/ASX 200
Price Return Index**

**Series 2 – Gold price as measured by the SPDR Gold Trust or Gold Spot Price
(London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD)**

Product Disclosure Statement 25 February 2013

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 25 February 2013 and is issued by JBG Structured Investments Pty Ltd (ACN 145 459 936) ("**the Issuer**") and arranged by Valuestream Investment Management Ltd (ACN 094 107 034, AFSL 246621) 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 Security Trustee, Custodian, 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 11.6 "Consents" of this PDS. The Reference Asset Sponsors are in no way connected or associated with the Units or the Issuer in any way. Please refer to Section 15 "Reference Asset Disclaimers" for further information.

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 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 investments in the Units.

Potential investors should note that the Issuer retains discretion to close the offer for a Series early and move the Commencement Date (and all other consequential dates) for a Series forward, or not to continue with the issue of a Series of Units on the Commencement Date and terminate any Units in that Series 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 a Series of Units if it considers that it and its affiliates have not completed sufficient arrangements for hedging their respective obligations in respect of that Series of Units or if the Minimum Total Subscription is not met. If a decision is made not to issue a Series of Units or terminate Units in a Series that have already been issued, the Issuer will return your Total Investment Amount without interest within 10 Business Days of the scheduled Commencement Date.

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 JBG Structured Investments website: www.jbgstructuredinvestments.com.au

A paper copy of this PDS (and any supplementary documents) can be obtained free of charge on request by contacting JBG Structured Investments. JBG Structured Investments can be contacted on (02) 8114 2222 or at PO Box R1837 Royal Exchange NSW 1225.

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 Security Trustee, the Arranger, the Custodian, 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 Application Fee paid by Investors. Please refer to Section 7 "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 12.2 of the Terms 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.

The image features a large, stylized logo for 'JBG Structured Investments'. The letters 'JBG' are rendered in a large, bold, serif font. Below 'JBG', the words 'Structured Investments' are written in a smaller, sans-serif font. The entire logo is set against a background of several overlapping, light-colored curved lines that create a sense of depth and movement. The overall color palette is a warm, light beige or cream color.

JBG

Structured Investments

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1. Overview

JBG Structured Investments ("JBG SI") provides a range of investment strategies to Australian investors. The JBG Income Enhancer Series 1 & 2 forms part of the JBG SI investment strategies.

The JBG Income Enhancer Series 1 & 2 is designed to offer flexibility over a three year investment term by offering Investors exposure to:

- the performance of the Australian share market as measured by the S&P/ASX 200 Price Return Index (Series 1); and/or
- the price of gold bullion as measured by either:
 - the SPDR Gold Trust; or
 - the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) (Series 2),

as determined by the Issuer in its absolute discretion on the Commencement Date.

For Series 2 of the JBG Income Enhancer, Investors will gain exposure to either the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD). The Issuer will choose on the Commencement Date which exposure Series 2 will offer to Investors (based on the best the Issuer can get when obtaining its hedge). This means that Investors will not be notified of the exposure offered under Series 2 until the Commencement Date. Investors must ensure that they are familiar with the features of both the SPDR Gold Trust and the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) and the risks associated with each separate exposure prior to making any investment decisions. Investors must be comfortable with investing in either the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD). Please refer to "Series 2 exposure risk" in Section 7 "Risks" for further detail.

Both the SPDR Gold Trust and the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) will provide Investors in Series 2 with exposure to the price of Gold. Please refer to "Price of gold bullion as measured by the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) (Series 2)" in section 4 "Investment Options" for further details about the exposures.

The SPDR Gold Trust is a listed exchanged traded fund that aims to replicate the performance of Gold Bullion less management fees. It enables investors to easily gain access to the performance of Gold Bullion in parcel sizes that suit their investment portfolio and without some of the problems associated with having to hold physical Gold Bullion (storage, theft risk etc.). The management fees are estimated at 0.40% p.a which would typically result in the SPDR Gold Trust lagging the Gold spot price by this amount. The Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) however, is the spot price of Gold Bullion. Both Reference Asset for Series 2 provide investors with exposure to the performance of Gold Bullion and by including both Reference Assets as an alternative, will help to ensure the Issuer can purchase an appropriate hedge to deliver the terms stated in this PDS.

Investors will receive:

- four fixed Semi-Annual Coupons calculated as the equivalent of 7.0%p.a (for Series 1) and 9.0%p.a (for Series 2) of the Initial Issue Price per Unit (the Semi-Annual Coupon). The Semi-Annual Coupon will apply regardless of the choice of exposure made on the Commencement Date);
- potential for returns at Maturity which depend on the Strategy Value (which provides exposure to the changes in value of the Reference Asset, subject to a cap of 4% gain each calendar month) on the Maturity Date and whether a Knock-in Event has occurred.

If a Knock-in Event has occurred (i.e. the Strategy Value is below 70% of the Initial Strategy Value on the Maturity Date), Investors will be exposed to the negative performance of the Strategy Value (i.e. the Final Value per Unit will be equal to $\$1.00 \times \text{Final Strategy Value/Initial Strategy Value}$).

If the Strategy Value is at or above the Knock-in Level, but less than or equal to the Initial Strategy Value, the Final Value per Unit will be the Initial Issue Price per Unit (regardless of the actual Issue Price at which the Investor acquired the Units).

If the Strategy Value is above the Initial Strategy Value, the Final Value will be calculated by reference to the increase in Strategy Value over the Investment Term (which is capped at 4% increase in the Reference Asset each month) i.e. the Final Value per Unit will be equal to $\$1.00 \times \text{Final Strategy Value/Initial Strategy Value}$.

2. Features of the JBG Income Enhancer Series 1 & 2 Units

FIXED COUPON PAYMENTS

Investors will receive four fixed Semi-Annual Coupon payments equivalent of 7.0% p.a (for Series 1) and 9.0 % p.a (for Series 2) of the Initial Issue Price per Unit for each series during the Investment Term (this means you will receive Semi-Annual Coupons during the first two years of the Investment Term only). Semi-Annual Coupon payments are equivalent to the amounts set out above. For example, Investors receive four Semi-Annual Coupons equivalent to 7.0% per annum for Series 1. This means that Investors will receive four Semi-Annual Coupons of 3.5% each during the first two years of the Investment Term and no coupons in the third year of the Investment Term.

These Coupons are fixed and do not depend on the increase (if any) in the Strategy Value above the Initial Strategy Value over each year of the Investment Term.

The Coupons are calculated by reference to the Initial Issue Price of the Units, even if the Investor acquired the Units during the Secondary Offer Period at an Issue Price that is less than or greater than the Initial Issue Price.

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 Issuer, Hedge Counterparty and Security Trustee" in Section 7 "Risks".

EXPOSURE TO THE REFERENCE ASSET

The Units provide Investors with exposure to the performance of the relevant Reference Asset over the Investment Term.

The Strategy Value is calculated on the Commencement Date, each monthly anniversary of the Commencement Date (or if that date is not a Scheduled Business Day, the next Scheduled Business Day) and on the Maturity Date by:

- calculating the Monthly Return which is subject to a performance cap of 4%. The Monthly Return is the minimum of 104% and the change in the Reference Asset Closing Price since the last Scheduled Business Day that the Monthly Return was calculated; and
- multiplying the Monthly Return with the product of all previous Monthly Returns. The effect of this is that returns on the Reference Asset are compounded.

If the minimum Monthly Performance Cap for a particular Series cannot be set at or above the relevant minimum level, the Issuer will not proceed with the offer of that Series. As at the date of this PDS, the Monthly Performance Cap is expected to be 104%. The Monthly Performance Cap will be set on the Commencement Date and will not be less than 103%.

Please see Section 3.2 "Key Information" for more details and Section 6 "Worked examples" for an example of the calculation of the Strategy Value.

FINAL VALUE AT MATURITY

The Final Value per Unit at Maturity will depend on whether or not a Knock-in Event has occurred, which is determined by the performance of the Strategy Value.

A Knock-in Event occurs if on the Scheduled Maturity Date, the Strategy Value is below 70% of its starting value (the Knock-in Level).

1. If a Knock-in Event has occurred, Investors will be exposed to the negative performance of Strategy Value. The Final Value will be a portion of the Initial Issue Price (regardless of the actual Issue Price at which the Investor acquired the Units) reflecting the negative performance of the Reference Asset i.e. the Final Value per Unit will be equal to $\$1.00 * \text{Final Strategy Value}/\text{Initial Strategy Value}$.
2. If the Strategy Value is at or above the Knock-in Level but at or below the Initial Strategy Value, the Final Value per Unit will be \$1.00 per Unit (i.e. the Initial Issue Price per Unit). In this way, the Units have Conditional Capital Protection against a fall in the Strategy Value over the Investment Term of less than 30% for Investors who acquired Units at the Initial Issue Price.
3. If the Strategy Value is above the Initial Strategy Value, the Final Value will reflect the increase in Strategy Value over the Investment Term i.e. the Final Value per Unit will be equal to $\$1.00 * \text{Final Strategy Value}/\text{Initial Strategy Value}$ (regardless of the actual Issue Price at which the Investor acquired the Units). This will be subject to the performance cap of 4% and the Monthly Performance Cap.

For more information please refer to Section 6.4 "The Final Value ", Section 5 "Maturity and Early Maturity" and Section 7 "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. 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, Hedge Counterparty and Security Trustee" in Section 7 "Risks".

ACQUIRE DELIVERY ASSETS

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 on your behalf). The value of the Delivery Parcel you receive will be determined by reference to the Final Value. The Final Value depends on the change in the Strategy Value over the Investment Term i.e. whether or not a Knock-in Event has occurred on the Maturity Date and whether there has been an increase in the Strategy Value above the Initial Strategy Value over the Investment Term.

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 should refer to "Counterparty risk of Issuer, Hedge Counterparty and Security Trustee" in Section 7 "Risks".

POTENTIAL BENEFITS OF INVESTING IN THE UNITS

The Units have been designed for Investors who:

1. Have a positive view of the Australian share market as measured by the S&P/ASX 200 Index (for Series 1) or the price of gold bullion as measured by either the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) (for Series 2) over the next three years and in particular believe that the relevant Reference Asset will increase between the Commencement Date and the Maturity Date and will not fall below the Knock-in Level.
2. Would like fixed income by way of four fixed Semi-Annual Coupons equivalent of 7.0% p.a (for Series 1) and 9.0% p.a (for Series 2) of the Initial Issue Price for each Series during the

Investment Term (which means you will only receive Semi-Annual Coupons during the first two years of the Investment Term).

3. Would like Conditional Capital Protection against exposure to a fall in the Strategy Value down to (but not below) the Knock-in Level (i.e. a fall of less than 30%) at Maturity and assuming the Units were purchased at the Initial Issue Price.
4. Are seeking an easy-to-access, three year investment with a competitive fee structure.
5. After Maturity, would like to receive shares in a leading Australian company.
6. May be looking for a suitable investment for their self managed superannuation fund.
7. 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 (comprising the Issue Price per Unit and any Application Fee paid). There is no guarantee that any Final Value will be paid (although there is Conditional Capital Protection from a fall in the Strategy Value of less than 30% over the Investment Term for investors who hold the Units to Maturity and acquired the Units at the Initial Issue Price).

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 the Australian share market as measured by the S&P/ASX 200 Index (for Series 1) or the price of gold bullion as measured by the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) (for Series 2) over the next three years and in particular believe that the Reference Asset will fall in value and the Strategy Value will be below the Knock-in Level on the Maturity Date.
2. Require capital protection of their Investment Amount in all circumstances (the Units only provide Conditional Capital Protection against a fall in value of the Strategy Value of less than 30% over the Investment Term).
3. Are unwilling to commit the Investment Amount for the full Investment Term of the Units.
4. Are unwilling to pay the Total Investment Amount (comprising the Issue Price per Unit and any Application Fee paid) up front for the full Investment Term of the Units.
5. Are unwilling to take the risk that the performance of the Units will be insufficient to recover the Total Investment Amount (comprising the Issue Price per Unit and any Application Fee paid).

This list is not comprehensive and does not take into account a potential Investor's personal needs and circumstances.

Before investing you should consider carefully the risks that relate to an investment in the Units. Please refer to Section 7 "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 relevant Reference Asset, and speak to their financial, legal and tax advisors. This document does not take into account a potential investor's own financial needs, investment goals or financial circumstances.

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

3. Product Summary

3.1 TIMELINE#

Initial Offer Opening Date	25 February 2013
Initial Offer Closing Date	21 March 2013
Application Payment Date	25 March 2013 This is the Application Payment Date for Applications lodged during the Initial Offer Period. The Application Payment Date for Applications lodged during the Secondary Offer Period is as advised by the Issuer.
Secondary Offer Opening Date	4 April 2013
Secondary Offer Closing Date	4 March 2016
Commencement Date ¹	3 April 2013 or as soon as reasonably practicable thereafter as determined by the Issuer
Monthly Price Observation Dates	Please refer to the Issuer's webpage after the Commencement Date for the Monthly Price Observation Dates and Section 14 "Formulae"
First Coupon Determination Date	3 October 2013
Second Coupon Determination Date	3 April 2014
Third Coupon Determination Date	3 October 2014
Fourth Coupon Determination Date	3 April 2015
Maturity Date	4 April 2016
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	Quarterly on the last Business Day of March, June, September and December commencing June 2013 (or otherwise at the Issuer's discretion). 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

This Timeline is indicative only. The Issuer may, in its discretion, extend or shorten the Initial Offer Period or Secondary 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 Initial Offer Period, the Secondary Offer Period or the Commencement Date for a Series it will post a notice on the website informing applicants of the change at www.jbgsi.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. For Units issued pursuant to the Initial Offer Period, 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.

The JBG Income Enhancer Series 1 & 2 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 for a Series and terminate the product for those Units already issued if there is a significant change in the Issuer's cost of hedging between the date of this PDS and the Commencement Date.

If a decision is made for any reason not to issue, or not to proceed with the issue of the JBG Income Enhancer Series 1 & 2, the Issuer will return the Total Investment Amount (which includes the Issue Price per Unit and Advisor Fees) to applicants (without interest) within 10 Business Days of the scheduled Commencement Date and any Units already issued will be terminated.

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.

¹ This is the date on which Units in relation to which Applications accepted during the Initial Offer Period will have exposure to the relevant Reference Asset. In relation to the Initial Offer Period, Units may be issued on or before the Commencement Date. The Issue Date for Applications accepted in the Secondary Offer Period will be confirmed in the Confirmation Notice issued to Investors.

3.2 KEY INFORMATION

This section contains the details of an investment and the general terms that apply to investing in the JBG Income Enhancer Series 1 & 2. This Product Disclosure Statement provides the terms Investors agree to when investing in the JBG Income Enhancer Series 1 & 2. The Issuer recommends that you seek professional advice from your investment adviser before making an investment decision.

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 depending on the volatility of the Reference Asset.

	Further information
Issuer	JBG Structured Investments Pty Ltd (ACN 145 459 936) ("JBG SI")
Arranger	Valuestream Investment Management Ltd (ACN 094 107 034, AFSL 246621)
Security Trustee	AET Structured Finance Services Pty Limited (ABN 12 106 424 088)
Custodian	JBG Nominees No.1 Pty Ltd
Registrar	Link Market Services Limited (ACN 083 214 537)
Initial Issue Price	\$1.00 per Unit, being the Issue Price at which Investors who acquire Units during the Initial Offer Period pay per Unit. The Coupons and Final Value are calculated by reference to the Initial Issue Price, even for Investors who acquired their Units at a different Issue Price.
Issue Price	The price per Unit determined by the Issuer, in its absolute discretion on the Scheduled Business Day on which an Application for Units in the Secondary Offer Period is accepted by the Issuer. The Issue Price for the Initial Offer Period is the Initial Issue Price. The Issue Price will depend on a number of factors, including without limitation, the current value of issued Units, the price and volatility of the Reference Asset, prevailing Australian interest rates, the time to Maturity and the Issuer's ability to obtain a hedge ² . Please refer to "Acquisition of Units during the Secondary Offer Period" below for more detail.
Listing	The Units will not be listed or displayed on any securities exchange.
Currency	Australian dollars
Minimum Investment Amount³	\$50,000 and \$10,000 for additional Units after the Initial Offer Period.
Minimum Buy-Back Amount	10,000 Units per Series providing Investors continue to hold at least 10,000 Units in the relevant Series. In the event that an Investor makes an Issuer Buy-Back Request which would result in the Investor holding less than 10,000 Units in a particular Series, then the Issuer will notify the Investor that it will hold less than 10,000 Units and seek the Investor's instruction whether to buy back the Investor's entire holding in that Series or reject the request.
Beneficial Interest	The beneficial interest in a Portion of the Delivery Asset held for each Unit an Investor holds. The beneficial interest will be set out in the Confirmation Notice sent to Investors and is a feature of the product designed to ensure the Units are a "security" under the Corporations Act.

² Please note the Issue Price for Units after the Initial Offer Period is determined by the Issuer in its absolute discretion and may be higher than the price at which the Issuer may buy-back Units from existing Investors.

³ The Issuer retains the discretion to lower the Minimum Investment Amount at any time for one or more applicants as it sees fit.

Reference Asset	Used as a reference point to calculate the Strategy Value. The Strategy Value is used when determining whether or not a Knock-in Event has occurred and calculating the Final Value of the Units.	
	<p>Series 1: S&P/ASX200 Price Return Index ASX Code: XJO</p> <p>The S&P/ASX 200 Index is considered to be Australia's premier index for measuring the performance of Australia's largest 200 companies based on market capitalisation. Eligibility for inclusion in the S&P/ASX200 is determined from listed shares and is based on market capitalisation and liquidity. If a share is removed it will be replaced by another that meets the eligibility requirements.</p> <p>For more information on the S&P/ASX200 Index please visit www.asx.com.au or www.standardandpoors.com</p>	
	<p>Series 2: SPDR Gold Trust Bloomberg Code: GLD:US</p> <p>SPDR Gold Trust is an investment fund incorporated in the USA. The investment objective of the SPDR Gold Trust is for the units in the trust to reflect the performance of the price of Gold Bullion, less the SPDR Gold Trust's expenses. Specifically, a unit in the SPDR Gold Trust is designed to track the price of a tenth of an ounce of gold. The SPDR Gold Trust holds gold and is expected from time to time to issue "baskets" of 100,000 SPDR Gold Trust units in exchange for deposits of gold and to distribute gold in connection with redemptions of the baskets.</p> <p>For more information on the SPDR Gold Trust please visit www.spdrgoldshares.com</p> <p>OR</p> <p>Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) Bloomberg Code: GOLDLNPM</p> <p>On the 12th September 1919 at 11.00am the first gold fixing took place. The "gold fix" is the procedure by which the price of gold is determined twice each business day by members of the London Gold Market Fixing Ltd. For over 80 years the members of the London Gold Market Fixing Ltd have been fixing the price of gold providing market users with the opportunity to buy and sell gold at a single quoted price. It also provides a published benchmark price that is widely used as a pricing medium by producers, consumers, investors and central banks. Gold fixing provides a recognised rate that is used as a benchmark for pricing the majority of gold products and derivatives. The fix is carried out twice a day at 10:30a.m. and 3p.m. London local time by the 5 members via a dedicated conference call facility. The price is then published on the London Gold Market Fixing Ltd's website (see below). The investment bank that provides the Issuer its hedge on the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) will typically use a financial instrument such as futures to gain the exposure required to meet their hedging requirements. Any fees incurred as a result of using the financial instrument will be incurred by the investment bank.</p> <p>For more information on London Gold Market Fixing Ltd please visit www.goldfixing.com</p>	
Reference Asset Sponsor	<p>Series 1: Standard and Poor's being the Index Sponsor for the S&P/ASX 200 Index. Series 2: World Gold Trust Services LLC being the Index Sponsor for the SPDR Gold Trust</p>	Section 15 "Reference Asset Disclaimers"
Reference Asset Closing Price	<p>Series 1: The S&P/ASX 200 Index level published at the close of trading on the ASX on any Business Day. Series 2: The SPDR Gold ETF level published at the close of trading on the NYSE Arca on any Business Day (if the Reference Asset is the SPDR Gold Trust). OR The LBMA PM Fixing Price published on Bloomberg at close of business on any Business Day or any other price determined by the Hedge Counterparty (if the Reference Asset is the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD)).</p>	

Withdrawal of the Units	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. the Issuer being 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, return the Total Investment Amount (comprising the Issue Price per Unit and any Application Fee) without interest.
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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.
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Scheduled Business Day	As defined in Section 13 "Definitions" in this PDS.
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Calculation of the Strategy Value

Strategy Value	<p>The Strategy Value is calculated on each Calculation Date (i.e. the Commencement Date, each monthly anniversary of the Commencement Date (or if that date is not a Scheduled Business Day, the next Scheduled Business Day) and on the Maturity Date) by:</p> <ul style="list-style-type: none"> calculating the Monthly Return which is subject to a performance cap of 4%. The Monthly Return is the minimum of 104% and the change in the Reference Asset Closing Price since the last Scheduled Business Day that the Monthly Return was calculated; and multiplying the Monthly Return with the product of all previous Monthly Returns. The effect of this is that returns on the Reference Asset are compounded.
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$$\text{Strategy Value}_t = \prod_{n=0}^{n=t} \text{Monthly Return}_n$$

Where:

$\prod_{n=0}^{n=t} \text{Monthly Return}_n$ means the product of all previous Monthly Return_n from n=0 to n=t

Monthly Return₀ means 1

Monthly Return_n means Min (1.04, Price_n/Price_{n-1})

Price_n means the Reference Asset Closing Price on the Scheduled Business Day n

Price_{n-1} means the Reference Asset Closing Price on the Scheduled Business Day n-1 (i.e. the Reference Asset Closing Price on the month before Day n.)

Price₀ means the Reference Asset Closing Price on the Commencement Date.

The Strategy Value will be published by the Issuer on their website www.jbgsi.com.au within 10 Business Days of each Calculation Date.

If the minimum monthly Performance Cap for a particular Series cannot be set at or above the relevant minimum level, the Issuer will not proceed with the offer of that Series. As at the date of this PDS, the Monthly Performance Cap is expected to be 104%. The Monthly Performance Cap will be set on the Commencement Date and will not be less than 103%.

