

CBG Australian Equities Fund Reference Guide

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About this Reference Guide

This Reference Guide has been prepared and issued by Equity Trustees Limited ("EQT"). The information in this document forms part of the Product Disclosure Statement for the CBG Australian Equities Fund ("Fund") dated 1 January 2015.

The PDS and this Reference Guide are available on www.cbgam.com.au or www.eqt.com.au/insto. You can also request a copy by calling EQT on +613 8623 5000.

1. Investing in the CBG Australian Equities Fund

Application Terms

We will only start processing an application if:

- we consider that you have correctly completed the Application Form;
- you have provided us with the relevant identification documents; and
- we have received the application money (in cleared funds) stated in your Application Form. The time it takes for application money to clear varies depending on how you transfer the money and your bank (it may take up to four Business Days).

We reserve the right to accept or reject applications in whole or in part at our discretion and delay processing of applications where we believe this to be in the best interest of the Fund's investors, without giving any reason.

Cooling off rights

No cooling off period applies to the offer made in the PDS, as the units offered under the PDS are only available to Wholesale Clients.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in the Fund by the IDPS. The right to cool off in relation to the Fund is not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of an investor in a Fund.

Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in the Fund on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern any rights an Indirect Investor may have in this regard.

2. Managing your investment

Authorised signatories

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director or officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive signed written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following powers:

- making additional investments by you;
- requesting that your income distribution instructions be changed;
- redeeming all or part of your investment;
- changing your bank account details; and
- enquiring and obtaining copies of the status of your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and
- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Reports

We will make the following statements/reports available to all unit holders:

- a transaction confirmation statement, showing a change in your unit holding (provided when a transaction occurs or on request);
- the Fund's half-yearly financial account (if applicable);
- the Fund's annual audited accounts for each period ended 30 June; and
- distribution statements issued for each distribution notifying unit holders of the value of their investment prior to distribution, tax statements and confirmation of holdings statements for each period ended 30 June.

Indirect Investors who access the Fund through an IDPS will receive reports directly from the IDPS Operator.

3. Withdrawing your investment

Withdrawal terms

When you are withdrawing your investment, you should take note of the following:

- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
 - We may contact you to check your details before processing your withdrawal form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.
 - If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
 - As an investor who is withdrawing, you agree that any payment made according to instructions received by post or courier, email or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made at the request of your authorised representative without your knowledge or authority.
 - You agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against us about the payment.
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Withdrawal restrictions

Under Australian securities law (the Corporations Act), you do not have a right to withdraw from the Fund if the Fund is not liquid. In such circumstances, you can only withdraw where EQT makes a withdrawal offer in accordance with the Corporations Act. EQT is not obliged to make such offers.

The Fund will be liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities).

4. About the CBG Australian Equities Fund

The CBG Australian Equities Fund ("Fund") is an Australian registered managed investment scheme. The Fund's objective is to out-perform the S&P/ASX 200 Accumulation Index over a rolling five-year period before fees, expenses and taxes.

The Fund invests primarily in shares of listed companies in the S&P/ASX 200 Index. It can also hold listed shares outside of the S&P/ASX 200 Index and acquire shares in IPOs on the ASX, as well as some cash and cash-type investments including listed interest rate securities. The Fund is able to make use of Derivatives for Hedging purposes.

Investment Philosophy

- CBGAM believes the Australian equity market regularly displays pricing inefficiencies which can be utilised to achieve long-term above benchmark returns.
- CBGAM seeks to achieve this by identifying undervalued stocks, which have robust business models, strong management and favourable industry structures, through a disciplined process of fundamental analysis.
- CBGAM believes that investment opportunities often arise due to investors overemphasising near-term issues and giving insufficient attention to a company's medium-term earnings prospects.
- CBGAM is relatively benchmark unaware, with portfolio weights determined principally by the risk and return merits of individual stocks and how they relate to the overall portfolio rather than by reference to the composition of the Benchmark.
- CBGAM maintains a portfolio which is diversified by stocks and industry sectors.
- CBGAM is style neutral, meaning that it considers both growth and value type investments.
- CBGAM manages the portfolio from a total return perspective, so that it does not target a particular split between the income and growth components of returns.

Investment Process

- CBGAM undertakes a rigorous and disciplined approach to portfolio management.
- The Chief Investment Officer has overall responsibility for the construction of the portfolio and is supported by a team of investment analysts who have research responsibilities for specific industry sectors.
- Investment decisions are driven by bottom-up stock analysis, overlaid with macro and industry level considerations.
- Idea generation is a result of the continuous monitoring of stocks within each industry sector and screening the investment universe based on quantitative and qualitative attributes. The investment team draws on a number of sources of information to assist this process, including historical and forecast financial metrics for stocks in the investment universe; regular meetings with company management and attendance at company presentations; contact with a network of brokers; analysis of company announcements, news media, industry publications, broker research and statistical data.
- When a stock is considered for investment, a detailed report is prepared including CBGAM financial forecasts, a price target and an investment recommendation. Integral to this process is meetings with senior management of the subject company. Investment recommendations are presented to and discussed by the investment team, with the Chief Investment Officer making final portfolio decisions.
- Stocks included in the portfolio are then subject to ongoing monitoring, with CBGAM producing timely internal research reports and maintaining regular contact with company management.
- If a stock reaches its price target or records a material share price decline this triggers a review of the position.
- Risk management includes the rigorous selection and monitoring process and avoiding or minimising exposure to companies and sectors that do not meet CBGAM's criteria around valuation and quality. Portfolio weights are managed based on the investment team's analysis of the risk/return characteristics of the stock and how it affects portfolio risk. CBGAM reviews attribution analysis of past performance and monitors historical and forecast portfolio risk/return metrics.

5. Enquiries and complaints

Keeping in touch

If you have an enquiry regarding the management of the Fund, please contact:
enquiries@cbgam.com.au

Making a formal complaint

If you are not completely satisfied with any aspect of the services regarding the management of the Fund, please contact EQT. EQT seeks to resolve potential and actual complaints in relation to the management of the Fund to the satisfaction of investors. If you wish to lodge a formal complaint please write to:

Compliance Team
Equity Trustees Limited
GPO Box 2307
Melbourne VIC 3001

Email: compliance@eqt.com.au

EQT will seek to resolve any complaint and will respond as soon as possible and in any case will respond within 14 days of receiving the letter. We will seek to resolve your complaint as soon as practicable but not longer than 45 days after receiving the complaint.

If you are investing through an IDPS, then enquiries and complaints should be directed to the IDPS Operator, not EQT.

The Financial Ombudsman Service (FOS)

If we are unable to resolve your complaint, you may be able to seek assistance from FOS.

Financial Ombudsman Services
GPO Box 3
Melbourne VIC 3001

Telephone 1300 780 808

Fax: +613 9613 6399

Email info@fos.org.au

Please include the EQT FOS membership number with your enquiry: 10395.

FOS is an independent body that can assist you if EQT cannot. FOS may not consider a dispute where the value of a person's claim exceeds \$500,000. FOS is only able to make a determination of up to \$280,000 per managed investment claim (excluding compensation for costs and interest payments).

6. Other important information

Your privacy

When you provide instructions to EQT or its related bodies corporate, EQT will be collecting personal information about you. You must ensure that all personal information which you provide to EQT is true and correct in every detail, and should your personal details change it is your responsibility to ensure that you promptly advise EQT of the changes in writing. This information is needed to facilitate, administer and manage your investment, and to comply with Australian taxation laws and other laws and regulations. Otherwise, your application may not be processed or EQT and its delegates will not be able to administer or manage your investment.

The information that you provide may be disclosed to certain organisations or persons, including but not limited to:

- the ATO, AUSTRAC and other government or regulatory bodies;
- your broker, financial adviser or adviser dealer group, their service providers and/or any joint holder of an investment;
- organisations involved in providing, administering and managing the Fund, the administrator, custodian, auditors, or those that provide mailing or printing services; and
- those where you have consented to the disclosure and as required by law.

In some cases, the organisations or persons to which EQT and its agents disclose your information may be located outside Australia. (including but not limited to the USA and Cayman Islands, though it is not practicable to list all of the countries in which such recipients are likely to be located.

EQT may from time to time provide you with direct marketing and/or educational material about products and services EQT believes may be of interest to you. Should you not wish to receive this information from EQT (including by email or electronic communication), you have the right to "opt out" by advising EQT by telephoning + 613 8623 5000, or alternatively by contacting us via email at privacy@eqt.com.au.

Subject to some exceptions allowed by law, you can ask for access to your personal information. We will give you reasons if we deny you access to this information. EQT's Privacy Statement outlines how you

can request to access and seek the correction of your personal information. EQT's Privacy Statement is available at www.eqt.com.au and can be obtained by contacting EQT's Privacy Officer on +613 8623 5000, or alternatively by contacting us via email at privacy@eqt.com.au.

EQT's Privacy Statement contains information about how you can make a complaint if you think EQT has breached your privacy and about how EQT will deal with your complaint.

You should refer to EQT's Privacy Statement for more detail about the personal information that EQT collects and how EQT collects, uses and discloses your personal information.

The Constitution

The Fund is governed by a constitution ("Constitution") that sets out how the Fund must operate, and together with the PDS, the Corporations Act and other laws, regulates the responsible entity's legal relationship with investors. If you invest in the Fund, you agree to be bound by the terms of the PDS and the Constitution. You can request a copy of the Constitution for the Fund, free of charge. Please consider these documents before investing in the Fund.

We may amend the Fund's Constitution from time to time in accordance with the provisions of the Fund's Constitution and the Corporations Act.

Anti-Money Laundering and Counter Terrorism Financing (AML/CTF)

Australia's AML/CTF laws require EQT to adopt and maintain an Anti-Money Laundering and Counter Terrorism Financing Program. A fundamental part of the AML/CTF Program is that EQT knows certain information about investors in the Fund.