Initial Strategy Value	The Strategy Value on the Commencement Date will be 100.
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Final Strategy Value	The Strategy Value on the Maturity Date
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Structured Investments

Returns on the Units		
Coupons	<p>The Units will pay four fixed Semi-Annual Coupon payments Semi-Annually, the equivalent of 7.0% p.a (for Series 1) and 9.0% p.a (for Series 2) of the Initial Issue Price per Unit on the Coupon Payment Dates (this means you will receive Semi-Annual Coupons during the first two years of the Investment Term only). Semi-Annual Coupon payments are equivalent to the amounts set out above. For example, Investors receive four Semi-Annual Coupons equivalent to 7.0% per annum for Series 1. This means that Investors will receive four Semi-Annual Coupons of 3.5% during the first two years of the Investment Term and no coupons in the third year of the Investment Term.</p> <p>These Coupons are fixed and do not depend on the increase (if any) in the Strategy Value above the Initial Strategy Value over each year of the Investment Term.</p> <p>The Coupons are calculated by reference to the Initial Issue Price of the Units, even if the Investor acquired the Units during the Secondary Offer Period at an Issue Price that is less than or greater than the Initial Issue Price.</p> <p>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 Issuer, Hedge Counterparty and Security Trustee" in Section 7 "Risks".</p>	<p>Section 6 "Worked Examples"</p> <p>Section 14 "Formulae"</p>
Knock-in Event	A Knock-in Event occurs if on the Maturity Date, the Strategy Value is below the Knock-in Level.	
Knock-in Level	70% of the Initial Strategy Value	
Final Value at Maturity	<p>The Final Value per Unit at Maturity will depend on whether or not a Knock-in Event has occurred, which is determined by the performance of the Strategy Value.</p> <ol style="list-style-type: none"> 1. If a Knock-in Event has occurred, the Final Value per Unit will be equal to $\\$1.00 * \text{Final Strategy Value} / \text{Initial Strategy Value}$. Investors will be exposed to the negative performance of the Strategy Value at Maturity. Importantly, this means that if the Strategy Value has fallen 100% over the Investment Term, the Final Value will be zero and Investors will have lost their Total Investment Amount (being the Issue Price per Unit and any Application Fee Paid). 2. If the Strategy Value is at or above the Knock-in Level but at or below the Initial Strategy Value, the Final Value per Unit will be $\\$1.00$ per Unit (i.e. the Initial Issue Price per Unit). In this way, the Units have Conditional Capital Protection. 3. If the Strategy Value is above the Initial Strategy Value, the Final Value per Unit will be equal to $\\$1.00 * \text{Final Strategy Value} / \text{Initial Strategy Value}$. <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 should refer to "Counterparty risk of Issuer, Hedge Counterparty and Security Trustee" in Section 7 "Risks".</p>	<p>Section 6 "Worked Examples"</p> <p>Section 14 "Formulae and Calculation Table"</p>
Conditional Capital Protection	<p>If a Knock-in Even has not occurred, the Final Value will be equal to or greater than the Initial Issue Price per Unit.</p> <p>In this way, the JBG Income Enhancer Series 1 & 2 provides Conditional Capital Protection against a fall in the Strategy Value over the Investment Term of less than 30% of the Initial Strategy Value for Investors who acquired the Units during the Initial Offer Period and hold the Units to Maturity. The Conditional Capital Protection does not apply if a Knock-in Event occurs, if there is Early Maturity of the Units for any reason or if the Units are subject to Issuer Buy-Back.</p>	Section 7 "Risks"

Maturity		
Delivery Parcel	<p>On Maturity, the Issuer intends to deliver a parcel equal in value to the Final Value per Unit containing ordinary shares in Telstra Limited (ASX Code: TLS, website: www.telstra.com.au) ("Delivery Asset").</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, 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, but after the Maturity Date, the value of the security will be determined by the price of the security as traded on the ASX.</p> <p>You should be aware that the Issuer can change or substitute the Delivery Asset in certain circumstances, and you should take this into account when considering whether to invest in the Units.</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	<p>After Maturity the Delivery Assets are transferred to Investors or sold on their behalf if they request to use (or are deemed to have elected to use) the Agency Sale Option.</p>	<p>Section 5 "Maturity and Early Maturity"</p>
Early Maturity & Issuer Buy-Back	<p>The JBG Income Enhancer Series 1 & 2 can mature early if an Early Maturity Event occurs or if an Investor requests (and the Issuer accepts) an Issuer Buy-Back.</p>	<p>Section 5 "Maturity and Early Maturity"</p> <p>Clause 5 "Early Maturity" of the Terms in the PDS.</p>

Acquisition of Units during the Secondary Offer Period

An Investor may apply to the Issuer (through their Advisor) to acquire Units during the Secondary Offer Period (which commences after the Initial Offer Period closes), but should note the following differences:

- the Issue Price payable for each Unit will be determined by the Issuer as described under "Issue Price" above;
- if a Knock-in Event occurs, Investors who purchase Units in the Secondary Offer Period at an Issue Price greater than the Initial Issue Price will suffer a greater loss, as the exposure to the negative performance of the Strategy Value following a Knock-In Event are applied to the Initial Issue Price and not to the actual Issue Price paid by an Investor;
- if a Knock-in Event occurs, the calculation of the Final Value and the Investor's exposure to the Strategy Value will also be calculated by reference to the Initial Issue Price. If the Investor paid more than \$1.00 for their Units, this will represent a greater loss per Unit than Investors who invested at the \$1.00 Initial Issue Price during the Initial Offer Period; and
- if the Strategy Value is at or above the Knock-in Level at Maturity but at or below the Initial Strategy Value, Investors who purchase Units in the Secondary Offer Period at an Issue Price greater than the Initial Issue Price will not receive their total Investment Amount back as the Final Value per Unit will be the Initial Issue Price per Unit (regardless of the actual Issue Price paid by the Investor);
- if the Strategy Value has increased over the Investment Term and the Final Strategy Value exceeds the Initial Strategy Value, Investors who purchase Units in the Secondary Offer Period at an Issue Price greater than the Initial Issue Price will receive a lower overall return, as the exposure to the positive performance of the Strategy Value above the Initial Strategy Value at Maturity is applied to the Initial Issue Price and not to the actual Issue Price paid by an Investor;
- the Investor's broker or adviser may charge commission or brokerage at their discretion which will be payable by the Investor in addition to the Issue Price paid to the Issuer for the Units (which may take into account an amount referable to the Application Fee).

The Units purchased by Investors applying during the Secondary Offer Period will be subject to the same Terms as the Units issued at the end of the Initial Offer Period. In other words, the Final Value for these Units will be the same as for Units issued earlier.

Please note that while the Issuer intends to issue Units only once per week during the Secondary Offer Period, it retains the discretion to issue Units at any time.

Fees and costs

Fees paid by the Issuer

Fees paid by the Investor

Application Fee By signing the Application Form and applying for Units, you agree to pay an Application Fee of up to 2.2% of the Investment Amount to your Adviser. You authorise the Issuer to collect this Application Fee and pay it to your Adviser.

The Application Fee is collected by the Issuer as agent for the 3rd Party Dealer Groups.

For example, if you apply for an Investment Amount of \$50,000 during the Initial Offer Period (being the Minimum Investment Amount), you will pay Application Fee of \$1,100 (being 2.2% of \$50,000). The Issuer collects the Application Fees on behalf of 3rd Party Dealer Groups. Your Total Investment Amount would therefore be \$51,100.

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 of Units 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.

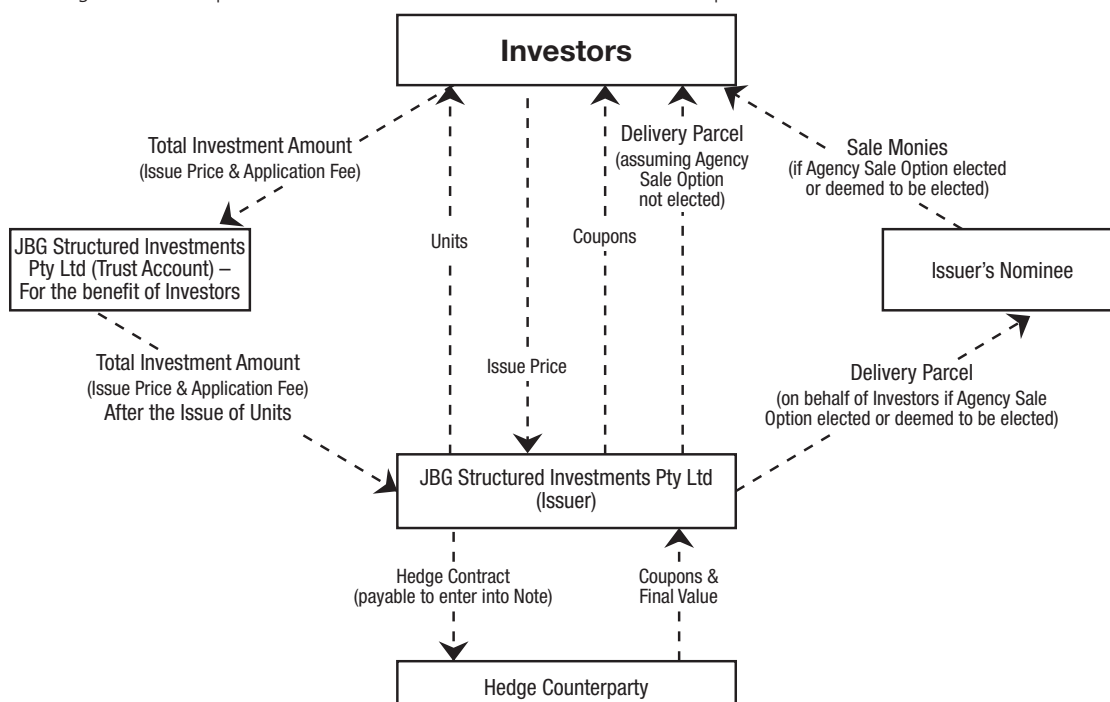
Transaction Flows

In order to invest in the Units, Investors must pay the Total Investment Amount which comprises the Issue Price for each Unit and any Application Fee payable. For these payments, Investors receive exposure of \$1.00 per Unit to the relevant Reference Asset. 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 delivered to a nominee of the Issuer and 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 two fixed 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 flow between the relevant parties:



For further information on the Hedge Agreement, please refer to "Counterparty risk of the Issuer, Hedge Counterparty and Security Trustee" under "Key Risks" in Section 3.2 "Key Information" and in Section 7 "Risks" of the PDS. For more detail on the maturity processes, including the Agency Sale Option, please refer to Section 5 "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 above listed risks as well as other significant risks and other risks which may be applicable to investing in the Units are outlined in Section 7 "Risks". Investors should ensure that they have closely read Section 7 "Risks" of the PDS before investing in the Units.

Choice of Series 2 exposure – At the Commencement Date, the Issuer will determine whether Series 2 Units will give exposure to the price of gold via the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD). The features of each exposure are different and there are different risks associated with each exposure. Please refer to "Price of gold bullion as measured by the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) (Series 2)" in Section 4 "Investment Options" for further details about the exposures.

Total Investment Amount – There is no guarantee that the Units will generate returns in excess of the Total Investment Amount (comprising the Issue Price for each Unit and any Application Fee paid). Additionally, in the event of an Investor requested Issuer Buy-Back, an Early Maturity Event, you will not receive a refund on the Total Investment Amount.

Knock-in Event – If the Strategy Value is below the Knock-in Level on the Maturity Date, a Knock-in Event occurs and Investors will be exposed to the negative performance of the Strategy Value. Importantly, this means that if the Strategy Value has fallen 100% over the Investment Term, the Final Value will be zero and Investors will have lost their Total Investment Amount (being the Issue Price per Unit and any Application Fee Paid) less any Coupons paid.

Conditional Capital Protection – If a Knock-in Event has not occurred, the Final Value will be equal to or greater than the Initial Issue Price per Unit. In this way, the JBG Income Enhancer Series 1 & 2 provides Conditional Capital Protection against a fall in the Strategy Value over the Investment Term of less than 30% of the Initial Strategy Value for Investors who acquire the Units during the Initial Offer Period hold the Units to Maturity. The Conditional Capital Protection does not apply if a Knock-in Event occurs, if there is Early Maturity of the Units for any reason or if the Units are subject to Issuer Buy-Back.

Acquisition of Units during the Secondary Offer Period – Investors who acquire Units during the Secondary Offer Period at an Issue Price above the Initial Issue Price will receive a lower overall return, or make a greater loss, as the Coupons and Final Value are calculated by reference to the Initial Issue Price.

Calculation of the Strategy Value – cap on Monthly Return – The Strategy Value is calculated by the Monthly Return (subject to a performance cap of 4%) and multiplying the Monthly Return to the product of all previous monthly returns. Due to the way that the Monthly Return is calculated, Investors are not exposed to any increases in the Reference Asset of over 4% across a single month.

Early Maturity – The Units may mature early following an Early Maturity Event, including as a result of an Adjustment Event or Market Disruption Event or if your request for an Issuer Buy-Back is accepted. If the Units are subject to Early Maturity for any reason, you will not be entitled to a refund of the Total Investment Amount (comprising the Issue Price for each Unit and Application Fee payable) and the Conditional Capital Protection will not apply.

Performance of the Reference Asset – The relevant Reference Asset (being the S&P/ASX 200 Index for Series 1 or the price of gold bullion as measured by either the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) for Series 2) may not perform well. This may be caused by a number of factors, including global, country, industry or asset specific factors.

Commodity risk (Series 2) – Because the Reference Asset for Series 2 provides exposure to Gold Bullion, general commodity risks will apply to Gold Bullion. In particular, the price of Gold may be affected by:

- fluctuations in global interest rates; and
- force majeure events, such as natural disasters or wars.

Exchange Traded Fund Risk (Series 2) – if the Reference Asset for Series 2 is the SPDR Gold Trust then there is the risk that the value of the Reference Asset does not match the value of Gold Bullion which the Reference Asset seeks to track. This is because the SPDR Gold Trust that may be used as the Reference Asset for Series 2 is an exchange traded fund that seeks to replicate the performance of Gold Bullion less management fees. In certain circumstances, this replication may not be exact (for example, due to an error in the calculation or other management fees) and the value of the Reference Asset will not match the performance of Gold Bullion.

Hedge Risks – the following risks may effect the Hedge Agreement, and in turn affect the value of your Units or result in an Early Maturity Event:

- The occurrence of any event that prevents, restricts or delays the Hedge Counterparty from converting or delivering relevant currencies or otherwise leads to a delayed and/or reduced payment under the Hedge Agreement.
- The Hedge Counterparty may make certain modifications to the Hedge without the consent of the Issuer.
- Foreign tax legislation may impose taxes on payments made by the Hedge Counterparty, received by the Hedge Counterparty or on payments made under the Hedge.

Futures Risk – if the Reference Asset is the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD), exposure is gained through a futures contract over the gold price. There is leverage involved in the nature of futures transactions which will magnify losses as well as gains. There are risks associated with intra-day pricing and rolling of futures contracts. Please refer to "Derivatives risk" in Section 7 "Risks" for further information.

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.

Counterparty risk of Issuer, Hedge Counterparty, Security Trustee – 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.

However, the Issuer has put in place a corporate structure which is designed to give Investors security over the Issuer's rights against the relevant Hedge Counterparty (through the Hedge Security Deed for a Series and Security Trust Deed) in the event of the Issuer becoming insolvent.

The Issuer will enter into the Hedge Agreements with the relevant Hedge Counterparties. 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 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 on the following website <http://www.jbgsi.com.au/sites/default/files/files/jbgsifinancials.pdf>. 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 which support the ringfencing structure as described in this PDS and provide competitive pricing.

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 Issuer will also grant for each Series a Security Interest to the Security Trustee by way of a Hedge Security Deed which is enforceable in the event of the Issuer failing to meet its obligations under the PDS, or becoming insolvent (please note "Risk relating to enforcement of the Hedge Security Deed and appointment of an administrator" in Section 7 "Risks"). The Issuer grants the Hedge Security Deed over the Secured Property which includes the Issuer's rights under the Hedge. The Hedge Security Deed for a Series is held on trust by the Security Trustee for Investors of that Series and itself pursuant to the Security Trust Deed. There is one Hedge Security Deed for each Series. Each Hedge Security Deed only secures the relevant Secured Property of a Series and is therefore ringfenced and protected (other than in the circumstances discussed below) from cross-liability of the other Hedge Security Deeds and Series. The Issuer undertakes to only issue financial products which are a distinct separate series and where the relevant assets are ringfenced from cross-liability in a similar manner to that described in this PDS.

The Hedge Security Deed in relation to a Series also becomes enforceable by the Security Trustee where there is an Event of Default under the Hedge Security Deed for that Series. Amongst other things, this includes where the Issuer fails to make a payment or delivery to Investors due to them in relation to the Series of Units (subject to any applicable grace period). If this occurs, the Security Trustee has the power to enforce the Hedge Security Deed of that Series for and on behalf of Investors of that Series.

The Secured Property in relation to a Series under the Hedge Security Deed includes the Issuer's rights under the Hedge Agreement for that Series. Once the Event of Default for a Series has occurred and the Security Trustee has knowledge of the occurrence of that Event of Default in accordance with the Security Trust Deed, notice of that Event of Default will be given to the relevant Hedge Counterparty. Following the enforcement of the Hedge Security Deed, the Security Trustee will be able to exercise the Issuer's rights under the Hedge in accordance with the terms of the Security Trust Deed and the Hedge Security Deed for that Series.

Following an Event of Default of the Series, unless the Security Trustee is expressly required to seek the instructions of the Majority Investors of a Series, the Security Trustee may request the instructions of the Majority Investors and act in accordance with those instructions or act as it considers is in the best interests of the Investors and itself as a whole or as it determines in its reasonable discretion.

In accordance with the terms of the Security Trust Deed and the Hedge Security Deed for that Series, the Security Trustee could either seek to unwind the Hedge Agreement for the Series early and distribute the proceeds to Investors of that Series. Alternatively, the Security Trustee could leave the Hedge Agreement to expire on the Scheduled Maturity Date in accordance with its terms and distribute the proceeds to Investors at that point. For further details please refer to "Arrangements to protect Investors in each Series" in Section 8 "Parties to the Offer" and the description of the Security Trust Deed and Hedge Security Deed in Section 11 "Additional Information".

The Hedge Agreement for each Series will be a derivative entered in by the Issuer and one or more Hedge Counterparties. Under the terms of the Hedge Agreement, the Issuer will pay an upfront payment to enter into the transaction and will ensure there is never a net amount owing from the Issuer to the Hedge Counterparty under the Hedge Agreement.

Prior to each Coupon Payment Date, the Issuer may receive, a payment from the Hedge Counterparty of a Series equivalent to the total Coupons due to be paid to Investors for that Series. This amount received from the Hedge Counterparty can be paid to Investors of that Series.

Prior to the Settlement Date, the Issuer may receive in respect of a Series, a cash amount equal to or a parcel of the Delivery Assets equal in value to the Final Value due to be paid to Investors for that Series. The Delivery Assets received from the Hedge Counterparty of a Series or, in the case that cash was received from the Hedge Counterparty, Delivery Assets purchased with this cash, can be delivered to Investors of that Series in accordance with the PDS.

Investments

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 and interest paid even if the Hedge Security Deed is enforced.

There is also the risk that the Security Trustee may be unable to perform its obligations under the Security Trust Deed and the relevant Hedge Security Deed.

Please refer to Section 11 "Additional Information" for more details on the Security Trust Deed and Hedge Security Deed.

Default under the Hedge for another Series – There is a separate Hedge for each Series and, except in the case of an insolvency event, the right to set off and net payments applies separately to the Hedge for each Series. However, if there is an insolvency event (in relation to either the Issuer or the Hedge Counterparty) under a Hedge, then the Hedges for all Series may terminate and the relevant Hedge Counterparty and the Issuer will have the right to set off and net the amounts payable on termination across the Hedges for all Series (where the Hedge Counterparty is the counterparty). The Issuer will ensure that there will never be a net amount owing from the Issuer to the Hedge Counterparty under the Hedge. The Hedge Counterparty's right to set off and net will apply before the rights that an investor has under the relevant Hedge Security Deed and therefore may adversely affect the amount that is recoverable by enforcing the Hedge Security Deed. This means that Investors may receive zero and lose their Total Investment Amount and any fees and interest paid even if the Hedge Security Deed is enforced. If the Security Trustee receives money that is not directly referable to a particular Series, the Security Trustee may allocate the money between the different Series based on valuations of the Hedge or Units for each Series. For further information please see Section 9.4 under "Remaining cross-liability risks".

The Issuer may have a number of different Hedges (i.e. for a number of different Series) with one Hedge Counterparty. In this case, if the Issuer defaults under one of the Hedges only and the relevant default is a default under the other Hedges with that Hedge Counterparty, the Hedge Counterparty has the ability to elect whether to terminate all the outstanding Hedges, or whether to suspend any payment or delivery obligations the Hedge Counterparty owes. Although the Hedge Counterparty cannot net across all the Hedges (unless the Issuer is insolvent), the early termination or payment suspension of all Hedges outstanding with that Hedge Counterparty may adversely impact the return Investors in those affected Series may receive. The Issuer will ensure that there will never be a net amount owing from the Issuer to the Hedge Counterparty under the Hedge, which will reduce the risk of such cross default. Similarly, if the Hedge Counterparty defaults under one Hedge only, the Issuer has the ability to elect to terminate all outstanding Hedges with that Hedge Counterparty or suspend its obligations to the Hedge Counterparty.

Default under the Hedge or Hedge Agreement. There is a risk that an early termination event or other type of event will occur under the Hedge Agreement resulting in the Hedge Agreement being terminated early. In these circumstances, the Issuer may receive substantially less than anticipated in relation to the Hedge Agreements. This will likely result in an Early Maturity Event or an Adjustment Event under the Units.

Termination of a Separate Trust or the Security Trust Deed and removal and replacement of Security Trustee. A Separate Trust is created under the Security Trust Deed for each Series. Each Separate Trust will terminate in a number of circumstances including on the Business Day on which the Security Trustee notifies the Issuer that it is satisfied that the Issuer has irrevocably and unconditionally satisfied in full its Secured Obligations in respect of that Separate Trust and the Trust Fund for that Separate Trust is distributed in full. The Security Trustee may also resign or be removed. No resignation or removal of the Security Trustee takes effect until a successor Security Trustee has been appointed.

Event of Default under the Hedge Security Deed. There is an overlap between the Events of Default under the Hedge Security Deed of a Series and under the Hedge of that Series. If an Event of Default under the Hedge Security Deed of a Series occurs, it is very likely that it will also constitute an Event of Default under the Hedge of that Series. If the defaulting party is the Issuer (as "Grantor") 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. Therefore, even though the Secured Property of that Series is charged for the benefit of Investors of that Series, if an Event of Default occurs and the Hedge Security Deed of that Series is enforced, Investors may receive nothing, depending upon the value of the Secured Property of that Series at the time of enforcement.