To meet this legal requirement, we need to collect certain identification information and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with the AML/CTF laws. Processing of applications or redemptions will be delayed or refused if investors do not provide the KYC Documents when requested.

Under the AML/CTF laws, EQT may be required to submit reports to AUSTRAC. This may include the disclosure of your personal information. EQT may not be able to tell you when this occurs and, as a result, AUSTRAC may require EQT to deny you (on a temporary or permanent basis) access to your investment. This could result in loss of the capital invested, or you may experience significant delays when you wish to transact on your investment.

Neither EQT nor CBGAM are liable for any loss you may suffer because of compliance with the AML/CTF laws.

Indirect Investors

You may be able to invest indirectly in a Fund via a master trust, platform or wrap account (commonly known as an IDPS) by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator. The Responsible Entity is not responsible for the operation of any IDPS. This will mean that you are an Indirect Investor in the Fund and not a unitholder or member of the Fund. Indirect Investors do not acquire the rights of a unitholder as such rights are acquired by the IDPS Operator who then can exercise, or decline to exercise, these rights on your behalf.

Your rights and terms of conditions as an Indirect Investor should be set out in the disclosure document issued by the IDPS Operator.

Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to an investor in the Fund on request, to the extent EQT is satisfied that such information is required to enable the investor to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

FATCA

The Fund will be required to comply with the US Foreign Account Tax Compliance Act ("FATCA") when arrangements are made under Australian tax law. To comply with these requirements, the Fund will collect certain additional information from you and will disclose such information to the ATO or the US Internal Revenue Service, where required.

7. Glossary

Administrator

White Outsourcing Pty Limited ABN 44 114 914 215.

Application Price

The price at which units are acquired, determined in accordance with the Constitution.

ASIC

Australian Securities and Investments Commission.

ASX

ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

ATO

Australian Taxation Office.

<i>AUSTRAC</i>	Australian Transaction Reports and Analysis Centre.
<i>Benchmark</i>	S&P/ASX 200 Accumulation Index.
<i>Business Day</i>	A day other than Saturday or Sunday on which banks are open for general banking business in Melbourne or if the administrator of the Trust primarily performs its administrative functions in respect of the Trust in a city other than Melbourne, the city in which the administrator performs such functions.
<i>Buy/Sell Spread</i>	The Buy/Sell Spread reflects the estimated costs incurred in buying or selling assets of the Fund when investors invest in or withdraw from the Fund.
<i>CBGAM</i>	CBG Asset Management Limited ABN 12 098 327 809.
<i>Constitution</i>	The constitution of the Fund, as amended from time to time.
<i>Corporations Act</i>	Corporations Act 2001 (Cwlth).
<i>Custodian</i>	J.P Morgan Chase Bank National Association (ABN 43 074 112 011, AFSL 238367).
<i>Derivative</i>	A financial instrument which derives its value from the performance of an underlying, or reference, asset.
<i>EQT</i>	Equity Trustees Limited (ABN 46 004 031 298; AFSL 240975).
<i>Fund</i>	CBG Australian Equities Fund (ARSN 107 322 789).
<i>GST</i>	Goods and Services Tax.
<i>Hedging</i>	An investment position intended to reduce the potential losses or gains attributable to price movements in an asset.
<i>High Water Mark</i>	The Net Asset Value as at the end of the last Performance Fee Period for which a Performance Fee was paid, adjusted for any change in the Net Asset Value as a result of applications, redemptions or distributions since that time.
<i>IDPS</i>	Investor-Directed Portfolio Service or investor-directed portfolio-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers.
<i>IDPS Operator</i>	The entity responsible for managing an IDPS.
<i>Indirect Investors</i>	Individuals who invest in a fund through an IDPS.
<i>Investment Manager</i>	CBGAM.
<i>IPO</i>	Initial public offering of shares in a company on the ASX.
<i>NAV</i>	Net Asset Value (that is, the value of the assets less liabilities).
<i>Performance Fee</i>	The performance fee calculated for each Performance Fee Period.
<i>Performance Fee Period</i>	Each six-month period ending 30 June or 31 December in any year.
<i>RITC</i>	Reduced Input Tax Credit. EQT will apply for reduced input tax credits where applicable to reduce the cost of GST to the Fund.
<i>US Person</i>	A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons: (a) any citizen of, or natural person resident in, the US, its territories or possessions; or (b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural

persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or

(c) any agency or branch of a foreign entity located in the US; or

(d) a pension plan primarily for US employees of a US Person; or

(e) a US collective investment vehicle unless not offered to US Persons; or

(f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax;

or

(g) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or

(h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or

(i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

US Securities Act US Securities Act of 1933.

We, us, Responsible Entity Refers to EQT.

Wholesale Client Persons or entities defined as such under section 761G of the Corporations Act.

Withdrawal Price The price at which units are withdrawn, determined in accordance with the Constitution.

You, Your Refers to an investor.