Recourse by Investors is limited to each Series. Investors in any one Series are limited in their recourse against the Issuer (for example, if the Issuer defaults under the Units or the PDS) to only the Secured Property of that Series (including the Hedge) subject to their Hedge Security Deed. Otherwise, Investors have no right of recourse against the Issuer whatsoever.

Hedge Counterparty risk. The Issuer will enter into the Hedge Agreements with the relevant Hedge Counterparties. 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 credit exposure to the creditworthiness of a Hedge Counterparty through the relevant Hedge). 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 which support the ringfencing structure as described in this PDS and provide competitive pricing. 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 entry 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.

Other		
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.	Section 10 "Taxation"
Self-managed superannuation funds (SMSFs)	This product is open to SMSFs to invest in. The Issuer recommends that SMSFs seek individual financial and taxation advice before investing in the Units or entering into any subsequent dealing in the Units.	

Structured Investments

4. Investment Options

The JBG Income Enhancer Series 1 & 2 is designed to offer flexibility over a three year investment term by offering Investors exposure to:

- the performance of the Australian share market as measured by the S&P/ASX 200 Price Return Index (Series 1); and/or
- the price of gold bullion as measured by the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD)(Series 2).

For Series 2 of the JBG Income Enhancer, Investors will gain exposure to either the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD). The Issuer will choose on the Commencement Date which exposure Series 2 will offer to Investors. This means that Investors will not be notified of the exposure offered under Series 2 until the Commencement Date. Investors must ensure that they are familiar with the features of both the SPDR Gold Trust and the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) and the risks associated with each separate exposure prior to making any investment decisions Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD). Please refer to "Series 2 exposure risk" in Section 7 "Risks" for further detail.

Historical performance and simulations

This section includes a number of graphs showing how the various features of the product would have performed over certain time periods. Unless otherwise specified, each of the graphs shows simulated returns for the Units, or a particular feature of the returns on the Units (for example, the Strategy Value) over the 3 year period finishing on the date specified in the graph.

The values are based on the values which would have applied to the Units on that date. Data for the Reference Asset is based on the historical data for the Reference Asset over the relevant time period. In calculating the historical performance of the Reference Asset and simulated historical levels of the Strategy Value, the Issuer has assumed that there were no Adjustment Events or Market Disruption Events which would have resulted in the Early Maturity of the Units (although the Issuer is not aware of any events which would have resulted in the Early Maturity of the Units for the period which the graphs cover). Where there was a Market Disruption Event or other event which prevented the publishing of the level of the Reference Asset in the relevant period or the calculation of the Strategy Value, the Issuer has used the level which applied on the previous day.

It is important that Investors note that simulated and historical returns are not a reliable indicator of future returns. Investors should be cautious when using historical data or simulated historical data to assess the hypothetical performance of the Strategy Value.

The Issuer does not guarantee the accuracy or completeness of information which is contained in this PDS and which is stated to have been obtained from or is based upon trade and statistical services or other third party sources. Any data on past performance, modelling or back-testing contained herein is no indication as to future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modelling or back-testing. All opinions and estimates are given as of the date hereof and are subject to change. The value of any investment may fluctuate as a result of market changes. The information in this PDS is not intended to predict actual results and no assurances are given with respect thereto.

4.1 SERIES 1 – THE AUSTRALIAN SHARE MARKET AS MEASURED BY THE S&P/ASX 200

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

- income via four Coupon payments during the Investment Term; and
- gains at Maturity via the potential delivery of a Delivery Parcel with a value determined by reference to the Final Value.

4.2 THE STRATEGY VALUE

The graph below shows the historical levels of the Reference Asset and the simulated performance of the Strategy Value and Fixed Coupons on a rolling 3 year basis ending on each Scheduled Business Day from 3 July 1995 to 23 January 2013 (representing the entire data range for the Reference Asset for Series 1). This simulation has been provided to enable Investors to compare on a historical basis the performance of the Reference Asset versus the simulated performance of the Strategy Value and Fixed Coupons on a rolling 3 year basis. The Final Value depends on the performance of the Strategy Value. The Strategy Value is calculated on each Calculation Date (the first Calculation Date being the Commencement Date and monthly thereafter until the Scheduled Maturity Date) as described in Section 3.2 "Key Information" and depends on the Monthly Return for the previous month (i.e. the change in the Reference Asset Closing Price since the previous Calculation Date) and the Monthly Return for each previous month since the Commencement Date.

Please note that it does not take any fees into account and **does not show the performance or return the Units would have generated.** It is intended to show Investors only how the Strategy Value (which determines the Final Value per Unit) would have performed plus the Fixed Coupons. Historical prices for the Reference Asset do not include any dividends payable in respect of the underlying securities

over the Investment Term.

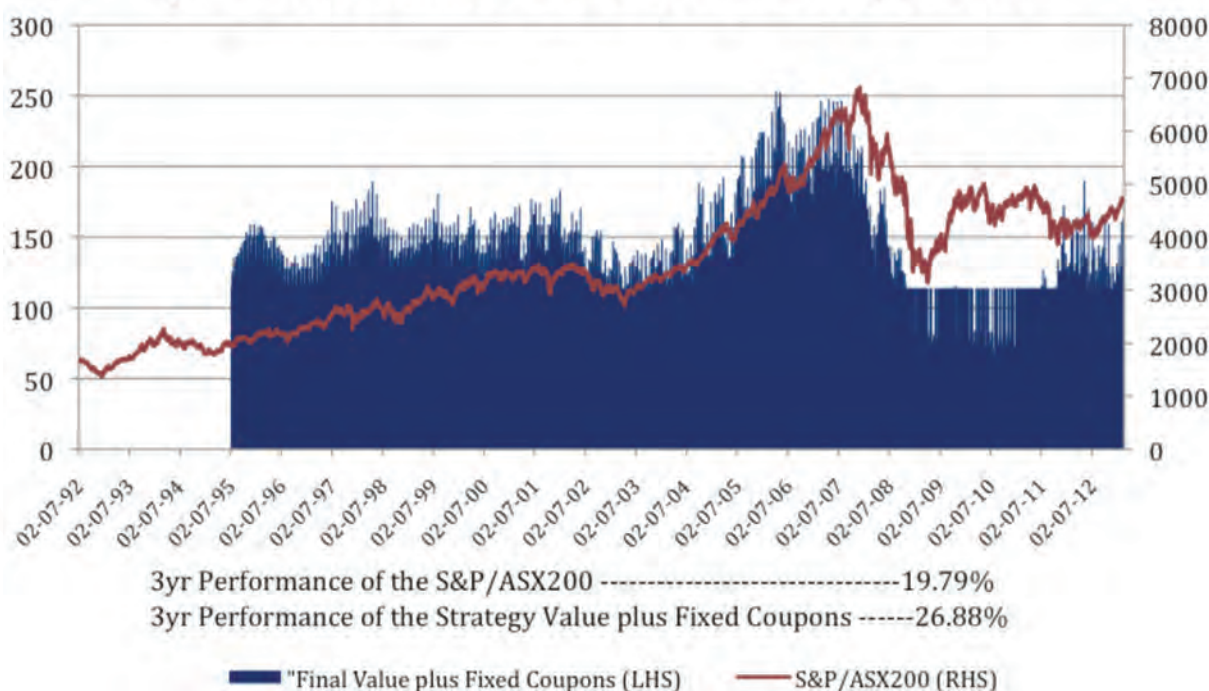
The data shown in the graph and the average 3 year rates of return published under the graphs do not take any fees into account (as there are no fees relevant to the Reference Asset or Strategy Value) and they are based on the historic levels of the S&P/ASX 200 Index and the simulated historic levels of the Strategy Values.

The 3 year rate of return on any Scheduled Business Day is calculated by taking the value (of the S&P/ASX 200 Index or the Strategy Value) as at that date and subtracting the value as at the Scheduled Business Day 3 years beforehand, this figure is then divided by the value as at the Scheduled Business Day 3 years beforehand and converted to a percentage. For the Units, you then add the Fixed Coupons to this number. The calculation of the average 3 year rate of return involves adding the rate of return for all Scheduled Business Days shown on the graph and dividing by the total number of Scheduled Business Days in the period from 3 July 1995 to 18 February 2013. The average 3 year rate of return is 19.79% for the S&P/ASX 200 Index and 26.88% for the Units. These average 3 year rates of return are equivalent to an annualised compound rate of return of 6.20% p.a. for the S&P/ASX 200 Index and 8.26% p.a. for the Units.

Investors should note that in calculating the above simulated Strategy Value, the Issuer has used the actual historical levels of the Reference Asset (but has not taken into account any dividends or distributions which would have been paid on the securities which make up the index during the relevant period, nor has it taken into account any costs associated with investing in the Reference Asset or the Issue Price or Application Fee payable on Units).

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

3yr Performance of Units Vs S&P/ASX200



4.2 SERIES 2 – PRICE OF GOLD BULLION AS MEASURED BY THE SPDR GOLD TRUST OR THE GOLD SPOT PRICE (LONDON GOLD MARKET FIXING LTD – LBMA PM FIXING PRICE/USD) (SERIES 2)

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

- income via two Coupon payments during the Investment Term; and
- gains at Maturity via the potential delivery of a Delivery Parcel with a value determined by reference to the Final Value.

4.4 THE STRATEGY VALUE

SPDR Gold Trust:

The graph below shows the historical levels of the Reference Asset and the simulated performance of the Strategy Value and Fixed Coupons on a rolling 3 year basis ending on each Scheduled Business Day from 19 November 2007 to 18 February 2013 (representing the entire data range for the potential Reference Asset for Series 2). This simulation has been provided to enable Investors to compare on a historical basis the performance of the Reference Asset versus the simulated performance of the Strategy Value and Fixed Coupons on a rolling 3 year basis. The Final Value depends on the performance of the Strategy Value. The Strategy Value is calculated on each Calculation Date (the first Calculation Date being the Commencement Date and monthly thereafter until the Scheduled Maturity Date) as described in Section 3.2 "Key Information" and depends on the Monthly Return for the previous month (i.e. the change in the Reference Asset Closing Price since the previous Calculation Date) and the Monthly Return for each previous month since the Commencement Date.

Please note that it does not take any fees into account and does not show the performance or return the Units would have generated. It is intended to show Investors only how the Strategy Value (which determines the Final Value per Unit) would have performed plus

the Fixed Coupons. Historical prices for the Reference Asset do not include any dividends payable in respect of the underlying securities over the Investment Term.

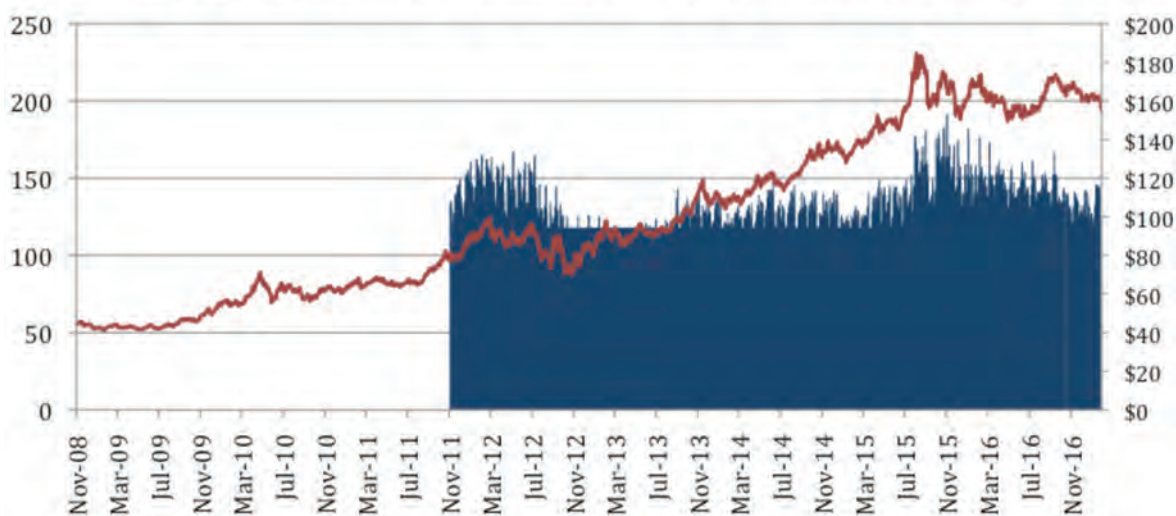
The data shown in the graph and the average 3 year rates of return published under the graphs do not take any fees into account (as there are no fees relevant to the Reference Asset or Strategy Value) and they are based on the historic levels of the SPDR Gold Trust and the simulated historic levels of the Strategy Values.

The 3 year rate of return on any Scheduled Business Day is calculated by taking the value (of the SPDR Gold Trust or the Strategy Value) as at that date and subtracting the value as at the Scheduled Business Day 3 years beforehand, this figure is then divided by the value as at the Scheduled Business Day 3 years beforehand and converted to a percentage. For the Units, you then add the Fixed Coupons to this number. The calculation of the average 3 year rate of return involves adding the rate of return for all Scheduled Business Days shown on the graph and dividing by the total number of Scheduled Business Days in the period from 19 November 2007 to 15 February 2013. The average 3 year rate of return is 75.13% for the SPDR Gold Trust and 33.75% for Units. These average 3 year rates of return are equivalent to an annualised compound rate of return of 20.54% p.a. for the SPDR Gold Trust and 10.54% p.a. for the Units.

Investors should note that in calculating the above simulated Strategy Value, the Issuer has used the actual historical levels of the Reference Asset (but has not taken into account any dividends or distributions which would have been paid on the securities which make up the index during the relevant period, nor has it taken into account any costs associated with investing in the Reference Asset or the Issue Price or Application Fee payable on Units).

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

3yr Performance of Units Vs. SPDR Gold Trust Price



3yr Performance of the SPDR Gold Trust Price-----75.13%

3yr Performance of the Strategy Value plus Fixed Coupons -----33.75%

■ "Final Value plus Fixed Coupons (LHS)"

— "GOLD.US Share Price (RHS)"

Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD)

The graph below shows the historical levels of the Reference Asset and the simulated performance of the Strategy Value and Fixed Coupons on a rolling 3 year basis ending on each Scheduled Business Day from 17 March 1983 to 18 February 2013 (representing a substantial data sample for the potential Reference Asset for Series 2). This simulation has been provided to enable Investors to compare on a historical basis the performance of the Reference Asset versus the simulated performance of the Strategy Value and Fixed Coupons on a rolling 3 year basis. The Final Value depends on the performance of the Strategy Value. The Strategy Value is calculated on each Calculation Date (the first Calculation Date being the Commencement Date and monthly thereafter until the Scheduled Maturity Date) as described in Section 3.2 "Key Information" and depends on the Monthly Return for the previous month (i.e. the change in the Reference Asset Closing Price since the previous Calculation Date) and the Monthly Return for each previous month since the Commencement Date.

Please note that it does not take any fees into account and **does not show the performance or return the Units would have generated.** It is intended to show Investors only how the Strategy Value (which determines the Final Value per Unit) would have performed plus the Fixed Coupons. Historical prices for the Reference Asset do not include any dividends payable in respect of the underlying securities over the Investment Term.

The data shown in the graph and the average 3 year rates of return published under the graphs do not take any fees into account (as there are no fees relevant to the Reference Asset or Strategy Value)

and they are based on the historic levels of the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) and the simulated historic levels of the Strategy Values.

The 3 year rate of return on any Scheduled Business Day is calculated by taking the value (of the SPDR Gold Trust or the Strategy Value) as at that date and subtracting the value as at the Scheduled Business Day 3 years beforehand, this figure is then divided by the value as at the Scheduled Business Day 3 years beforehand and converted to a percentage. For the Units, you then add the Fixed Coupons to this number. The calculation of the average 3 year rate of return involves adding the rate of return for all Scheduled Business Days shown on the graph and dividing by the total number of Scheduled Business Days in the period from 17 March 1983 to 18 February 2013. The average 3 year rate of return is 18.56% for the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) and 16.93% for the Units. These average 3 year rates of return are equivalent to an annualised compound rate of return of 5.84% p.a. for the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) and 5.35% p.a. for the Units.

Investors should note that in calculating the above simulated Strategy Value, the Issuer has used the actual historical levels of the Reference Asset (but has not taken into account any dividends or distributions which would have been paid on the securities which make up the index during the relevant period, nor has it taken into account any costs associated with investing in the Reference Asset or the Issue Price or Application Fee payable on Units).

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

3 yr performance of the Units Vs Gold Spot Price



5. Maturity and Early Maturity

5.1 NOTICE OF MATURITY

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.

5.2 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.

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.

5.3 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 (the Delivery Asset). You will need to carefully consider whether an investment in those shares will be a suitable investment for you to hold beyond Maturity.

The Issuer will purchase the Delivery Asset constituting your Delivery Parcel and 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 at the date of this PDS, the Issuer does not expect any Delivery Costs to be associated with the delivery.

5.4 AGENCY SALE OPTION

If you form the view that you do not wish to hold the Delivery Assets after the Maturity Date, you can elect for the Issuer (or its nominees) 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.

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 20 Business Days prior to the Maturity Date.

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

See clause 4.4 of the Terms "Delivery through the Agency Sale Option" in this PDS for further details about the Agency Sale Option.

5.5 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 or pay it to you by cheque within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter.

5.6 EARLY MATURITY

The Units can mature early if an Early Maturity Event occurs or if an Investor requests an Issuer Buy-Back which is accepted by the Issuer. Issuer Buy-Backs are discussed below in Section 5.7 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. 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 7 "Risks" which sets out the Early Maturity Events and clause 5.1 "Early Maturity by the Issuer" of the Terms.

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 Scheduled Maturity Date, in which case the Units will mature in accordance with the Early Maturity mechanism in clause 5.4 "Early Maturity Mechanism" of the Terms.

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 will either receive the Termination Payment or a Delivery Parcel with value equal to the Early Maturity Value. In calculating the Termination Payment and 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. The Conditional Capital Protection does not apply on Early Maturity and Investors may lose the Total Investment Amount (comprising the Issue Price per Unit and any Application Fee paid).

If there is an Early Maturity Event, the Total Investment Amount and any Application Fee paid by the Investor is at full risk, as there is no guarantee that the Investor's return will be sufficient to recover the non-refundable Total Investment Amount and any Application Fee.

Please see clause 5 "Early Maturity" of the Terms for more details about Early Maturity.

5.7 SALE OF UNITS BEFORE MATURITY – ISSUER BUY BACK

Investors may request the Issuer buy-back their Units ("Issuer Buy-Back").

While the Units are designed as a "buy and hold" investment, you may have the opportunity to sell to the Issuer your Units 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.

If an Investor elects to participate in an Issuer Buy-Back, the Investor will not be entitled to any further Coupons or the Final Value. 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 10,000 Units, provided that you continue to hold 10,000 Units. 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, the Issuer will pay the Investor the Buy-Back Price in cash. Delivery Assets shall not be provided in the event of an Issuer Buy-Back. Instead, settlement will be 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 the Terms carefully to understand your rights and obligations if you request an Issuer Buy-Back.

The Conditional Capital Protection does not apply if Units are subject to Issuer Buy-Back and Investors may lose the Total Investment

Amount (comprising the Issue Price per Unit and any Application Fee paid).

5.8 INDICATIVE VALUATIONS

The Issuer will publish at least monthly indicative valuations for the Units, available on the website at www.jbgsi.com.au, and provide this information to certain market data service providers. 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.

At a minimum, the Unit value will be published on a monthly basis, commencing from the month following the Commencement Date, on www.jbgsi.com.au generally within 10 Business Days of the end of each month.

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

5.9 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 Scheduled Maturity Date (Issuer Buy-Back).

6. 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. No content in this section or elsewhere in the PDS is investment advice so Investors should speak to their financial adviser before investing.

How does the investment perform?

The Units will pay four fixed Semi-Annual Coupons the equivalent of 7.0% p.a (for Series 1) and 9.0% p.a (for Series 2) of the Initial Issue Price per Unit for each Series during the Investment Term and potential returns at Maturity depending on the performance of the Reference Asset and Strategy Value and whether a Knock-in Event has occurred.

1. If a Knock-in Event has occurred, the Final Value per Unit will be equal to $\$1.00 * \text{Final Strategy Value} / \text{Initial Strategy Value}$.
2. If the Strategy Value is at or above the Knock-in Level but at or below the Initial Strategy Value, the Final Value per Unit will be $\$1.00$ per Unit (i.e. the Initial Issue Price per Unit).
3. If the Strategy Value is above the Initial Strategy Value, the Final Value per Unit will be equal to $\$1.00 * \text{Final Strategy Value} / \text{Initial Strategy Value}$.

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 shares in the Delivery Asset in the Delivery Parcel which an Investor receives is calculated by taking the Final Value of the Units divided by the number of different Delivery Assets divided by the purchase price of each of the Delivery Assets. 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 them 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 the Investor decides to invest an Investment Amount of \$50,000 (the Minimum Investment Amount) in Series 1 during the Initial Offer Period and that the Advisor has charged an Application Fee of 2.2% payable to them by the Investor.

Therefore, an Application Fee of \$1,100 (being 2.2% of the Investment Amount of \$50,000) is collected by the Issuer as agent for the Investor's Advisor and the Total Investment Amount would therefore be \$51,100. The Initial Issue Price per Unit is \$1.00, so the Investor will receive 50,000 Units.

An investment in Series 2 would operate in the manner set out in the examples below, with the following differences:

- each Series offered under this PDS has a different Reference Asset;
- each Semi-Annual Coupon for Series 2 is 4.5% (the equivalent of 9.0%p.a) of the Initial Issue Price;

The below examples also assume that there are no Early Maturity Events, Issuer Buy-Backs, Adjustment Events or Market Disruption Events and are in Australian Dollars.

Rounding:

All calculations made by the Issuer for the purposes of these worked examples will be made to not fewer than 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.

6.1 HOW IS THE MONTHLY RETURN AND STRATEGY VALUE CALCULATED?

The Strategy Value is calculated on each Calculation Date (i.e. the Commencement Date, each monthly anniversary of the Commencement Date (or if that date is not a Scheduled Business Day, the next Scheduled Business Day) on the Maturity Date) by:

- calculating the Monthly Return which is subject to a performance cap of 4%. The Monthly Return is the minimum of 104% and the change in the Reference Asset Closing Price since the last Scheduled Business Day that the Monthly Return was calculated; and
- multiplying the Monthly Return to the product of all previous monthly returns. The effect of this is that returns on the Reference Asset are compounded.

Using the following formula:

$$\text{Strategy Value}_t = \prod_{n=0}^{n=t} \text{Monthly Return}_n$$

Where:

$\prod_{n=0}^{n=t} \text{Monthly Return}_n$	means the product of all previous Monthly Return _n from n=0 to n=t
Monthly Return₀	means 100
Monthly Return_n	means Min (1.04, Price _n /Price _{n-1})
Price_n	means the Reference Asset Closing Price on the Scheduled Business Day n
Price_{n-1}	means the Reference Asset Closing Price on the Scheduled Business Day n-1 (i.e. the Reference Asset Closing Price on the month before Day n.)
Price₀	means the Reference Asset Closing Price on the Commencement Date.

If the minimum monthly Performance Cap for a particular Series cannot be set at or above the relevant minimum level, the Issuer will not proceed with the offer of that Series. As at the date of this PDS, the Monthly Performance Cap is expected to be 104%. The Monthly Performance Cap will be set on the Commencement Date and will not be less than 103%.

For the purposes of this example, we assume the following Reference Asset Closing Prices:

Date	Reference Asset Closing Price
Commencement Date	4700
Commencement Date plus 1 month	4,800
Commencement Date plus 2 months	5,181
Commencement Date plus 3 months	5,388

As such, the Strategy Value is calculated as set out below.

On the first Calculation Date (being the Commencement Date), the Monthly Return is 1.

On the second Calculation Date (being the monthly anniversary of the Commencement Date), the Monthly Return and Strategy Value are calculated as follows:

$$\begin{aligned} \text{Monthly Return}_1 &= \text{Min}(1.04, \text{Price}_1/\text{Price}_0) \\ &= \text{Min}(1.04, 4800/4700) \\ &= \text{Min}(1.04, 1.0212766) \\ &= 1.0212766 \end{aligned}$$

$$\begin{aligned} \text{Strategy Value}_1 &= \text{Monthly Return}_0 \times \text{Monthly Return}_1 \\ &= 100 \times 1.0212766 \\ &= 102.12766 \end{aligned}$$

On the next Calculation Date (being one calendar month from the previous Calculation Date), the Monthly Return and Strategy Value are calculated as follows:

$$\begin{aligned} \text{Monthly Return}_2 &= \text{Min}(1.04, \text{Price}_2/\text{Price}_1) \\ &= \text{Min}(1.04, 5181/4800) \\ &= \text{Min}(1.04, 1.079375) \\ &= 1.04 \end{aligned}$$

$$\begin{aligned} \text{Strategy Value}_2 &= \text{Monthly Return}_0 \times \text{Monthly Return}_1 \times \text{Monthly Return}_2 \\ &= 100 \times 1.0212766 \times 1.04 \\ &= 106.2127 \end{aligned}$$

On the next Calculation Date (being one calendar month from the previous Calculation Date), the Monthly Return and Strategy Value are calculated as follows:

$$\begin{aligned} \text{Monthly Return}_3 &= \text{Min}(1.04, \text{Price}_3/\text{Price}_2) \\ &= \text{Min}(1.04, 5388/5181) \\ &= \text{Min}(1.04, 1.03995368) \\ &= 1.03995368 \end{aligned}$$

$$\begin{aligned} \text{Strategy Value}_3 &= \text{Monthly Return}_0 \times \text{Monthly Return}_1 \times \text{Monthly Return}_2 \times \text{Monthly Return}_3 \\ &= 100 \times 1.0212766 \times 1.04 \times 1.03995368 \\ &= 110.456376 \end{aligned}$$

This calculation continues until the maturity of the investment.

6.2 CALCULATION OF THE COUPONS

Semi-annually during the first two years of the Investment Term, a fixed Coupon of 3.5% (the equivalent of 7.0%p.a. for Series 1) of the Initial Issue Price per Unit is payable. This is regardless of the actual Issue Price an Investor paid for the Unit and of the Strategy Value on the relevant date.

$$\begin{aligned} \text{Semi-Annual Coupon} &= 3.5\% \times \text{Issue Price per Unit} \\ &= 3.5\% \times \$1.00 \\ &= \$0.035 \text{ per Unit} \end{aligned}$$

For an Investor who acquired Units at the Initial Issue Price, this represents a Coupon of 7.0%p.a. of the Issue Price per Unit per year for the first 2 years of the Investment Term.

Therefore, if an Investor held 50,000 Units in Series 1, they would receive a Semi-Annual Coupon of \$1,750.00. However, if an Investor acquired Units at an Issue Price of \$1.05 (i.e. greater than the Initial Issue Price), this represents a Coupon of only 6.66% p.a. of the Issue Price paid.

However, if an Investor acquired Units at an Issue Price of \$0.95 (i.e. less than the Initial Issue Price), this represents a Coupon of 7.37%p.a. of the Issue Price paid.

6.3 HOW IS FINAL VALUE CALCULATED?

Set out in the table below are some assumed values for the Strategy Value over the Investment Term for three different scenarios.

	Scenario 1	Scenario 2	Scenario 3
Initial Strategy Value (i.e. Strategy Value on the Commencement Date)	100	100	100
Knock-in Level (i.e. 70% of the Initial Strategy Value)	70	70	70
Final Strategy Value (i.e. Strategy Value on the Maturity Date)	65	85	120

Scenario 1

In Scenario 1, the Final Strategy Value is below the Knock-in Level and therefore a Knock-in Event has occurred.

Therefore, the Final Value per Unit is calculated as set out below.

$$\begin{aligned} \text{Final Value} &= \text{Initial Issue Price} \times \text{Final Strategy Value} / \text{Initial Strategy Value} \\ &= \$1.00 \times 65 / 100 \\ &= \$0.65 \text{ per Unit} \end{aligned}$$

Therefore, an Investor who held 50,000 Units would receive a total Final Value of \$32,500.00 (being 50,000 units x \$0.65 per Unit).

The Investor would also have received four fixed Coupons of \$1,750.00 each (being 3.50% x \$1.00 x 50,000 Units).

The total receipts from the Units would be \$39,500.00 (being the Final Value of \$32,500.00 plus four fixed Coupons of \$1,750.00 each).

For an Investor who acquired these Units at the Initial Issue Price of \$1.00 and paid the maximum Application Fee of 2.2% of the Investment Amount, their Total Investment Amount would have been \$51,100.00 and this would represent a loss of \$11,600.00 or 22.70% of their Total Investment Amount.

If an Investor acquired the Units at an Issue Price of more than \$1.00, they would have made a greater percentage loss.

Scenario 2

In Scenario 2, the Final Strategy Value is above the Knock-in Level, but at or below the Initial Strategy Value.

Therefore, the Final Value per Unit is calculated as set out below.

$$\begin{aligned} \text{Final Value} &= \text{Initial Issue Price} \\ &= \$1.00 \text{ per Unit} \end{aligned}$$

Therefore, for an Investor who held 50,000 Units would receive a total Final Value of \$50,000 (being 50,000 Units x \$1.00 per Unit).

The Investor would also have received four fixed Coupons of \$1,750.00 each (being 3.50% x \$1.00 x 50,000 Units).

The total receipts from the Units would be \$57,000.00 (being the Final Value of \$50,000 plus four fixed Coupons of \$1,750.00 each).

For an Investor who acquired these Units at the Initial Issue Price of \$1.00 and paid the maximum Application Fee of 2.2% of the Investment Amount, their Total Investment Amount would have been \$51,100 and this would represent a gain of \$7,000 or 13.699% of their Total Investment Amount over the 3 year Investment Term i.e. approximately 4.566% per annum.

If an Investor acquired the Units at an Issue Price of more than \$1.00, they would have made a lesser percentage gain.

Scenario 3

In Scenario 3, the Strategy Value has risen over the Investment Term and the Final Strategy Value is above the Initial Strategy Value.

Therefore, the Final Value per Unit is calculated as set out below.

$$\begin{aligned} \text{Final Value} &= \text{Initial Issue Price} \times \text{Final Strategy Value} / \text{Initial Strategy Value} \\ &\quad (\text{as calculated below}) \\ &= \$1.00 \times 120 / 100 \\ &= \$1.20 \text{ per Unit} \end{aligned}$$

Therefore, for an Investor who held 50,000 Units would receive a total Final Value of \$60,000.00 (being 50,000 Units x \$1.20 per Unit).

The Investor would also have received four fixed Coupons of \$1,750.00 each (being 3.50% x \$1.00 x 50,000 Units).

The total receipts from the Units would be \$67,000.00 (being the Final Value of \$60,000 plus four fixed Coupons of \$1,750.00 each).

For an Investor who acquired these Units at the Initial Issue Price of \$1.00 and paid the maximum Application Fee of 2.2% of the Investment Amount, their Total Investment Amount would have been \$51,100 and this would represent a gain of \$17,000.00 or 33.268% of their Total Investment Amount over the 3 year Investment Term i.e. approximately 11.089% per annum.

If an Investor acquired the Units at an Issue Price of more than \$1.00, they would have made a lesser percentage gain.

6.4 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.

Assuming that Scenario 2 has occurred (i.e. the Final Strategy Value is above the Knock-in Level, but at or below the Initial Strategy Value), the Final Value is \$1.00 per Unit and you hold 50,000 units, the Final

Value for your entire holding is \$50,000.

The value of the Delivery Parcel you receive will be \$50,000 less any Delivery Costs⁴.

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

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

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

Delivery Asset	Delivery Asset Price	Number of Delivery Assets
Telstra Limited	\$4.50	11,111

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 \$49,999.50. Therefore there is a difference of \$0.50 (i.e. \$50,000 less \$49,999.50). As this amount is less than \$20, you would not receive this amount. If this amount was greater than \$20, it would be paid to your Nominated Account within 10 Business Days of the Settlement Date.

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.

⁴ 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.

7. Risks

These investments carry 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 them 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.

Investors may lose the entire amount they paid upfront for the Units being the Total Investment Amount comprising the Issue Price and Application Fee in respect of each Units.

Series 2 choice of exposure

Under Series 2 Units, Investors are exposed to the price of gold via a hedge entered into by the Issuer. The price of gold will be determined by either the SPDR Gold Trust or the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD). The Issuer will determine which exposure Series 2 Units will provide on the Commencement Date and Investors will not know which exposure Series 2 Units will provide until the Commencement Date after the Investor has applied for the Units. Investors must ensure that they are familiar with the features of both the SPDR Gold Trust and the Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD) and the risks associated with each separate exposure prior to making any investment decisions.

SPDR Gold Trust Risk

There is the risk that the value of the Reference Asset does not match the value of Gold Bullion which the Reference Asset seeks to track. This is because the SPDR Gold Trust that may be used as the Reference Asset for Series 2 is an exchange traded fund that seeks to replicate the performance of Gold Bullion less management fees. In certain circumstances, this replication may not be exact (for example, due to an error in the calculation) and the value of the Reference Asset will not match the performance of Gold Bullion.

The SPDR Gold Trust is an exchange traded fund. There are general risks associated with funds such as the fact that the:

- management company of a fund can, without regard to the interests of the investors, add, delete or substitute any funds by reference to which the value of a fund is calculated, or make other methodological changes that could change the investment profile of the fund.
- valuation of funds is generally controlled by the management company of the fund. Valuations are performed in accordance with the terms and conditions governing the fund. Such valuations may be based upon the unaudited financial records of the fund. The fund may hold illiquid assets and have difficulty assessing their value. As a consequence, the management company may vary their quotations up and down of the assets to reflect their current judgement. Uncertainty will have a negative impact upon the net asset value of the fund.
- certain funds may be managed by investment managers who have managed hedge funds for a relatively short period of time meaning the fund is subject to greater risk and uncertainty.

An early termination of the Hedge will constitute an Early Maturity Event or an Adjustment Event under the Units.

Any event as a result of which the Hedge Counterparty cannot make physical delivery of the relevant assets will constitute either an Early Maturity Event or an Adjustment Event under the Units.

Foreign tax legislation risks

Foreign tax legislation may impose taxes on payments made by the Hedge Counterparty, to the Hedge Counterparty, or in relation to payments made under the Hedge Agreement. These taxes may impact the value of your Units.

Payment disruptions under the Hedge

There is a risk that an event may occur that:

- prevents, restricts or delays the relevant Hedge Counterparty from converting or delivering relevant currencies under the Hedge Agreement;
- imposes capital controls in relation to a Hedge Agreement; or
- implements changes to laws relating to foreign investments that impact the Hedge Agreement.

Such an event may lead to a delayed and/or reduced payment under the Hedge. In such circumstances, the Hedge Counterparty's obligation to make a payment may be postponed to a date falling 20 Business Days (or longer) after the date at which the payment disruption event is no longer occurring. No accrued interest will be payable in respect of any such postponement. This may lead to an Early Maturity Event or an Adjustment Event under the Units.

Performance of the Reference Asset

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

Calculation of the Strategy Value – cap on Monthly Return

The Strategy Value is calculated by calculating the Monthly Return (subject to a performance cap of 4%) and multiplying the Monthly Return to the product of all previous monthly returns.

Due to the way that the Monthly Return is calculated, Investors are not exposed to any increases in the Reference Asset of over 4% across a single month.

In addition, the Strategy Value is determined by reference to the Reference Asset Closing Price on each Calculation Date only. Therefore, the performance of the Reference Asset between these dates is not relevant and the Units are subject to point to point return risk.

Loss of Total Investment Amount

The Total Investment Amount must be paid upfront by Investors. Investors must provide a cheque or direct debit details with their Application. Cleared funds must be received by the Issuer by the 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 Application 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. The Final Value may be zero. Therefore, Investors may lose part or all of their Total Investment Amount if the Reference Asset does not increase over the Investment Term.

Further issue of Units during the Secondary Offer Period

Investors can apply for Units during the Secondary Offer Period which will commence after the Commencement Date. During the Secondary Offer Period, the Issue Price at which Investors can acquire Units will be determined by the Issuer in its absolute discretion on the Scheduled Business Day on which an Application for Units in the Secondary Offer Period is accepted by the Issuer.

The Issue Price will depend on a number of factors, including without limitation, the current value of issued Units, the price and volatility of the Reference Asset, prevailing Australian interest rates and the time to Maturity⁵.

The Issue Price can be different to the Initial Issue Price of Units (it can be higher or lower), and it will vary over time. Investors should contact their Advisor to obtain an indication of the current applicable Issue Price.

All Units on issue will be subject to the same Terms, e.g. same Coupons, the same Final Value and Final Maturity Date.

As such, the Final Value of a Unit and each Coupon payable per Unit will be the same as for Units issued regardless of whether the Issue Price paid by the Investor was more or less than the Initial Issue Price.

The Conditional Capital Protection will still apply to protect the Investor from exposure at Maturity to a fall in value of the Strategy Value down to but not including the Knock-in Level. However, if you paid an Issue Price greater than \$1.00 for your Units, you may still be exposed to a loss or reduced return compared to if you had paid \$1.00, despite this protection.

Investors who purchase Units in the Secondary Offer Period at an Issue Price greater than the Initial Issue Price will make a greater loss, or receive a reduced overall return, as the Coupons and Final Value are applied to the Initial Issue Price and not to the actual Issue Price paid by an Investor.

Total Investment Amount

There is no guarantee that the Units will generate returns in excess of the Total Investment Amount (comprising the Issue Price for each Unit and any Application Fee paid). Additionally, in the event of an Investor requested Issuer Buy-Back, an Early Maturity Event, you will not receive a refund on the Total Investment Amount.

Knock-in Event

If the Strategy Value is below the Knock-in Level on the Maturity Date, a Knock-in Event occurs and Investors will be exposed to the negative performance of the Strategy Value.

Importantly, this means that if the Strategy Value has fallen 100% over the Investment Term, the Final Value will be zero and Investors will have lost their Total Investment Amount (being the Issue Price per Unit and any Application Fee Paid).

Conditional Capital Protection

If a Knock-in Event has not occurred, the Final Value will be equal to or greater than the Initial Issue Price per Unit. In this way, the JBG Income Enhancer Series 1 & 2 provides Conditional Capital Protection against a fall in the Strategy Value over the Investment Term of less than 30% of the Initial Strategy Value for Investors who acquire the Units during the Initial Offer Period and hold the Units to Maturity.

⁵ Please note the Issue Price for Units after the Initial Offer Period is determined by the Issuer in its absolute discretion and may be higher than the price at which the Issuer may buy-back Units from existing Investors.

The Conditional Capital Protection does not apply if a Knock-in Event occurs, if there is Early Maturity of the Units for any reason or if the Units are subject to Issuer Buy-Back.

Reference Asset Risk (Series 1)

The Reference Asset for Series 1 gives exposure to various underlying securities. The return on these Reference Assets are subject to the performance of the individual equities or assets included in the relevant Reference Asset. Therefore, all factors likely to affect the performance of the securities which comprise the Reference Asset are important and Investors should consider all appropriate publicly available information in relation to the Reference Asset (and the securities which comprise it). These factors include movements in international financial markets, interest rates, currency rates and global economic, political, technological and environmental factors.

For a Reference Asset that is an index, the securities comprising the Reference Asset may change substantially over the life of the investment. In particular, it is possible that the initial constituent securities will increase substantially in value prior to the Maturity Date but that the Reference Asset will decline in value during such period. Investors should have regard to this when considering the importance of the identity of the initial securities comprising the Reference Asset.

In addition you should note that you will not have an actual investment in the Reference Asset, or any of the securities comprising 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 volatility). See section below entitled "What is the Unit value during the Investment Term?" for more information on these factors.

Price Return Index (Series 1 only)

The Reference Asset for Series 1 is a price return index. Performance of the Reference Asset reflects the movements in the price of the shares in the index and does not take into account dividends, interest or other income paid on those shares.

Reference Asset Risk

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

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 volatility). See section below entitled "What is the Unit value during the Investment Term?" for more information on these factors.

Additional risks associated with the Reference Asset for Series 2

Commodity risks.

The performance of the Reference Asset for Series 2 is dependant on the performance and volatility of Gold Bullion, a commodity. Performance of the Gold Bullion will be influenced by economic and industry conditions. In particular, Investors should understand that investments in Units relating to commodity markets may be negatively affected by global economic, financial, natural, weather, environmental and political events and developments, and that

such events and developments, amongst other things, may have a material effect on the value of the price of Gold Bullion and/or the performance of the Reference Index.

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 performance of the Reference Asset on each Calculation Date;
- prevailing interest rates both in Australia (Series 1 and 2) and the USA (Series 2 only);
- the remaining time to Maturity; and
- general market risks and movements.
- the ability for the Issuer to obtain an appropriate hedge

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

Coupons

The Units will pay four fixed Semi-Annual Coupon payments of the equivalent of 7.0%*op.a* (for Series 1) and 9.0%*op.a* (for Series 2) of the Initial Issue Price per Unit for each Series during the Investment Term (this means you will only receive Semi Annual Coupons during the first two years of the Investment Term).

The Coupons are calculated by reference to the Initial Issue Price of the Units, even if the Investor acquired the Units during the Secondary Offer Period at an Issue Price that is less than or greater than the Initial Issue Price.

These Coupons are fixed and do not depend on the increase (if any) in the Strategy Value above the Initial Strategy Value over each year of the Investment Term.

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 Issuer, Hedge Counterparty and Security Trustee" in Section 7 "Risks".

Further information on the Coupons and how they are calculated can be found in Section 3.2 "Key Information" and Section 14 "Formulae and Calculation Table".

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 (or a component of the Reference Asset is missing). 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 a security and 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.

In this case, the Issuer might, amongst other options, consider replacing part or all of the 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, Delivery Parcel or a component of them, 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 the Terms 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 the Terms.

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, the Calculation Agent cannot calculate (and, where there is a third party Calculation Agent,

does not continue to calculate) the Participation Rate or Strategy Value 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 the Terms. See Section 12 "Terms of the Deferred Purchase Agreement" for more information. 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. Investors could receive a lower amount than the Investment Amount paid for Units or receive returns that are lower than the performance of the Reference Asset or Strategy 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 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.

Counterparty risk of Issuer, Hedge Counterparty, Security Trustee

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.

However, the Issuer has put in place a corporate structure which is designed to give Investors' security over the Issuer's rights against the relevant Hedge Counterparty (through the Hedge Security Deed of a Series and Security Trust Deed) in the event of the Issuer becoming insolvent.

The Issuer will enter into the Hedge Agreements with the relevant Hedge Counterparties. 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 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. The Issuer's financial statements are available at www.jbgsi.com.au/jbgsifinancials.pdf. 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

which support the ringfencing structure as described in this PDS and provide competitive pricing.

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 Issuer will also grant for each Series security to the Security Trustee by way of the Hedge Security Deed which is enforceable in the event of the Issuer becoming insolvent or failing to meet its obligations under the PDS. The Issuer grants the Hedge Security Deed over the Secured Property which includes the Issuer's rights under the Hedge and certain amounts received by the Issuer in connection with the DPA. Investors should note that Secured Property is released from the Hedge Security Deed when paid to Investors in accordance with the Terms (e.g. as Coupons), when paid to the Hedge Counterparty in relation to the Hedge Agreement and when due and payable to the Issuer or 3rd Party Dealer Group in respect of the Application Fee and other fees, costs and expenses payable to them. There are risks involved with the enforcement of the Hedge Security Deed, please refer to "Risk relating to enforcement of Hedge Security Deed and appointment of administrator" in Section 7 "Risks".

The Hedge Security Deed for a Series is held on trust by the Security Trustee for Investors of that Series and itself pursuant to the Security Trust Deed. There is one Hedge Security Deed for each Series. Each Hedge Security Deed only secures the relevant Secured Property of a Series (described above) and is therefore ringfenced and protected (other than in the circumstances discussed below) from cross-liability of the other Hedge Security Deeds and Series. The Issuer undertakes to only issue financial products which are a distinct and separate series and where the relevant assets are ringfenced from cross-liability in a similar manner to that described in the PDS.

The 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, but remains subject to each separate Security Interest under the relevant Hedge Security Deed. The Issuer has appointed an external service provider to account for the funds held in the trust account. Should there be an Event of Default and the external service provider is unable to be or has not been paid, this may result in the Security Trustee not being able to determine who the funds held in the trust account belong to. In these circumstances, the Security Trustee will not be required to take any action and will not be responsible for determining who the funds held in the trust account belong to.

The Hedge Security Deed of a Series becomes enforceable by the Security Trustee where there is an Event of Default for that Series under the Hedge Security Deed. Amongst other things, this includes where the Issuer fails to make a payment or delivery to Investors due to them in relation to the Series of Units (subject to any applicable grace period). If this occurs, the Security Trustee has the power to enforce the Hedge Security Deed of that Series for and on behalf of Investors of that Series.

The Secured Property in relation to a Series under the Hedge Security Deed includes the Issuer's rights under the Hedge Agreement for

that Series. Once the Event of Default for a Series has occurred, notice of that Event of Default will be given to the relevant Hedge Counterparty. Following the enforcement of the Hedge Security Deed, the Security Trustee will be able to exercise the Issuer's rights under the Hedge in accordance with the terms of the Security Trust Deed and the Hedge Security Deed for that Series.

Following an Event of Default of the Series, unless the Security Trustee is expressly required to seek the instructions of the Majority Investors of a Series, the Security Trustee may request the instructions of the Majority Investors and act in accordance with those instructions or act as it considers is in the best interests of the Investors and itself as a whole or as it determines in its reasonable discretion.

In accordance with the terms of the Security Trust Deed and the Hedge Security Deed for that Series, the Security Trustee could either seek to unwind the Hedge Agreement for the Series early and distribute the proceeds to Investors of that Series. Alternatively, the Security Trustee could leave the Hedge Agreement to expire on the Maturity Date in accordance with its terms and distribute the proceeds to Investors at that point. For further details please refer to "Arrangements to protect Investors in each Series" in Section 8 "Parties to the Offer" and the description of the Security Trust Deed and Security Deed in Section 11 "Additional Information".

The Hedge Agreement for each Series will be a derivative entered into by the Issuer and one or more Hedge Counterparties. Under the terms of the Hedge Agreement, the Issuer will pay an upfront payment to enter into the transaction and will ensure there is never a net amount owing from the Issuer to the Hedge Counterparty under the Hedge Agreement.

Prior to each Coupon Payment Date, the Issuer may receive, a payment from the Hedge Counterparty of a Series equivalent to the total Coupons due to be paid to Investors for that Series. This amount received from the Hedge Counterparty, can be paid to Investors of that Series.

Prior to the Settlement Date, the Issuer may receive in respect of a Series, depending on the performance of the Strategy Value and whether or not a Knock-in Event has occurred, 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.

The Delivery Assets received from the Hedge Counterparty of a Series or, in the case that cash was received from the Hedge Counterparty, Delivery Assets purchased with this cash, can be delivered to Investors of that Series 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 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 even if the Hedge Security Deed of that Series is enforced.

There is also the risk that the Security Trustee may be unable to perform its obligations under the Security Trust Deed and the relevant Hedge Security Deed.

Please refer to Section 11 "Additional Information" for more details on the Security Trust Deed and Hedge Security Deed.

Default under the Hedge for another Series

There is a separate Hedge for each Series and, except in the case of an insolvency event, the right to set off and net payments applies separately to the Hedge for each Series. However, if there is an insolvency event (in relation to either the Issuer or the Hedge Counterparty) under a Hedge, then the Hedges for all Series may terminate and the relevant Hedge Counterparty and the Issuer will have the right to set off and net the amounts payable on termination across the Hedges for all Series (where the Hedge Counterparty is the counterparty). The Issuer will ensure that there will never be a net amount owing from the Issuer to the Hedge Counterparty under the Hedge. The Hedge Counterparty's right to set off and net will apply before the rights that an investor has under the relevant Hedge Security Deed and therefore may adversely affect the amount that is recoverable by enforcing the Hedge Security Deed. This means that Investors may receive zero and lose their Total Investment Amount and any fees paid even if the Hedge Security Deed is enforced. If the Security Trustee receives money that is not directly referable to a particular Series, the Security Trustee may allocate the money between the different Series based on valuations of the Hedge or Units for each Series. For further information please see Section 9.4 under "Remaining cross-liability risks".

The Issuer may have a number of different Hedges (i.e. for a number of different Series) with one Hedge Counterparty. In this case, the Issuer defaults under one of the Hedges only and the relevant default is a default under the other Hedges with that Hedge Counterparty, the Hedge Counterparty has the ability to elect whether to terminate all the outstanding Hedges, or whether to suspend any payment or delivery obligations the Hedge Counterparty owes. Although the Hedge Counterparty cannot net across all the Hedges (unless the Issuer is insolvent), the early termination or payment suspension of all Hedges outstanding with that Hedge Counterparty may adversely impact the return Investors in those affected Series may receive. The Issuer will ensure that there will never be a net amount owing from the Issuer to the Hedge Counterparty under the Hedge, which reduces the risk of such cross default. Similarly, if the Hedge Counterparty defaults under one Hedge only, the Issuer has the ability to elect to terminate all outstanding Hedges with that Hedge Counterparty or suspend its obligations to the Hedge Counterparty.

Risk relating to enforcement of Hedge Security Deed and appointment of administrator

There is a separate Hedge Security Deed for each Series. Certain amounts and fees and interest are released from the relevant Hedge Security Deed. As a result, the Security Trustee (through the relevant Hedge Security Deed for each Series) may not have a charge or charges over the whole, or substantially the whole, of the Issuer's property and, following the appointment of an administrator to the Issuer, may be unable to enforce the relevant Hedge Security Deed for a Series unless the administrator's consent is obtained or otherwise with the leave of the court. The Security Trustee has multiple charges (being the relevant Hedge Security Deeds and each other charge in respect of each Series) over what is intended to be substantially the whole of the assets of the Issuer.

However, if all of the Hedge Security Deeds are not enforced (or able to be enforced) at the same time, the Security Trustee may require the consent of the administrator or leave of the court to enforce the relevant Hedge Security Deed in respect of a Series.

Termination of a Separate Trust or the Security Trust Deed and removal and replacement of Security Trustee

A Separate Trust is created under the Security Trust Deed for each Series. Each Separate Trust will terminate in a number of circumstances including on the Business Day on which the Security Trustee notifies the Issuer that it is satisfied that the Issuer has irrevocably and unconditionally satisfied in full its Secured Obligations in respect of that Separate Trust and the Trust Fund for that Separate Trust is distributed in full. The Security Trustee may also resign or be removed. No resignation or removal of the Security Trustee takes effect until a successor Security Trustee has been appointed.

Event of Default under the Hedge Security Deed

There is an overlap between the Events of Default under the Hedge Security Deed of a Series and under the Hedge of that Series. If an Event of Default under the Hedge Security Deed of a Series occurs, it is very likely that it will also constitute an Event of Default under the Hedge of that Series. If the defaulting party is the Issuer (or Grantor) 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. Therefore, even though the Secured Property of that Series is charged for the benefit of Investors of that Series, if an Event of Default occurs and the Hedge Security Deed of that Series is enforced, Investors may receive nothing, depending upon the value of the Secured Property of that Series at the time of enforcement.

Recourse by Investors is limited to each Series

Investors in any one Series are limited in their recourse against the Issuer (for example, if the Issuer defaults under the Units or the PDS) to only the Secured Property of that Series (including the Hedge) subject to the Hedge Security Deed. Otherwise, Investors have no right of recourse against the Issuer whatsoever.

Calculation Agent Risk

Investors in the Units are exposed to the risk that if a third party is appointed as the Calculation Agent, the Calculation Agent cannot or does not continue to calculate, or where the Issuer is the Calculation Agent, the Issuer is unable to calculate the Strategy Value. If this occurs, and an appropriate replacement cannot be found in the appropriate time, the Issuer may deem this to be an Early Maturity Event.

No Investigation

No investigation or review of the Reference Asset or, where the Reference Asset is an index or has exposure to an index, the underlying securities comprised in the Reference Asset from time to time or the issuers of such securities, including without limitation, any public filings made by the issuers of the underlying securities have been made for the purposes of forming a view as to the merits of an investment referenced to the Reference Asset. Where the Reference Asset is an index or has exposure to an index, there is no guarantee or express or implied warranty in respect of the selection of the underlying securities comprised within the Reference Asset or the methodology of calculating the Reference Asset made. 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 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.

General market risk

The performance of the Reference Asset will largely determine the market price of the Units. The volatility of the Reference Asset, and, where the Reference Asset is an index, the market price of the securities or commodities that comprise the Reference Asset and other interrelated and complex factors and general risks applicable to financial markets on which those securities or commodities will be traded (such as investor confidence and present and expected future global economic conditions) will be relevant as well.

Conflicts of interest

JBG SI, may face possible conflicts of interest in connection with its roles as Issuer, Calculation Agent and any other role as described in this PDS. JBG SI and its affiliates may also face possible conflicts. For example, JBG SI 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 invest, or trade in the underlying assets that comprise the Reference Asset 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 options 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 can 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, deferred purchase 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 investments;
- there may be different tax consequences for Investors investing directly in the Reference Asset and those investing through an Investor Directed Portfolio Service operator;
- the Units could be, by regulation, deemed not to be securities but another class of financial product;
- 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 Application Fee paid to acquire the Units. You should consider your investments in light of your investment objectives, financial situation and particular needs.

8. Parties to the Offer

8.1 ISSUER

The Issuer was incorporated in Australia in 2010 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 assets of each Series of product will be separated from the assets of other Series. This ringfencing will be achieved by the creation of a separate security trust for each Series and the Issuer granting the Hedge Security Deed over the Secured Property of that Series (including the Hedge).

The Issuer has set up a corporate structure which involves:

- a Hedge Counterparty, who provides the Hedge;
- an Hedge Security Deed which is granted by the Issuer over the Secured Property of a Series (including the Hedge). There are different Hedge Security Deeds for each Series; and
- a Security Trustee who holds the Hedge Security Deed on trust for Investors and itself pursuant to the Security Trust Deed.

This structure is intended to reduce the significance of the exposure of Investors to the creditworthiness of the Issuer.

The Issuer undertakes to only ever issue financial products which are a distinct separate series and where the relevant assets are ringfenced from cross-liability in a similar manner to that described in this PDS. In the event that the Issuer defaults on its obligations under the DPA of a Series, the Security Trustee has the power to enforce the relevant Hedge Security Deed for and on behalf of Investors of that Series and the Security Trustee and may exercise and have the benefit of the rights of the Issuer under the relevant Hedge.

8.2 ARRANGER

Valuestream Investment Management Limited ACN 094 107 034 holds an Australian Financial Services License No: 246621 which enables it to operate a financial services and funds management business. It acts as the independent responsible entity or trustee for a range of registered and unregistered managed investment scheme. These are offered to both wholesale and retail investors.

The Board and responsible managers of Valuestream Investment Management Limited have extensive funds management and financial services experience.

8.3 SECURITY TRUSTEE

AET Structured Finance Services Pty Limited (ABN 12 106 424 088) is appointed under the Security Trust Deed to act as Security Trustee. AET Structured Finance Services Pty Limited (ABN 12 106 424 088) is a member of the IOOF Holdings Ltd group which is an ASX listed entity. The primary role of the Security Trustee is to enforce the Hedge Security Deed of a Series on behalf of the Investors if the Issuer defaults on its obligations under the DPA of that Series. The role of the Security Trustee is set out in the Security Trust Deed and Hedge Security Deed of a Series which are available on request from JBG SI. Please refer to Section 11 "Additional Information" for summaries of the Security Trust Deed and Hedge Security Deed.

8.4 MASTER CUSTODIAN DEED POLL

JBG Nominees No.1 Pty Ltd (ACN 147 097 078) has executed a Master Custodian Deed Poll pursuant to which it agrees to act as custodian in relation to the Sale Monies generated when an Investor elects the Agency Sale Arrangement and that Investor's Delivery Assets are sold. Following sale of the Delivery Assets, the Sale Monies are held

by the Custodian pending payment to the Investor. The Custodian holds the Sale Monies in an ADI trust Account in accordance with the applicable requirements of the Corporations Act. The Custodian will only release and pay the Sale Monies in accordance with the terms of this PDS or in accordance with instructions received from the Investor.

Investors should note that the Custodian is not liable to Investors for any damages, losses, expenses (whether direct or indirect) resulting from or caused by any act or omission of the Custodian, other than caused by the fraud or wilful misconduct of the Custodian or its negligent failure to comply with a direction given to the Custodian.

8.5 REGISTRAR

Link Market Services Limited (ABN 54 083 214 537) ("Link") a provider of registry services to financial market participants in Australasia. Link offers a variety of services to its client base including capital markets, company secretarial services, meeting and telephone services, managed fund outsourcing, investor relations and advisory services. The Issuer has appointed Link to provide services including investor interface, registry and investment statements. The Issuer maintains strict controls, including detailed and regular reporting processes.

9. Arrangements to protect Investors in each Series

The arrangements entered into by the Issuer are designed to ensure that the Units in each Series issued under this PDS, and any other products issued by the Issuer from time to time, are ringfenced as much as possible.

Protection is provided to Investors of a Series by ensuring that, in the case of default by the Issuer under the terms of the Units, the Secured Property of that particular Series is available only to Investors in that Series and are not affected by any defaults in relation to other Series or financial products (other than in limited circumstances). In this way, the relevant assets for each Series are protected from cross-liability as much as possible. The ringfencing is achieved in a number of ways:

1. each Investor of a Series is limited in its recourse against the Issuer to the Secured Property for that Series only;
2. the Issuer undertakes to only issue financial products (including further Series of the JBG Income Enhancer and any Series of other financial products) which are a distinct separate series and where the relevant assets are ringfenced from cross-liability in a similar manner to that described in this PDS;
3. the Issuer grants the Hedge Security Deed over the Secured Property of a Series (including the Hedge) in favour of Investors of that Series; and
4. the Hedge for each Series is (generally) separate and distinct from other Hedges and that set-off and netting across the Hedges for all Series entered into by the Issuer with a Hedge Provider applies only on the insolvency of the Issuer or the Hedge Counterparty. Although, the Issuer will ensure that there will never be a net amount owing from the Issuer to the Hedge Counterparty under the Hedge.

9.1 LIMITED RECOURSE BY INVESTOR

Investors in one Series are limited in recourse against the Issuer to only the Secured Property which is the subject of the Hedge Security Deed for that Series described below and Investors have no other right of recourse against the Issuer. Therefore, Investors in the Units have limited recourse to the Issuer. Please refer to "Recourse by Investors is limited to each Series" in Section 7 "Risks" for more information.

9.2 THE HEDGE SECURITY DEED

For each Series, a Security Interest under the Hedge Security Deed is granted to the Security Trustee (as trustee for the Investors) by the Issuer over the Secured Property of that Series. The Secured Property for each Series includes Investors' Application monies and the Hedge which the Issuer enters into in order to hedge its obligations in respect of the Units in that Series. A detailed description of the Hedge Security Deed (including which amounts are excluded from the Secured Property and when amounts are released from the Secured Property under the Hedge Security Deed) is included in Section 11 "Additional Information".

The Security Trustee holds the Hedge Security Deed of a Series on trust for Investors and itself pursuant to the Security Trust Deed. A detailed description of the Security Trust Deed is included in Section 11 "Additional Information".

The Hedge Security Deed of a Series becomes enforceable (by the Security Trustee) where there is an Event of Default under the Hedge Security Deed. The Event of Defaults under an Hedge Security Deed include where the Issuer fails to make a payment or delivery obligation under a Transaction Document on its due date (or within

3 Business Days of its due date where the Issuer demonstrates to the Security Trustee's reasonable satisfaction that the failure occurred outside the control of the Issuer because of a failure in the banking or other system used for the transfer of funds), where the Issuer fails to perform any other obligation under a Transaction Document and the Security Trustee considers (acting on the instructions of the Majority Investors), the failure is materially adverse to Investors and the Security Trustee and cannot be remedied (or the failure can be remedied and is not remedied within 5 Business Days written notice) or if the Issuer becomes insolvent. See Section 11 "Additional Information" for a full list of Events of Default under the Hedge Security Deed.

Upon the occurrence of an Event of Default, the Security Trustee has the power to enforce the Hedge Security Deed in accordance with its terms and the Security Trust Deed. The Security Trustee may directly enforce the rights of the Issuer under the Hedge in accordance with the Hedge Security Deed.

Following an Event of Default of the Series, unless the Security Trustee is expressly required to seek the instructions of the Majority Investors of a Series (e.g. as set out above), the Security Trustee may request the instructions of the Majority Investors and act in accordance with those instructions or act as it considers is in the best interests of the Investors and itself as a whole or as it determines in its reasonable discretion.

Subject to the terms of the Security Trust Deed, the Security Trustee must, if instructed to do so by the Majority Investors of a Series, make demands under and declare any security constituted by the Hedge Security Deed of that Series to be enforceable. The Security Trustee must then, subject to the terms of the Security Trust Deed, take reasonable steps to exercise its powers under, and enforce, the Hedge Security Deed of that Series.

This structure is designed to offer protection to Investors, to some extent, from a default by the Issuer in the performance of its obligations in respect of the Units of a Series. However, there is the risk that either (or both) of the Security Trustee and the Hedge Counterparty will be unable to meet their obligations under the Security Trust Deed and Hedge, respectively. Please refer to "Creditworthiness of the Issuer, Hedge Counterparty and Security Trustee" in Section 7 "Risks".

Anything which must be done by the Issuer under the Hedge Security Deed, whether or not at the request of the Security Trustee, must be done at the cost of the Issuer. Where the Issuer fails to act in accordance with the Hedge Security Deed or to the satisfaction of the Security Trustee, the Security Trustee may do or cause to be done things which must be done by the Issuer under the Hedge Security Deed, but is under no obligation to do so.

9.3 THE HEDGE

Each Hedge entered into for a particular Series is treated, other than in limited circumstances, as a separate and distinct transaction from any other Hedge. Under the terms of the Hedges as negotiated with the Hedge Counterparties, amounts due under a Hedge in respect of the Units in a Series are not netted during the term of that Hedge against amounts due under a Hedge entered into with the same Hedge Counterparty in respect of the Units in any other Series, except on insolvency (see below under "Remaining cross-liability risks"). All Hedge Counterparties have acknowledged the Hedge Security Deed of the relevant Series and the Security Trust Deed and

acknowledged that the Security Trustee has the power to enforce the Issuer's rights under the Hedge if the Hedge Security Deed of the Series is enforced.

9.4 REMAINING CROSS-LIABILITY RISKS

Despite the ringfencing arrangements described 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 ("Hedge Agreement"), then the obligations of the other party under the Hedge Agreement can 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, if a bankruptcy event of default occurs with respect to the Issuer, then this will be an event of default under all the Hedges with a Hedge Counterparty and each Hedge Counterparty may suspend its obligations under all its 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 Hedges with that particular Hedge Counterparty and such Hedge Counterparty may suspend its obligations under all its Hedge Agreements with the Issuer.

Any such suspension of the obligations of a Hedge Counterparty could materially adversely affect Investors.

2. A Hedge Agreement between the Issuer and a particular Hedge Counterparty can 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— payment obligations in relation to all transactions governed by that Hedge Agreement between those two parties are terminated, and a single net amount is 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 affects 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, if a bankruptcy event of default occurs with respect to the Issuer, then this will be an event of default under all the Hedges and each Hedge Counterparty may terminate all its 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 and such Hedge Counterparty may terminate all its 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, 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). 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 Security Trustee on behalf of Investors in relation to a number of Series.

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 there will never be a net amount owing from the Issuer to 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.

The Security Trust Deed sets out a method for allocating amounts received by the Security Trustee where those amounts are not directly referable to any particular Series or Separate Trust.

Investors have no recourse to the Security Trustee if they disagree with how any such amounts are allocated by the Security Trustee.

If a single amount is received from a Hedge Counterparty in respect of a number of Series, the Security Trustee may allocate the amount received to one or more Separate Trusts (corresponding to one or more Series) proportionally by reference to:

- a. the last individual valuation of the Hedge for each Series provided by the calculation agent under the Hedge;
 - b. where the Security Trustee is unable to obtain the last individual valuation of the Hedge for any Series, the most recent valuation of the Units for that Series as published by the Issuer multiplied by the number of Units on issue in that Series;
 - c. where the Security Trustee is unable to obtain or rely on the most recent valuation of the Units for that Series, the valuation of the Hedge for each Series are determined by an independent leading dealer in the relevant market mutually appointed by the Security Trustee and the Issuer. The cost of obtaining the valuations of the Hedge for a Series is to be paid out of the Trust Fund of the Separate Trust for that Series. The Security Trustee must then allocate the amounts received to one or more Separate Trusts (corresponding to one or more Series) proportionally by reference the valuations provided;
 - d. if the Security Trustee and the Issuer are unable to mutually appoint an independent leading dealer in accordance with paragraph (c) above, the Security Trustee may allocate the amount received to one or more Separate Trusts based on its estimate, made to achieve a commercially reasonable outcome, on the value of the Hedge or Units for that Series; and
 - e. where an independent leading dealer is not appointed, the amount received may be allocated by the Security Trustee based on their estimate, made to achieve a commercially reasonable outcome, of the value of the Hedge or Units for the Series.
4. The security interests created under the Hedge Security Deed may be security interests over "circulating assets" under the PPSA Law and in such circumstances Investors will rank behind the claims of certain creditors, such as employees of the Grantor, preferred by law.
- Under PPSA Law a security interest in personal property that is perfected by "control" under the PPSA Law has priority over a security interest in the same personal property perfected by other means. The Security Interest under the Hedge Security Deed will be perfected by registration not control. Investors should be aware that their Security Interest under the Hedge Security Deed may not have priority if any other person obtains a security interest over the assets the subject of the Hedge Security Deed and perfects such security interest by control. Investors should also be aware that under PPSA Law in certain circumstances a transferee of personal property such the Delivery Assets may buy the asset free of any Security Interest.
5. 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, but remains subject to each separate Security Interest under the relevant Hedge Security Deed. The Issuer has appointed an external service provider to account for the funds held in the trust account. Should there be an Event of Default and the external service provider is unable to be or has not been paid, this may result in the Security Trustee not being able to determine who the funds held in the trust account belong to. In these circumstances, the Security Trustee will not be required to take any action and will not be responsible for determining who the funds held in the trust account belong to.

Please refer to the description of the Security Trust Deed in Section 11 "Additional Information". This risk is also described further in "Default under the Hedge for another Series" in Section 7 "Risks".

10. Taxation

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

1. acquired the Units during the Initial Offer Period at the Initial Issue Price;
2. 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;
3. will hold the Units and the Delivery Assets in their own capacity as capital assets; and
4. has quoted their Tax File Number to the Issuer at the time of lodgement of their application form.

However, this summary also touches briefly (when specifically mentioned) on Investors who sell their Units on market and hold their investment on revenue account either as a profit making scheme or as part of a business of trading or investment of securities.

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 (except when such Investors are specifically referred to).

This summary does not discuss taxation consequences of early withdrawal or transfer of Units (i.e. where an Investor does not hold their Units until the Maturity Date) except when specifically mentioned. Investors should seek their own professional taxation advice in relation to the taxation consequences of an early withdrawal.

Additionally, the tax discussion outlined here is generally 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 21 February 2013. 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.

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.

10.1 COUPON PAYMENTS

The 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.

10.2 SEPARATE TRUST

A proportion of the net taxable income (if any) of the Separate Trust created for the Series may be included in the assessable income of the relevant investors on 30 June each year. Whether or not a Separate Trust will have net taxable income in a year of income will be dependent on whether the Hedge Security Deed is enforced by the Security Trustee.

Each investor's proportion of the net taxable income (if any) of the relevant Separate Trust will be determined by the number of Units held by the investor in the Series.

Should the Hedge Security Deed be enforced by the Security Trustee, it is recommended that investors seek independent professional taxation advice.

10.3 CAPITAL GAINS TAX ("CGT")

(a) 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 constitute a discrete CGT asset and consequently, the ending of rights on Maturity (i.e. at the time of delivery of the Delivery Assets) triggers 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 that time) less the investor's cost base in the Unit.

We consider that an investor's cost base in the Unit should include:

1. the money the investor pays to acquire the Unit (i.e. the Issue Price);
2. the incidental costs of acquisition and disposal; and
3. the costs of ownership of the Unit (e.g. 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).

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 1 and 2 but not 3 (as listed above).

However, we note that in relation to the Units for Series 2, the gain on this product may be a revenue gain for investors (see "Alternate tax treatment" below). If this is the case, the CGT gain will be reduced to the extent the gain is assessed as ordinary income.

CGT discount provisions

Capital gains made by individuals regarding assets held for at least 12 months 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 complying superannuation/first home savers account assets of life insurance companies, 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. As such, an Investor that holds the Unit for its term should satisfy this 12 month holding period.

Alternate tax treatment

In light of the features of the Units issued under Series 2, in particular the fact that the security is designed to provide investors with a return equivalent to the spot price of gold, we consider the gain derived by an investor from investing in the Units under Series 2 could be assessable as ordinary income as a gain from a profit making scheme at the time the Delivery Assets are sold (discussed below). This is likely to be the case if the investor relies on the Agency Sale Option or transfers the Units during its term in certain circumstances (this is discussed in greater detail below). Our preferred view is that the gains recognised as ordinary income should reduce the amount assessable under the CGT provisions discussed above. This will ensure the same amount is not taxed twice. In these circumstances, the CGT discount referred to above would not be available (which is only available for capital gains and not ordinary income). Ultimately, the risk of this tax treatment will depend on the investor's own circumstances and should be discussed with a tax advisor.

Trading of Units

If an Australian resident investor acquires a Unit in the course of carrying on a business of dealing in securities or if the investor acquires the Unit as part of a profit making scheme, then any gain made on the sale of the Unit will be assessable to the investor as ordinary income (and any loss made on the sale will be an allowable deduction). The gain or loss is calculated by reference to the sale proceeds less the Issue Price and any brokerage or other costs incurred in holding or disposing of the Unit.

Day traders are effectively taxed on the same basis albeit in conjunction with the trading stock provisions where the day trader has acquired the Unit for the purpose of sale or exchange in the ordinary course of business.

(b) Holding Delivery Assets

The usual consequences of share ownership apply in respect of holding the Delivery Assets that are Australian securities. For example:

1. Dividends paid on the Delivery Assets (grossed up for any franking credits) are assessable, and Investors may, depending on their personal circumstances, be entitled to tax offsets for any franking credits attached to the dividends.
2. Tax File Number ("TFN") withholding (currently imposed at a rate of 46.5%) will be required to be deducted from the unfranked portion of dividends paid on the Delivery Assets unless Investors quote their TFN or, where applicable, their Australian Business Number ("ABN") or exemption details.

(c) Disposal of Delivery Assets

The Delivery Assets are also CGT assets.

Any subsequent disposal of the Delivery Assets by an investor should constitute a CGT event at the time the contract for disposal is executed.

An investor should be assessed on the assessable portion of any 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 which the investor has in the Delivery Assets. If the capital proceeds received by an investor are less than the reduced cost base that the investor has in 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 at the time of delivery.

CGT discount provisions

An investor that is an individual may claim the benefit of the CGT discount (as described above) on the assessable portion of any capital gain made on the disposal of the Delivery Assets where they have held the Delivery Assets for more than 12 months. An investor acquires the Delivery Assets at the time of delivery. Accordingly, the Commissioner reasons that the 12-month holding requirement will be counted from this date.

Alternate tax treatment

If the alternate tax treatment referred to above applies in relation to Units and part or all of the gain is otherwise seen as a revenue gain, the entire gain will be assessable as ordinary income at the time the Delivery Assets are sold (and the discount CGT provisions referred to above will be irrelevant).

(d) Agency Sale Option

At Maturity an investor can choose to accept delivery of the Delivery Assets or alternatively enter into the Agency Sale Option. The CGT consequences of an investor using the Agency Sale Option are the same as outlined above in relation to the consequences of an investor selling Delivery Assets which they received at Maturity.

If an investor purchases a Unit and their intention to hold the Unit (and the Delivery Assets which they may acquire under the Unit) for capital purposes alters, then an investor may be taxed under the ordinary income tax provisions rather than under the CGT provisions as described in the preceding paragraph. In such a situation the investor would not be entitled to the CGT discount.

(e) Early Maturity and Issuer Buy-Back

Early Maturity should not affect the above CGT analysis unless the Early Maturity occurs within 12 months of the Commencement Date. If this occurs then the investor will not meet the 12 month holding period required to claim the CGT discount on any capital gains made on the delivery of the Delivery Assets to the investor.

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 concessional CGT rules. This will depend on the circumstances in which these events occur.

10.4 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 therefore a "security" as defined for the purposes of these provisions. Accordingly, those provisions should not apply to a Unit acquired by an investor.

10.5 GEARING – COMPLYING SUPERANNUATION FUNDS

In addition to the general gearing discussion, below, 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.

10.6 GEARING – ALL INVESTORS

Investors should seek their own independent advice as to their own individual ability to deduct any interest expenses and borrowing expenses if they borrow to fund an investment in a Unit.

10.7 PART IVA OF THE 1936 ACT

Part IVA 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 year of income or converting an assessable income amount into a discount capital gain.

An investor in this product may obtain a tax benefit.

Part IVA may apply where, viewed objectively, an investor would be taken to have invested in this product with the dominant purpose of obtaining a tax benefit. This depends 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 referred to above.

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

10.8 TAXATION OF FINANCIAL ARRANGEMENTS

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

10.9 INCOME TAX TREATMENT OF INSTALMENT WARRANTS

The Government has released inment warrants financial arrangements ("TOFA") reforms. There are a number of exclusions from TOFA. Specifically, the TOFA rules should not apply to superato the income tax treatment of instalment warrants. While we consider that the proposed changes, as set out in the Treasury's Proposals

Paper, should not impact the income tax treatment as set out in this tax section, the form of the proposed legislation incorporating these changes is yet to be seen, and this is something that Investors should discuss with their tax advisers.

10.10 STAMP DUTY

As the Delivery Assets are ASX listed ordinary shares, no stamp duty will be payable on the issue or transfer of a Unit provided that the ASX listed ordinary shares are quoted on the Australian Securities Exchange at all relevant times (including for example the dates of issue of the Unit 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.

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, then the Issuer can under the terms of this PDS require an Investor to pay such stamp duty.

The Hedge Security Deed is potentially subject to mortgage duty on the amount of any financial accommodation secured by it (e.g. forbearance). In the circumstances at hand and under the law as at the date of this document, duty should not apply.

10.11 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.

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, then the Investor can be required to pay an additional amount on account of such GST.

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

10.12 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, the Security Trustee, Arranger, Custodian 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, the Security Trustee, Arranger, Custodian 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 obligations of the Issuer. Please refer to Section 7 "Risks" under the heading "Creditworthiness of 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 SECURITY TRUST DEED

The Security Trust Deed is entered into by JBG Structured Investments Pty Ltd (JBG SI) and the Security Trustee. Under the Security Trust Deed, the Security Trustee is appointed as trustee of each Separate Trust and enters into the Security (including the Hedge Security Deed of a Series) in that capacity.

The Security Trust Deed is a Master Security Trust Deed and a number of Separate Trusts are created under the Security Trust Deed. A Separate Trust is created in relation to each Series of Units (including JBG Income Enhancer Series 1 & 2 offered under this PDS).

JBG SI charges the relevant Secured Property for that Series in favour of the Security Trustee under the Hedge Security Deed (explained below). The Security Trustee will then hold the relevant Secured Property of that Series on trust for itself and each Investor (in proportion to the number of Units an Investor holds) on the terms of the Security Trust Deed until termination of the Separate Trust.

The primary function of the Security Trustee is to exercise any right, power or remedy under the Security and enforce the Security of a Series on behalf of the Investors of that Series. Investors of a Series are not allowed to exercise these rights or have any direct recourse to the security constituted by the Security except through the Security Trustee. In exercising these powers, the Security Trustee may request the instructions of the Majority Investors (by way of convening a

meeting of Investors) and act in accordance with them or may act as it considers is in the best interests of the Investors and itself as a whole or as it determines in its reasonable discretion. However, where the Majority Investors of a Series have instructed the Security Trustee to exercise a right, power, authority, discretion, or remedy of, or conferred on, the Security Trustee and the Security Trustee fails to do so within 5 Business Days, the Majority Investors of that Series may act on behalf of the Security Trustee to exercise the right, power, authority, discretion, or remedy.

The Secured Property for each Series includes all the present and future rights, title, benefit and interest of the Issuer in amounts received by the Issuer in respect of Units in that Series (including Application monies received from Investors), the Hedge for that Series, any proceeds from the Hedge and any Delivery Assets or other investments purchased with proceeds from the Hedge. The Secured Property specifically excludes the Beneficial Interest in the Portion of the Delivery Assets, any fees, costs, charges or similar which are due to the Issuer. Investors should note that Secured Property is released from the Charge when paid to Investors in accordance with the Terms (e.g. as Coupons), when paid to the Hedge Counterparty in relation to the Hedge and when due and payable to the Issuer, third party dealer groups or other person in respect of any fees, costs and expenses payable to them.

Each Separate Trust created under Security Trust Deed will terminate in certain circumstances including when the Security Trustee is satisfied that JBG SI has irrevocably and unconditionally satisfied in full its Secured Obligations in respect of that Separate Trust and the Trust Fund for that Separate Trust is distributed in full.

The Security Trustee can resign as trustee of a Separate Trust at any time by giving at least 30 days' written notice. However, it is a term of the Security Trust Deed that the resignation of the Security Trustee does not take effect until a successor Security Trustee is appointed.

The liability of the Security Trustee in respect of a Series and a Separate Trust is limited under the terms of the Security Trust Deed.

In particular, the Security Trustee (and its directors, specified persons acting on its behalf, employees, agents or attorneys) are not liable for any loss or damage occurring as a result of it exercising, failing to exercise or purporting to exercise any powers under the Security Trust Deed or in relation to the Transaction Documents, any failure of the Issuer or a Hedge Counterparty to comply with its obligations or for acting or not acting in accordance with the instructions of the Investors or Majority Investors.

Additionally, the Security Trustee's liability in respect of a Series and a Separate Trust is limited to and can be enforced against the Security Trustee only to the extent to which it can be satisfied out of any property held by the Security Trustee in respect of that Separate Trust out of which the Security Trustee is actually indemnified for the liability. This limitation of the Security Trustee's liability applies despite any other provision of the Transaction Documents and extends to all liabilities and obligations of the Security Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Transaction Documents and a Separate Trust.

JBG SI and the Investors may not sue the Security Trustee in any capacity other than as trustee of a Separate Trust, including seeking the appointment of a receiver (except in relation to property of the Separate Trust), a liquidator, an administrator or any other similar

person to the Security Trustee or prove in any liquidation of or affecting the Security Trustee (exception in relation to the property of the Separate Trust).

JBG SI and the Investors waive their rights and release the Security Trustee from any personal liability in respect of any loss or damage which any of them may suffer as a consequence of a failure of the Security Trustee to perform its obligations under or in connection with the Transaction Documents, which cannot be paid or satisfied out of any property held by the Security Trustee in respect of that Separate Trust.

The limitation of liability does not, under the terms of the Security Trust Deed, apply to any obligation or liability of the Security Trustee to the extent arising as a result of the Security Trustee's fraud, gross negligence or wilful default.

The Security Trustee is not obliged to take any action or exercise any of its powers until it is first indemnified to its reasonable satisfaction. Investors will receive payment only after the fees, costs, expenses or other sums incurred or payable by or to the Security Trustee have been paid. This includes any fees payable to the Security Trustee by the Issuer.

A copy of the Security Trust Deed is available upon request. Please contact JBG Structured Investments on 02 8114 2222.

11.5 HEDGE SECURITY DEED

Under the Hedge Security Deed for each Series and Separate Trust, JBG Structured Investments Pty Ltd (Grantor) charges the Secured Property (which includes Application monies received from Investors of that Series, all the present and future rights, title, benefit and interest of JBG SI in the Hedge, any proceeds from the Hedge and any Delivery Assets or other investments purchased with proceeds from the Hedge, but excluding the Beneficial Interest in the Portion of the Delivery Assets, any fees, costs, charges or similar which are due to the Issuer) to the Security Trustee to secure the satisfaction of the Secured Obligations in respect of that Series (including the performance of the Issuer's obligations under the PDS and the Terms of the Deferred Purchase Agreement).

Investors should note that Secured Property is released from the Security Deed when paid to Investors in accordance with the Terms (e.g. as Coupons), when paid to the Hedge Counterparty in relation to the Hedge and when due and payable to the Issuer, third party dealer groups or other person in respect of any fees, costs and expenses payable to them. In addition, the Secured Property does not include the Sale Monies if an Investor elects the Agency Sale Option. This is because the Sale Monies belong to the Investor and the Issuer cannot charge this amount. Instead, the Issuer will hold the Sale Monies in an ADI trust account just prior to paying it to Investors following Maturity of the Series.

The Security Interest under the Hedge Security Deed is subject to any prior, permitted Security Interests in the Transaction Documents, such as the credit support annex in the Hedge, and subject to any rights of set off and close out netting that apply under the Hedge on the occurrence of a bankruptcy of a party to the Hedge. That is, any rights of set off and netting that a counterparty to the Hedge may have on the bankruptcy of either the Issuer or that Hedge Counterparty will operate notwithstanding that the Issuer has charged its rights under the Hedge in favour of the Security Trustee.

The security interest under the Hedge Security Deed may be a circulating charge under the PPS Law and as a result Investors will

rank behind any money owed to any employees of the Grantor. Investors should be aware that their Security Interest under the Hedge Security Deed may not have priority if any other person has perfected control of the Secured Property in any way and that a transferee of assets (e.g. a buyer of the Delivery Assets) will buy the asset free of any Security Interest.

The Security Trustee enters into each Hedge Security Deed in its capacity as trustee of the Separate Trust created under the Security Trust Deed.

The Hedge Security Deed will be released in full upon certain conditions being met, including that if the Security Trustee is satisfied that all of the Secured Obligations in respect of the relevant Separate Trust are irrevocably and unconditionally paid, discharged or performed in full. Part of the Secured Property under the Hedge Security Deed will be automatically released to the extent that the Secured Property (or any part of it) is delivered or paid to the Investors in that Series in accordance with the Terms (e.g. in the case of Early Maturity following an Issuer Buy-Back request) or paid to the Hedge Counterparty in respect of the Hedge. The Security Trustee can rely on a certificate of the Issuer as to the amount of Secured Obligations owing at any time.

If an Event of Default under a Hedge Security Deed occurs, the Grantor must immediately pay or perform the Secured Obligations under each DPA of that Series to the Security Trustee on demand by the Security Trustee and in the manner notified by the Security Trustee.

If an Event of Default occurs, the Security Trustee has the power to do all acts and things and exercise all rights, powers and remedies that the Grantor could do or exercise in relation to the Secured Property of the Series, including the power to:

- take possession and assume control of that Secured Property and collect and give receipts for the Secured Property;
- dispose of, retain or otherwise deal with the Secured Property and do everything necessary to register the Secured Property in the name of the Security Trustee;
- give instructions (including instructions to debit any securities account) to any intermediary in relation to any intermediated security forming any part of the Secured Property and to any bank with which the charged bank account is maintained;
- receive all dividends or other distributions made or to be made in respect of the Security Property;
- sell, close out, terminate, unwind or agree to sell, closeout, terminate or unwind the Secured Property on terms that the Security Trustee thinks fit;
- grant to any person an option to purchase any Secured Property on terms that the Security Trustee thinks fit;
- carry on business or concur in carrying on any business of the Grantor in respect of the Secured Property;
- do anything to maintain, protect or improve the Secured Property;
- make any agreement to compromise the Secured Money which the Security Trustee thinks fit;
- surrender or transfer the Secured Property of the Series to any Government Agency (whether or not for fair compensation);
- exchange any part of the Secured Property for any other property, for fair value and the property so acquired by the Security Trustee shall be treated as if it were part of the Secured Property and, for that purpose, the Security Trustee may create a Security Interest over that property in favour of the Security Trustee;

- delegate to any person at any time as the Security Trustee approves any or all of the powers of the Security Trustee on terms that the Security Trustee thinks fit;
- give effective receipts for all money and other assets that come into the hands of the Security Trustee;
- carry out and enforce, or refrain from carrying out or enforcing, agreements entered into or held by the Grantor in relation to the Secured Property or entered into in exercise of the rights, powers or remedies of the Security Trustee under the Hedge Security Deed;
- institute, conduct, defend, discontinue, settle, arrange or compromise any proceedings, including proceedings relating to insurance of the Secured Property;
- execute and deliver documents on behalf of the Grantor under seal or under hand;
- exercise any voting rights or powers in respect of any part of the Secured Property; and
- do or cause to be done any other act or thing which the Security Trustee considers necessary or incidental to the exercise of any right, power or remedy of the Security Trustee.

The Security Trustee will hold any moneys or Delivery Assets received on trust in accordance with the Security Trust Deed.

Anything which must be done by the Grantor under the Hedge Security Deed, whether or not at the request of the Security Trustee, must be done at the cost of the Grantor. Where the Grantor fails to act in accordance with the Hedge Security Deed or to the satisfaction of the Security Trustee, the Security Trustee may do or cause to be done things which must be done by the Grantor under the Hedge Security Deed, but is under no obligation to do so.

Events of Default under the Hedge Security Deed of a Series include, by way of summary (for a full list see Section 13 "Definitions"):

- the Hedge Counterparty becoming insolvent;
- the Grantor failing to make a payment or delivery under a Transaction Document on its due date (for example, the Grantor failing to perform a payment or delivery obligation under the Terms of the Deferred Purchase Agreement);
- the Grantor failing to perform or observe any other obligation under a Transaction Document, and the Security Trustee considers (acting on the instructions of the Majority Investors) that (i) the failure is materially adverse to the interests of the Investors and the Security Trustee and the failure cannot be remedied, or (ii) the failure is materially adverse to the interests of the Investors and the Security Trustee, the failure can be remedied and the failure is not remedied within 5 business days of the Security Trustee providing written notice to the Grantor;
- an Event of Default (as defined in the Hedge) occurs with respect to the Grantor;
- a Termination Event (as defined in the Hedge) with respect to which the Grantor is the Affected Party (as defined in the Hedge) occurs; or
- a representation or warranty made or deemed to be made by the Grantor in, or in connection with, the Transaction Documents is untrue or misleading (by omission or in any other way) in any material respect when made or repeated; and
- a proceeding is commenced against the Grantor or in relation to any Secured Property which does or may threaten the Grantor's entitlement to any Secured Property.

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 and interest paid even if the Hedge Security Deed of that Series is enforced.

There are risks involved with the enforcement of the Security Interest, please refer to "Risk relating to enforcement of the Hedge Security Deed and appointment of administrator" in Section 7 "Risks".

A copy of the Hedge Security Deed is available upon request. Please contact JBG Structured Investments on 02 8114 2222.

11.6 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".

Link Market Services Limited has given and, as at the date of this PDS, not withdrawn its consent to the inclusion of statements regarding Link Market Services 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. Link Market Services does not guarantee the success of the Units, the repayment of capital or any particular rate of capital or income return.

AET Structured Finance Services Pty Limited:

- (a) has not made any statement or purported to make any statement in this PDS or any statement on which a statement in this PDS is based,
- (b) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation or any statement regarding, and takes no responsibility for, any part of this PDS, or any statements in, or omissions from this PDS or the Transaction Documents, other than the specific references to its name;
- (c) has given and has not, before the issue of this PDS, withdrawn its written consent:
 - (i) to be named in this PDS in the form and context in which it is named; and
 - (ii) to the inclusion in this PDS of the statement(s) and/or report(s) (if any) by that person in the form and context in which they appear in this PDS; and
- (d) does not guarantee the return of any capital sums invested or any rate of return or the performance of any obligations.

Valuestream Investment Management 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.

JBG Nominees No.1 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 Custodian) and to the descriptions of the Custodian in this PDS. The Custodian 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 Custodian.

11.7 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) the Security Trustee;
 - (iii) share registries, custodians and certain software providers related to the operational management and settlement of the Units;
 - (iv) 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
 - (v) 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 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.

11.8 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 a Holder has an enquiry or concern about their Units, they should contact JBG Structured Investments on 02 8114 2222 or by writing to:

JBG Structured Investments
PO Box R1837
Royal Exchange NSW 1225
Or

Level 8, Suite 3, 25 Bligh St
Sydney NSW 2000

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

JBG SI Compliance will acknowledge receipt of your complaint in writing. Your complaint will be investigated in accordance with the JBG Structured Investments 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 JBG SI's response to your complaint you can then contact the Credit Ombudsman Service Limited ("COSL") at: Credit Ombudsman Service Limited
Case Management Team
c/- Credit Ombudsman Service
PO Box A252
Sydney South NSW 1235
Telephone: 1800 138 422

COSL is a free independent dispute resolution scheme.

In order for the complaint to be considered by COSL, the claim must be for less than A\$250,000 (unless otherwise agreed in writing).

11.9 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 7 "Risks" for more details of conflicts of interest.

11.10 WHAT INFORMATION WILL I RECEIVE DURING THE INVESTMENT TERM?

Confirmations

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

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 Issuer agrees to purchase the Units and 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 beneficial interest in a Unit, and its corresponding Delivery Parcel from the Issuer on a deferred basis in accordance with these Terms:

- (a) by completing and returning a valid Application Form (including either a cheque or direct debit details) to the Issuer by the Issue Closing Date; and
- (b) by ensuring that an amount equal to the Total Investment Amount received by the Issuer in cleared funds by the Application Payment Date (or such later date as accepted by the Issuer in its absolute discretion).

The portion of the Total Investment Amount comprising the Application Fee is paid to the Issuer as agent for the 3rd Party Dealer Groups.

1.2 Investor bound

By signing the Application Form and lodging it 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 and the terms of the Security Trust Deed and relevant Hedge Security Deed.

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) The Issuer may decide to accept an Application in part and issue a lesser number of Units than the number applied for. In this case, the Total Investment Amount paid for the unissued Units will be returned without interest within 10 Business Days of the Commencement Date (for Applications received in the Initial Offer Period or the Secondary Offer Period).
- (c) If the Issuer decides that they will accept an Application and provided that the Issuer has received the Total Investment Amount by the Application Payment Date (or such other time if otherwise accepted by the Issuer in its discretion) (the cheque or direct debit details must be provided with the Application by the Offer Closing Date), acceptance of the Investor's offer will take place, and the parties' rights and obligations under these Terms will commence on the date the Units are issued by entry in the Register, provided that the Investor acknowledges that the economic exposure for the Units issued in relation to the Initial Offer Period commences on the Commencement Date.
- (d) Within 10 Business Days of the Commencement Date (for Units acquired in the Initial Offer Period) or the Issue Date (for Units acquired during the Secondary Offer Period), 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 Units, including the number of Units acquired and the Initial Strategy Value.

1.4 Issue of Units

The Units will be issued if the Issuer accepts an Application under clause 1.3(a). Units are issued within one month of an Application being accepted. Economic exposure for the Units issued pursuant to the Initial Offer Period 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. the Issuer being 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.

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 Sydney (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 Investment Amount (which will be paid by the Investor in accordance with clause 3.2). The Issuer will deliver the Delivery Parcel to the Investor or to a nominee of the Issuer on behalf of the Investor on the Settlement Date in accordance with clause 4.

3.2 Payment of the Investment Amount

- (a) The Investor must pay the Total Investment Amount to the Issuer in cleared funds by the Application Payment Date (or such other time if otherwise accepted by the Issuer in its discretion).
- (b) The portion of the Total Investment Amount comprising the Application Fee is paid to the Issuer as agent for the Advisor. If the Advisor waives the Application Fee, the waived portion of the Application Fee is used to acquire additional Units.
- (c) 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".

3.3 Coupons and payments

- (a) The Issuer will pay the Coupons 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 Strategy Value and occurrence of a Knock-in Event will 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, 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 20 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 a nominee of the Issuer 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, including, without limitation, directing the Issuer or its nominee to sell or procure the sale of the Delivery Assets;
- (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 (or pay by cheque to the Investor if no Nominated Account is nominated), 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, wilful 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 or payment of Sale Monies (if any) to an Investor in accordance with clause 4.4, 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 the Issuer's nominee 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 is unable to be delivered due to any legal or regulatory restriction relating to the Delivery Asset (including but not limited to cessation or Suspension from listing) or the Issuer, including but not limited to trade limitations resulting from internal conflict arrangements, then the Issuer shall either:

- (a) delay delivery of the Delivery Asset(s);
- (b) substitute the affected Delivery Asset with any other Delivery Assets 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 Delivery Assets 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.

5. Early Maturity

5.1 Early Maturity by the Issuer

The Issuer may, acting reasonably, at any time nominate (including on the Scheduled 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 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);
- (c) 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 date of this PDS;
- (d) a Change in Law occurs;
- (e) 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;
- (f) the Investor is, or becomes, bankrupt or insolvent;
- (g) the Calculation Agent cannot or does not continue to calculate the volatility or Participation Rate and the Strategy Value and an appropriate replacement cannot be found in the appropriate time;
- (h) the Reference Asset is terminated or ceases to exist for any reason whatsoever;
- (i) 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 (g) 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 Business Day by giving an Issuer Buy-Back Form to the Issuer. An Issuer Buy-Back can 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 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.

- (b) The Issuer will in its reasonable 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.
- (c) Settlement of an Issuer Buy-Back will take place by payment of the Buy-Back Price to the Investor in cash.
- (d) 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.

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 these Terms. 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).
 - (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 these Terms.
 - (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 the Termination Payment on the Early Maturity Date to the Investor's Nominated Account (or pay by cheque to the Investor if no Nominated Account is nominated) by the Settlement Date or as soon as practicable thereafter.
 - (iv) After the Delivery Parcel is delivered to the Investor under clause 4.3 or the Issuer or its nominees pays or procures payment to the Investor the Termination Payment in accordance with clause 5.4(a)(iii) 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. 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 No Conditional Capital Protection on Early Maturity or Issuer Buy-Back

- (a) The Conditional Capital Protection will not apply if there is an Early Maturity Event or an Investor requested Issuer Buy-Back.
- (b) Without limiting the foregoing, 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 14, 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 or amend 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; and/or
- (e) 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. 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 on the Commencement Date, an Issue Date, Maturity Date, Settlement Date, any Buy-Back Date, any Coupon Determination Date, any Coupon Payment Date, or on any Calculation 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 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 Strategy Value, Coupon, volatility 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 these Terms.

8. Issuer's obligations

- (a) The Issuer's obligations under these Terms (including in relation to the deferred purchase of the Delivery Assets) are direct obligations of the Issuer.

- (b) The Issuer undertakes to only issue financial products which are a distinct separate series and where the relevant assets are ringfenced from cross-liability in a similar manner to that described in this PDS.

9. Beneficial Interest in Delivery Asset

- (a) Upon the issue of Units, the Investor receives, in respect of their Total Investment Amount, a Beneficial Interest in a Portion of the Delivery Assets on the Commencement Date (for Units acquired pursuant to the Initial Offer Period) or the Issue Date (for Units acquired during the Secondary Offer Period). 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 beneficial interest in the Units will be removed from the Register and the new holder will be added to the Register as a beneficial owner; 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 (or Issue Date, as relevant) 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. Security Trust Deed

Investors agree and acknowledge that pursuant to the Security Trust Deed and an Hedge Security Deed for the relevant Series, the Security Trustee holds the Secured Property in relation to each Series of the Units on trust for and on behalf of Investors in the relevant Series and the Security Trustee on the terms of the Security Trust Deed and the relevant Hedge Security Deed.

11. Investor Acknowledgments of the Hedge Security Deed and Security Trust Deed Arrangements

- (a) Investors agree and acknowledge that pursuant to a Hedge Security Deed for a Series, the Issuer as legal and beneficial owner charges the Secured Property of the Series to the Security Trustee by way of Secured Property as security for the due and punctual payment and satisfaction of the Secured Obligations of the Series.
- (b) Each Investor of a Series:
 - (i) acknowledges that they are entitled to the benefit of the Security Trust Deed and the Hedge Security Deed of the Series even though they are not a party to it, or were not Investors at the time of execution and delivery of the Security Trust Deed and the Hedge Security Deed;
 - (ii) is taken to have notice of the Security Trust Deed and the Hedge Security Deed of the Series;
 - (iii) is bound by the terms of the Security Trust Deed and the Hedge Security Deed of the Series;
 - (iv) must perform all of the obligations and comply with all restrictions and limitations applicable to it under the Security Trust Deed and the Hedge Security Deed of the Series; and
 - (v) acknowledges that the liability of the Security Trustee is limited under the Security Trust Deed to the amount the Security Trustee can obtain as a final reimbursement from the relevant Separate Trust, being the Secured Property.
- (c) Investors agree and acknowledge that the Security Trustee's and the Investor's recourse against the Issuer in respect of a Series is limited to the amount the Security Trustee can obtain by enforcing the Security Trustee's rights in respect of the Secured Property under the Hedge Security Deed of that Series and otherwise they can take no action against the Issuer.
- (d) Each Investor of a Series is taken to acknowledge for the benefit of the Security Trustee and its Related Body Corporates (as defined in the Corporations Act) that the Investor has:
 - (i) entered into the transactions contemplated by the Transaction Documents of the Series;
 - (ii) made, or will make, its own independent investigations of the financial condition and affairs of the Issuer;
 - (iii) made its own appraisal of the credit worthiness of the Issuer and each other party to a Transaction Document; and
 - (iv) made its own assessment of the returns to be obtained under and in connection with the Transaction Documents,
 - (v) without relying on the Security Trustee (in whatever capacity) or its Related Bodies Corporate (as defined in the Corporations Act) or any representation made by any of them.

- (e) Investors agree and acknowledge that the Security Trustee's liability in respect of a Series and a Separate Trust is limited to and can be enforced against the Security Trustee only to the extent to which it can be satisfied out of any property held by the Security Trustee in respect of that Separate Trust out of which the Security Trustee is actually indemnified for the liability. This limitation of the Security Trustee's liability applies despite any other provision of the Transaction Documents and extends to all liabilities and obligations of the Security Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Transaction Documents and a Separate Trust.
- (f) Investors acknowledge and agree that the Security Trustee is not responsible or liable for the value of or any change in the value of the Units or the Secured Property of a Series or for the sale price of the Security Property provided that the Security Trustee acts in accordance with the Hedge Security Deed and the Security Trust Deed.
- (g) Investors acknowledge that they will receive payment only after the fees, costs, charges, expenses or other sums incurred or payable by or to the Security Trustee in relation to its appointment as Security Trustee and in connection with the exercise or enforcement of rights relating to the Security Trust Deed and Hedge Security Deed have been paid. This includes any fees, costs and expenses payable to the Security Trustee and to any controller or receiver appointed in connection with the Hedge Security Deed. This may include the fees payable by the Issuer to the Security Trustee in relation to the appointment of the Security Trustee.

12. 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 is 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; and
 - (iii) acknowledges that the indemnities are continuing obligations, independent of the Investor's other obligations and continue, without limitation, after this agreement ends or 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.

13. Investor's representations and warranties

13.1 General

By signing the Application Form and lodging it with the Issuer 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, the Security Trustee or their 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 the Security Trustee 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" is 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.

For the avoidance of doubt, "Terms" in this clause 13.1 refers to this Section 12 "Terms of the Deferred Purchase Agreement".

13.2 Superannuation Funds and Trusts

By signing the Application Form and lodging it with the Issuer 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 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.

13.3 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.

13.4 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.

14. 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 clause 5 or clause 6 of these Terms 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.

15. General provisions

15.1 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".

15.2 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.

15.3 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.

15.4 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.

15.5 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.

15.6 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 or expedient 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; and
- (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).

15.7 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.

15.8 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.

15.9 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. Any transfer or novation of rights or obligations must be notified to the Registrar.
- (b) Subject to clause 1.3, the rights and obligations under these Terms (including the beneficial interest in the Units) may be transferred or novated by an Investor in whole only, not in part, with the prior consent of the Issuer. Any transfer or novation of rights or obligations must be notified to the Registrar.
- (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 legal ownership of the Unit or a change of the person identified on the Register as the beneficial holder, 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 the beneficial owner of those Units in the Register.

15.10 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.

15.11 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.

15.12 Payments by the Issuer

All amounts payable by the Issuer under these Terms will be paid to the Investor's Nominated Account. If the Investor has not nominated a Nominated Account, payment will be made by the Issuer drawing a cheque made payable to the Investor which will be sent to the address recorded in the Register for that Investor, and on doing so the Issuer is discharged of their obligations under these Terms.

15.13 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.

15.14 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.

15.15 Time is of the essence

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

15.16 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.

15.17 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 the Terms.

Accretions means all rights, accretions and entitlements attaching to any Reference Assets or Delivery Assets after the Commencement Date (or Issue Date, as relevant) 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;

Advisor means the Investor's financial adviser;

Adjustment Event means any of the following in respect of the Units, Hedge, Reference Asset, 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.
- (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 Calculation Agent for those hedging arrangements or any Asset relevant to the hedging arrangement is terminated suspended, adjusted or changed in any way;

- (i) 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;
- (j) 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;
- (k) information about the Asset is not published or provided as required;
- (l) trading in the Asset is suspended or restricted;
- (m) 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;
- (n) 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;
- (o) a securities lending agreement (if any) is terminated, adjusted or changed;
- (p) any actual or proposed event that in the Issuer's reasonable option be expected to lead to any of the events referred to in paragraphs (a) to (o) above occurring;

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

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

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

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 (including any Hedge Agreement), 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;

Beneficial Interest means the beneficial interest in the Portion of the Delivery Assets in accordance with clause 9 of the Terms;

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 has the meaning given in Section 3.2 "Key Information" or if none is specified 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;

Calculation Agent means JBG Structured Investments Pty Ltd undertaking such role by reference to the Issuer's hedge and/or other arrangements in relation to the Units;

Calculation Date means the Commencement Date, the Scheduled Maturity Date and each Scheduled Business Day on which the Strategy Value is calculated;

Conditional Capital Protection has the meaning given in Section 3.2 "Key Information" and Capital Protected has a corresponding meaning;

Change has the meaning given in clause 14 "Amendment of Terms" of the Terms;

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);

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

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(d) of the Terms;

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

Coupon means the First Coupon, Second Coupon, Third Coupon or the Fourth Coupon or either or all of them as the context requires;

Coupon Determination Date means the First Coupon Determination Date and the Second Determination Date, the Third Coupon Determination Date and the Fourth Coupon Determination Date;

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

Custodian has the meaning given in Section 3.2 "Key Information";

Default under Specified Transaction has the meaning given in the 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;

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;

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:

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

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

Dividend means an ordinary dividend or distribution;

Early Maturity means accelerated Maturity 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 the Terms;

Early Maturity Notice means the notice of early maturity given in accordance with clause 5.4(a)(i) of the Terms;

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;

Event of Default occurs under the Hedge Security Deed if:

- (a) the Issuer (as "Grantor") fails to make payment or delivery under a Transaction Document on;
 - (i) its due date (or within 3 Business Days of its due date where the Grantor demonstrates to the Security Trustee's reasonable satisfaction that the failure occurred outside the control of the Grantor because of a failure in the banking or other system used for the transfer of funds);
 - (ii) the Grantor fails to perform or observe any other obligation under a Transaction Document (other than failure described in paragraph(a)) and the Security Trustee (acting on the instructions of the Majority Investors) considers:
 - i. that the failure is materially adverse to the interest of the Beneficiaries and that the failure cannot be remedied; or
 - ii. that the failure is materially adverse to the interest of the Beneficiaries and that the failure can be remedied and the failure is not remedied within 5 Business Days after the Security Trustee provides written notice to the Grantor to remedy the failure;
- (b) an Event of Default (as defined in the Hedge of the Series) occurs with respect to the Grantor;
- (c) a Bankruptcy Event of Default (as defined in Section 5(a)(vii) of the 2002 ISDA Master Agreement) occurs with respect to the Hedge Counterparty of the Series;
- (d) a Termination Event (as defined in the Hedge of the Series) with respect to which the Grantor is the Affected Party (as defined in the Hedge) occurs; or
- (e) Nationalisation or Insolvency (as each of those terms is defined in the 2002 ISDA Equity Derivatives Definitions published by the International Swaps and Derivatives Association, Inc) occurs with respect to the Grantor; or
- (f) another event of default (however described) occurs under a Transaction Document of the Series and:
 - (i) the Security Trustee considers that the failure or default cannot be remedied; or

- (ii) the Security Trustee considers that the failure or default can be remedied but it is not remedied to the Security Trustee's satisfaction within 3 Business Days (or any longer period the Security Trustee approves) from the earlier of:
 - i. the date the Grantor became aware of the default or ought reasonably to have become aware of the default; and
 - ii. receipt by the Grantor of a notice from the Security Trustee requiring it to remedy the default.
- (g) a representation or warranty made or deemed to be made by the Grantor in, or in connection with, the Transaction Documents of the Series is untrue or misleading (by omission or in any other way) in any material respect when made or repeated;
- (h) a proceeding is commenced against the Grantor or in relation to any Secured Property of the Series which does or may threaten the Grantor's entitlement to any Secured Property;
- (i) the Hedge Security Deed ceases for any reason to be a first ranking security interest or an obligation of the Grantor ranks ahead of or equally with the Secured Money other than an obligation which must be preferred by operation of law, or to the extent provided in the Hedge Security Deed, or a Permitted Security Interest or by perfection in accordance with the PPSA Law;

Event of Default as defined in the Hedge, includes 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 Strategy Value has the meaning given in Section 14 "Formulae";

Final Value per Unit means the value specified in Section 3.2 "Key Information" as the "Final Value" and is calculated in accordance with the formula in Section 14 "Formulae";

First Coupon means the distribution per unit made to investors determined on the First Coupon Determination Date. Please refer to in Section 14 "Formulae" 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;

Fourth Coupon means the distribution per Unit made to Investors determined on the Fourth Coupon Determination Date. Please refer to Section 14 "Formulae" for the Fourth Coupon formula.

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

Fund has the meaning given in clause 13.2 of the Terms "Superannuation Funds";

Gold Bullion means gold bars or ingots, which are typically traded on commodity markets;

Governing Rules has the meaning given in clause 13.2 of the Terms "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;

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 including the derivative relating to hedging the Grantor's obligations under the Units for JBG Income Enhancer Series 1 & 2;

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

Hedge Security Deed means, in respect of a Separate Trust and a Series, the deed entitled "Security Deed" for that Separate Trust and Series entered into between the Issuer (as "Grantor") and the Security Trustee dated on or before the Commencement Date, as amended from time to time or the security interest over the Secured Property created by that deed, as appropriate;

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;

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

Investor means the person or entity whose name is entered on the Register as the legal owner or beneficial holder from time to time during the Investment Term;

Investment Amount means 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;

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

Initial Offer 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;

Initial Offer Period means the period from and including the Initial Offer Opening Date to the Initial Offer Closing Date;

Initial 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;

Issue Closing Date means the Initial Offer Closing Date or the Secondary Offer Closing Date as relevant;

Issue Date means in relation to Units acquired during the Secondary Offer Period, the date specified as such in the Investor's Confirmation Notice as the date the Units were issued to the Investor;

Issue Price means the price determined by the Issue as the amount payable by an Investor for a Unit applied for during the Secondary Offer Period as described in Section 3.2 "Key Information";

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;

JBG SI or JBG Structured Investments means JBG Structured Investments Pty Limited, the Issuer for the Units;

Majority Investors in respect of a Separate Trust, means Investors who together hold more than 50% in value of the Total Outstanding for the Series relating to that Separate Trust;

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 the Terms other than as a result of Early Maturity;

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 the Terms, 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;

Monthly Performance Cap has the meaning given to it in Section 3.2 "Key Information";

Monthly Return has the meaning given to it 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;

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;

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;

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 held by the Issuer on the Commencement Date for a particular Series, determined by the Issuer in its discretion, divided by the number of Units on issue in that Series and disclosed in the Confirmation Notice;

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

PPSA Law means the Personal Property Securities Act 2009 (Cth), any regulations made under the Personal Property Securities Act 2009 (Cth) and any amendments to any other legislation as a consequence of the Personal Property Securities Act 2009 (Cth) or any of those regulations;

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 Sponsor has the meaning given to it 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 upon which that financial product is traded; and
- (b) an index, the primary exchange upon which the financial products which primarily constitute that index are traded; and
- (c) a commodity, any exchange where contracts or futures relating to the commodity are traded;
- (d) or as determined in the reasonable discretion of the Issuer;

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;

Scheduled Maturity Date means the Maturity Date specified in section 3.1 "Timeline";

Second Coupon means the distribution per unit made to Investors determined on the Second Coupon Determination Date;

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

Secondary Offer Closing Date means the date specified in Section 3.1 "Timeline" as the cut off time for investments in the Units;

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

Secondary Offer Period means the period from and including the Secondary Offer Opening Date to the Secondary Offer Closing Date;

Secured Money in relation to the Hedge Security Deed, means, in respect of a Series, all moneys, obligations and liabilities of any kind that may now be or might at any time in the future become due, owing or payable, whether actually, contingently or prospectively, to the Investors and the Security Trustee in connection with the Series and the Transaction Documents of the Series including, but without limitation, on account of principal, interest, fees, expenses, indemnity payments, losses or damages and irrespective of:

- the capacity of the Issuer (as "Grantor") (whether as principal, agent, trustee, beneficiary, partner or otherwise);
- whether the Grantor is liable as principal debtor or as surety;
- whether the Grantor is liable alone, jointly or jointly and severally with another person;
- whether or not the money, obligation or liability is owed to the Investor or to its account as a result of an assignment, transfer or other dealing with or without the Grantor's consent; or
- whether the money, obligation or liability is owed or secured before or after the date of:
 - the Hedge Security Deed; or
 - any assignment of the Hedge Security Deed or any other Transaction Document.

Secured Obligations in relation to the Hedge Security Deed, means, in respect of a Separate Trust, each of the obligations of the Issuer to, or for the account of, the Investors of the Series and the Security Trustee under or in connection with the Transaction Documents of the Series, including but without limitation the obligation to pay the Secured Money;

Secured Property in relation to the Hedge Security Deed, means all of the present and future right, title, benefit and interest of the Issuer (as "Grantor"):

- (a) in all proceeds, property and money received or receivable by the Grantor in its capacity as issuer of the Units in connection with the application by the Investors for the Units and the issue of the Units; and
- (b) under, pursuant to or in connection, with the Hedge including in all monetary obligations and all delivery obligations of the Hedge Counterparty arising under or pursuant to the Hedge (subject to any rights of set-off and netting under the Hedge whether arising before, on or after the date of the Hedge Security Deed or the date of any notice of the Security Deed to any party to the Hedge), and including the Grantor's right to payment of any amount payable under or pursuant to the Hedge after the operation of the close-out netting provisions of the Hedge; and
- (c) under, pursuant to or in connection with any sponsored account including, without limitation, any rights of the Grantor under or pursuant to any CHES sponsorship agreement between the Grantor and any person with respect to the Grantor's holding of any Delivery Assets in respect of the Series but excluding the Beneficial Interest in the Portion of the Delivery Assets;
- (d) in and to the trust account which the Grantor has opened in respect of all Series including all rights of the Grantor to repayment of the amount standing to the credit of this account;

including, unless otherwise provided in the Hedge Security Deed, any investments into which any of those proceeds, property, money, or payments or deliveries made in discharge or redemption of such obligations are converted, including without limitation, any Delivery Assets delivered to the Grantor under or pursuant to the Hedge or amounts paid to the Grantor under the Hedge and the proceeds of any Secured Property to which the PPSA Law applies, but excluding all Sale Monies and any and all fees, costs, charges or similar amounts which are due and payable to the Grantor under or pursuant to this PDS, any Transaction Document or any of the Secured Property.

Security means in respect of a Series, each Hedge Security Deed for that Series and each other deed or agreement entered into by JBG Structured Investments Pty Ltd in favour of the Security Trustee after the execution of the Security Trust Deed to be held for that Separate Trust, to secure the Secured Money in respect of that Separate Trust or any part of it;

Security Interest means a right, interest, power or arrangement in relation to an asset which provides security for, or protects against default by a person in, the payment or satisfaction of a debt, obligation or liability, and includes a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance, hypothecation, arrangement for the retention of title or any arrangement under which money or claims to, or the benefit of, any party or creditor may be applied, set-off or made subject to a combination of accounts;

Security Trustee means AET Structured Finance Services Pty Limited ABN 12 106 424 088 or any other security trustee appointed in accordance with the Security Trust Deed from time to time;

Security Trust Deed means the deed entitled "master security trust deed" entered into between the Security Trustee and the Issuer dated on or about 1 September 2010, as amended from time to time;

Semi-Annual Coupon means the First Coupon, Second Coupon, Third Coupon or the Fourth Coupon or either or all of them as the context requires.

Separate Trust in relation to the Hedge Security Deed and Security Trust Deed, means a trust for a Series constituted under the Security Trust Deed;

Series means the series of Units offered under this PDS, each other series of JBG Income Enhancer Units 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 fulfil 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:

- special, abnormal, extraordinary, additional or extra;
- part of a scheme of arrangement or takeover consideration;
- 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.

Strategy Value has the meaning given in Section 3.2 "Key Information";

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

S&P means Standard & Poor's, a division of The McGraw-Hill Companies Inc.;

S&P/ASX 200 Index means the S&P/ASX 200 Price Return Index published by S&P;

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 or other similar early termination event as defined in the Hedge, means the occurrence of the following events:

- illegality i.e. it becomes unlawful for any obligations entered into under the Hedge to be performed;
- force majeure event;
- 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;
- if applicable in the Hedge, on the merger, consolidation or amalgamation of a party, the credit rating of that party is materially weaker; and
- 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 Issuer;

Third Coupon means the distribution per Unit made to Investors determined on the Third Coupon Determination Date. Please refer to Section 14 "Formulae" for the Third Coupon Formula;

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

Timeline means the timeline set out in Section 3.1 "Timeline";

Total Investment Amount means the Investment Amount and the Application Fee (if any);

Total Outstanding, in respect of a Series, means the aggregate of the Secured Money to all Investors under that Series;

Transaction Documents means, in respect of a Series:

- the Hedge Security Deed for that Series;
- the Hedge for that Series;
- each DPA for that Series;
- the Security Trust Deed (as it applied to that Series);
- the Product Disclosure Statement including the Terms of the Deferred Purchase Agreement (as it applied to that Series); and
- each other document which the Issuer and the Security Trustee agree in writing is a Transaction Document for the purposes of the Security Trust Deed and the Series; and
- each document entered into or provided under any of the documents described in paragraphs (a), (b), (c), (d), (e) or (f) for the purpose of amending or novating any of those documents.

Trust Fund means, for a Separate Trust under the Security Trust Deed, all property, rights and interests which the Security Trustee acquires after the execution of the Security Trust Deed and the giving of the relevant notice of creation of trust to hold on the Separate Trust created by the Security Trust Deed including:

- the right, title and benefit of the Security and the Secured Property;
- the right, title and benefit of any other agreement that it enters into in its capacity as trustee of the trusts created by the Security Trust Deed; and
- all property or money which represents the proceeds of enforcement, realisation or sale of any such property, rights or interests, any investment into which any of those proceeds are converted and the proceeds of any of those investments.

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(d) of the Terms.

14. Formulae

Series 1 – Semi-Annual Coupons The four Semi-Annual Coupons paid during the first two years of the Investment Term are calculated as follows:

$$\text{Semi-Annual Coupons} = \text{Units} \times 3.5\% \text{ (equivalent of 7.0\%p.a.)}$$

Series 2 – Semi-Annual Coupons The four Semi-Annual Coupons paid during the first two years of the Investment Term are calculated as follows:

$$\text{Semi-Annual Coupons} = \text{Units} \times 4.5\% \text{ (equivalent of 9.0\%p.a.)}$$

Strategy Value

The Strategy Value is calculated on each Calculation Date (i.e. the Commencement Date, each monthly anniversary of the Commencement Date (or if that date is not a Scheduled Business Day, the next Scheduled Business Day) and on the Maturity Date) by:

- calculating the Monthly Return which is subject to a performance cap of 4%. The Monthly Return is the minimum of 104% and the change in the Reference Asset Closing Price since the last Scheduled Business Day that the Monthly Return was calculated; and
- multiplying the Monthly Return with the product of all previous Monthly Returns. The effect of this is that returns on the Reference Asset are compounded.

$$\text{Strategy Value}_t = \prod_{n=0}^{n=t} \text{Monthly Return}_n$$

Where:

$$\prod_{n=0}^{n=t} \text{Monthly Return}_n$$

means the product of all previous Monthly Return_n from n=0 to n=t

Monthly Return₀

means 1

Monthly Return_n

means Min (1.04, Price_n/Price_{n-1})

Price_n

means the Reference Asset Closing Price on the Scheduled Business Day n

Price_{n-1}

means the Reference Asset Closing Price on the Scheduled Business Day n-1 (i.e. the Reference Asset Closing Price on the month before Day n.)

Price₀

means the Reference Asset Closing Price on the Commencement Date.

If the minimum monthly Performance Cap for a particular Series cannot be set at or above the relevant minimum level, the Issuer will not proceed with the offer of that Series. As at the date of this PDS, the Monthly Performance Cap is expected to be 104%. The Monthly Performance Cap will be set on the Commencement Date and will not be less than 103%.

Monthly Price (n)	Monthly Observation Date (n)	Monthly Price (n)	Monthly Observation Date (n)
1	[Commencement Date + 1 month]	19	[Commencement Date + 19 months]
2	[Commencement Date + 2 months]	20	[Commencement Date + 20 months]
3	[Commencement Date + 3 months]	21	[Commencement Date + 21 months]
4	[Commencement Date + 4 months]	22	[Commencement Date + 22 months]
5	[Commencement Date + 5 months]	23	[Commencement Date + 23 months]
6	[Commencement Date + 6 months]	24	[Commencement Date + 24 months]
7	[Commencement Date + 7 months]	25	[Commencement Date + 25 months]
8	[Commencement Date + 8 months]	26	[Commencement Date + 26 months]
9	[Commencement Date + 9 months]	27	[Commencement Date + 27 months]
10	[Commencement Date + 10 months]	28	[Commencement Date + 28 months]
11	[Commencement Date + 11 months]	29	[Commencement Date + 29 months]
12	[Commencement Date + 12 months]	30	[Commencement Date + 30 months]
13	[Commencement Date + 13 months]	31	[Commencement Date + 31 months]
14	[Commencement Date + 14 months]	32	[Commencement Date + 32 months]
15	[Commencement Date + 15 months]	33	[Commencement Date + 33 months]
16	[Commencement Date + 16 months]	34	[Commencement Date + 34 months]
17	[Commencement Date + 17 months]	35	[Commencement Date + 35 months]
18	[Commencement Date + 18 months]	36	[Commencement Date + 36 months]

These dates will be notified on the Issuers webpage after the Commencement of the Units at www.jbgsi.com.au

Initial Strategy Value The Strategy Value on the Commencement Date. This will be set at 100

Final Strategy Value The Strategy Value on the Maturity Date

15. Reference Asset Disclaimers

There is no association or relationship between the Units or the Issuer and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), the Australian Securities Exchange ("ASX"), World Gold Trust Services LLC, State Street Global Markets, LLC State Street Global Advisors, London Gold Market Fixing Ltd or any of their third party licensors (collectively the "Reference Asset Sponsors").

The Units are issued by the Issuer and marketed by various dealer groups and they are not sponsored, endorsed, issued, distributed, sold, marketed or promoted by any of the Index Sponsors in any way. The Reference Asset Sponsors have no obligations or liabilities whatsoever in connection with the Units.

In particular, Investors should note that the Reference Asset Sponsors and, if relevant, their affiliates:

- are responsible only for composing and calculating the S&P/ASX 200 Price Return Index and SPDR Gold Trust (collectively the "Reference Assets"). All decisions and calculations are made without any regard to the Units or the Issuer;
- are not involved in any way or in any way responsible for the issue of the Units;
- do not make any statements regarding the advisability of investing in the Units;
- are not involved in any way or in any way responsible for the calculation of the Strategy Value, Coupons, Final Value or any other calculations or determinations made in relation to the Units;
- do not make any representations or warranties to any person (including the Issuer and Investors) in relation to the Units or the Reference Assets. In particular, no representations are made in relation to the ability of each Reference Assets to track the movements in the underlying share market or commodity price and no warranties are made in relation to the appropriateness of any use of the Reference Assets;
- do not guarantee that the Reference Assets, any data included in or correspondence regarding the Reference Assets is correct, complete, up-to-date or accurate and have no liability for any errors, omissions or delays; and
- will not be liable, in any event, for any damages arising out of contract, tort, strict liability or otherwise (including indirect, special, incidental, punitive or consequential damages), regardless of whether they have advised of the possibility of such damages.

PREPARATION OF THIS PDS

This PDS has been prepared by the Issuer from publicly available information only. No entity has been a party to its preparation or furnished any information specifically to JBG SI for the purpose of its preparation. Similarly, information in this PDS concerning an entity has not been independently verified. JBG SI and the Custodian are related entities. The Security Trustee has no affiliation with JBG SI and has no access to information concerning an entity or its subsidiaries other than that which is in the public domain. JBG SI 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.

JBG SI, the Custodian, the Security Trustee 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, JBG SI, the Custodian the Security Trustee and the Arranger since the dates as at which information is given in this PDS.

16. Managing the Investment

16.1 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.

Minimum investment, minimum balance and minimum withdrawal amounts

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

The minimum number of Units for an Issuer Buy Back is 10,000 Units in that Series or if an Investor's holding is less than 10,000 Units in that Series, the Investor's entire holding.

16.2 HOW TO INVEST

Complete an Application Form (with any supporting documentation requested in the Application Form) and Identification Form and forward them together with the 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 Application Payment Date.

16.3 IDENTIFICATION FORMS

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 JBG Structured Investments.

16.4 PROCESSING APPLICATIONS AND ISSUE OF UNITS

JBG SI 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.

If an Application is accepted, Units will be issued within one month upon receipt of an Application from an investor. The Unit's economic exposure to the relevant 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 does not proceed for any other reason, the Issuer will return the Investment Amount and any Application Fees 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.

16.5 SECONDARY MARKET FOR UNITS

Complete an Application Form (with any supporting documentation requested in the Application Form) and Identification Form and forward them together with the 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 Application Payment Date. Investors will be quoted a Unit Price and allocated Units based on this price.

16.6 COOLING OFF

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

16.7 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.

17. 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 new the Anti-Money Laundering & Counter-Terrorism Financing legislative regime in Australia. Applicants will also need to complete an Identification Form.

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:

JBG Structured Investments
PO Box R1837
Royal Exchange
NSW 1225

Re: Application for the JBG Income Enhancer Units – Series 1 & 2

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.

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

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 by the number of Units to be purchased. To calculate Prepaid Interest and Application Fees, follow the instructions on the Application Form.

Cash is not accepted. Investors must complete bank account details and direct debit authority in Section H 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 applicant 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 H. 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.

Lodging the Application

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

JBG Structured Investments
PO Box R1837
Royal Exchange
NSW 1225

Re: Application for the JBG Income Enhancer Units – Series 1 & 2

Please ensure payment is made in full.

Units will only be issued on receipt of a properly completed Application Form (containing payment details) by the Issue Closing Date, issued together with the PDS dated 25 February 2013, approval of the Investor's Application (including for a Loan) by the Issuer and Lender, and the receipt of cleared funds by the Application Payment Date. 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 JBG Structured Investments at:

Internet: www.jbgsi.com.au
Email: info@jbgsi.com.au
Telephone: 1300 522 644

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 JBG Structured Investments 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.

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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"/> Birth certificate <input type="checkbox"/> Commonwealth citizenship certificate <input type="checkbox"/> Centrelink Pension card <input type="checkbox"/> Health card issue by Centrelink <input type="checkbox"/> Foreign citizenship certificate or birth certificate*	AND	<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

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

* 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 or regulated trust
- 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 or regulated trust.

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 JBG Structured Investments Pty Ltd to obtain details of the Issuer's identification and verification requirements as an AML/CTF Reporting Entity for each type of applicant.

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18. 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:

JBG Structured Investments

Attn: Issuer Buy Back

PO Box R1837

Royal Exchange NSW 1225

Re: Buy-Back for the JBG Income Enhancer Units – Series 1 & 2

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

JBG Structured Investments

PO Box R1837

Royal Exchange NSW 1225

This is an Application Form for Units in the JBG Income Enhancer issued by JBG Structured Investments Pty Ltd (ACN 145 459 936) and arranged by Valuestream Investment Management Ltd (ACN 094 107 034, AFSL 246621). This Application Form accompanies the PDS dated 25 February 2013 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 either a cheque or direct debit details for payment of the Prepaid Interest and Application Fee 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,
- approval of the Application by the Issuer and Lender, and
- verification of the applicant's identity,
- payment in full of the Investment Amount and the Application Fee.

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, the Security Trustee, the Custodian or their 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 and I**
- Partnership – must complete **A1, A4, B, C, D, E, F, G and I**
- Australian Company – must complete **A1 (Directors), A2, B, C, D, E, F, G and I**
- Trust / Super Fund with Individuals as Trustee – must complete **A1 (Trustees), A3, B, C, D, E, F, G, I and J**
- Trust / Super Fund with Corporate Trustee – must complete **A1 (Directors), A2 (Company), A3, B, C, D, E, F, G, I and J**
- 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

Australian Tax File Number OR Exempt from quoting a tax file number

Exemption details (if applicable)

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

Australian Tax File Number OR Exempt from quoting a tax file number

Exemption details (if applicable)

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

Australian Tax File Number of company OR Exempt from quoting a tax file number

Exemption details (if applicable)

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)

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

Other – If applicable, please provide:

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

- Full name 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

Australian Tax File Number OR Exempt from quoting a tax file number

Exemption details (if applicable)

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)

BENEFICIARY 2

Name ABN (if applicable)

BENEFICIARY 3

Name ABN (if applicable)

BENEFICIARY 4
Name

ABN (if applicable)

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:

Australian Tax File Number of partnership

OR

Exempt from quoting a tax file number

Exemption details (if applicable)

How many Partners are there?

If not regulated by a professional association, please provide the full name, residential address (in capitals) of each Partner.

Full Name

Full Residential Address

Partnership Share

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:

JBG Income Enhancer		Investment Amount
Series 1 (the Australian share market as measured by the S&P/ASX 200)	\$	(1A)
Series 2 (GOLD SPDR Gold Trust or Gold Spot Price (London Gold Market Fixing Ltd – LBMA PM Fixing Price/USD)	\$	(1B)
Total (Sum 1A + 1B)	\$	(1C)
Application Fee (1C x 2.2%)	\$	(2A)
Amount Payable	\$	_____ 1C + 2A

SECTION D – 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 E – PRIVACY

JBG Structured Investments 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 JBG Structured Investments regarding future investment opportunities.
SECTION F – 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

SECTION G – DECLARATIONS & SIGNATURES

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

By completing this 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 this Application Form.
4. declare that you have received this PDS personally, or a print-out of it, accompanied by or attached to this 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 this Application Form before making an Application for Units.
7. acknowledge that none of Issuer, Custodian 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, and 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 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, the Custodian 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 12 of Section 12 "Terms of the Deferred Purchase Agreement".
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 there is a charge over the Hedge, known as the Hedge Security Deed (described in Section 11 "Additional Information" of the PDS) and you are entitled to the benefit of the Hedge Security Deed, bound by the terms of the Hedge Security Deed and must perform all of the obligations and comply with all restrictions and limitations applicable to you under the Hedge Security Deed. You also acknowledge that the benefit of the Hedge Security Deed is held by the Security Trustee on trust for you in accordance with the Security Trust Deed (described in Section 11 "Additional Information" of the PDS).
21. 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.
22. 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.
23. acknowledge the Issuer has entered into custodial arrangements with JBG Nominees No. 1 Pty Ltd ("Custodian").
24. acknowledge that your Units will be issued to the Custodian on your behalf and the Custodian will hold your Units subject to the Investor Security Deed in accordance with the terms of the Loan Agreement and the Custody Deed.
25. irrevocably direct and authorise the Lender to draw down the Loan Amount and pay the amount directly to the Issuer in satisfaction of your obligation to pay your Investment Amount.
26. acknowledge that if the Units are subject to Early Maturity for any reason, you will not be entitled to any Coupons or Final Value payable on or after the occurrence of the relevant Early Maturity Event.
27. agree and acknowledge that their recourse against the Issuer is limited to the Secured Property only and otherwise they can take no action against the Issuer.
28. 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) necessary to give effect to, amend, execute, register or enforce the Custody Deed or Investor Security Deed and bind you to the terms of the Custody Deed;
 - c) that the Investor is obliged to do under the Terms;
 - d) 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;
 - v. the Investor Security Deed, including without limitation the perfection and enforcement of the Investor Security Deed.
29. 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.
30. 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 H – Bank Account Details (for Direct Debit and payment of Coupons and other payments made by the Issuer to Investors) – INVESTORS MUST COMPLETE THIS SECTION

This Direct Debit Request includes this page and the next section entitled "Section I – 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 [25 February 2013] 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 I.

Surname or Company Name	Given Name or ABN
<input type="text"/>	<input type="text"/>
Surname or Company Name	Given Name or ABN
<input type="text"/>	<input type="text"/>

authorise and request JBG Structured Investments Pty Ltd ACN 145 459 936, (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 JBG Structured Investments Pty Ltd may properly change 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 JBG Structured Investments Pty Ltd subject to the terms and conditions of the Direct Debit Request Service Agreement in this PDS. The Investment Amount and Application Fee payable will be deducted on or after the Application Payment Date. Investors should ensure sufficient funds are in the Nominated Account from this date to prevent any dishonour fees.

Account Details (For Direct Debit and payment of Coupons and any other payments made by the Issuer to Investors)

Bank Name/Institution	<input type="text"/>		
Branch name and address	<input type="text"/>		
City/Suburb/Town	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BSB	Account Number	<input type="text"/>	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Account Name	<input type="text"/>		

If you would like to pay the Investment Amount and Application Fee by cheque, please make your cheque payable to "JBG Structured Investments Pty Ltd – Income Enhancer". You will still need to fill out the above account details section for any payments made by the Issuer to you.

SECTION I – 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 JBG Structured Investments 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.

Business/Investment Purpose Declaration

I/We declare that the credit to be provided to me/us by the credit provider is to be applied wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

IMPORTANT

You should only sign this declaration if this loan is wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

By signing this declaration you may lose your protection under the National Credit Code.

Signature of Unitholder 1	<input type="text"/>		
Name of Unitholder 1	<input type="text"/>		Date
<input type="checkbox"/>	<input type="checkbox"/> Sole Director	<input type="checkbox"/> Director	<input type="checkbox"/> Secretary
Tick capacity – mandatory for companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tick capacity if appropriate:	<input type="checkbox"/> Individual Trustee	<input type="checkbox"/> Corporate Trustee	<input type="checkbox"/> Partner

Signature of Unitholder 2	<input type="text"/>		
Name of Unitholder 2	<input type="text"/>		Date
<input type="checkbox"/>	<input type="checkbox"/> Sole Director	<input type="checkbox"/> Director	<input type="checkbox"/> Secretary
Tick capacity – mandatory for companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tick capacity if appropriate:	<input type="checkbox"/> Individual Trustee	<input type="checkbox"/> Corporate Trustee	<input type="checkbox"/> 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.

DIRECT DEBIT REQUEST SERVICE AGREEMENT

Between the Investor and JBG Structured Investments Pty Ltd ACN 145 459 936.

This debit or charge will be made through the Bulk Electronic Clearing System (BECS) from your account held at the financial institution you have nominated below and will be subject to the terms and conditions of the Direct Debit Request Service Agreement.

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 JBG Structured Investments Pty Ltd("JBG SI") 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 JBG Income Enhancer Units – Series 1 & 2 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 authorized 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:

JBG Structured Investments Pty Ltd
PO Box R1837
Royal Exchange NSW 1225

or

by telephoning Us on 1300 522 644 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 J – 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 the JBG Income Enhancer Units Series 1 & 2.

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 JBG Income Enhancer Units – Series 1 & 2

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 JBG Income Enhancer Units – Series 1 & 2 and the PDS dated 25 February 2013.

Trustee (Print Name)

Signature (Director/Trustee 1) Date

Director/Trustee 1 (Print Name)

Tick capacity – mandatory for companies Sole Director Director Secretary

Tick capacity if appropriate: Individual Trustee Corporate Trustee Partner

Signature (Director/Trustee 2) Date

Director/Trustee 2 (Print Name)

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 17 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 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

This is an Issuer Buy-Back Form for Units in the JBG Income Enhancer Series 1 & 2 issued by JBG Structured Investments Pty Ltd (ACN 145 459 936) and arranged by Valuestream Investment Management Ltd (ACN 094 107 034, AFSL 246621) This Issuer Buy-Back Form accompanies the PDS dated 25 February 2013 and any supplementary PDS issued for the Units (PDS). 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 JBG Structured Investments Pty Ltd pursuant to the PDS dated 25 February 2013 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:

JBG Income Enhancer – Series 1

JBG Income Enhancer – Series 2

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 10,000 Units in a particular Series, provided Investors continue to hold at least 10,000 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)

Signature of Unitholder 1

Name of Unitholder 1

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

Tick capacity (if applicable):

Individual Trustee

Corporate Trustee

Partner in Partnership

Signature of Unitholder 2

Name of Unitholder 2

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

Directory

Issuer:

JBG Structured Investments
Level 8, Suite 3, 25 Bligh St
Sydney NSW 2000
PO Box R1837
Royal Exchange NSW 1225
P: 02 8114 2222

Registrar:

Link Market Services Limited
Level 6, 1A Homebush Bay Drive,
Rhodes, NSW 2138
P: 02 8280 7100

Issuer's Solicitors:

Baker & McKenzie
Level 27, AMP Centre
50 Bridge Street
Sydney NSW 2000

Arranger:

Valuestream Investment Management Ltd
18 Stirling Highway
Nedlands WA 6009

Security Trustee:

AET Structured Finance Services Pty Limited
Level 22, 207 Kent Street
Sydney NSW 2000

Custodian:

JBG Nominees No. 1 Pty Ltd
Level 8, Suite 3, 25 Bligh St
Sydney NSW 2000

All Application Forms and Correspondence to:

JBG Structured Investments
PO Box R1837
Royal Exchange
NSW 1225

For more information

please contact

JBG Structured Investments

PO Box R1837

Royal Exchange

NSW 1225

Tel: 1300 522 644