



Information Memorandum for the CBG Australian Equities Fund (Wholesale)

1 February 2016

The nature of this document

This document has been prepared and issued by CBG Asset Management Limited ("CBGAM"), the Trustee and Investment Manager of the CBG Australian Equities Fund (Wholesale) ("Fund"). Each offer or issue of units in the Fund does not require a product disclosure statement under the Corporations Act.

The information in this document is not, and should not be construed as, a recommendation or advice by CBGAM to invest in the Fund. Each prospective investor must make its own independent assessment of CBGAM and of the structure, investments and affairs of the Fund as that person may consider necessary. CBGAM recommends that prospective investors seek advice from their accountant, financial adviser or other professional consultant before investing in the Fund.

This document has been prepared without the knowledge or consideration of the objectives, financial situation or needs of any prospective investor.

This document is not a product disclosure statement under the Corporations Act. Accordingly, it does not purport to contain all the information that a person would reasonably require for the purpose of making a decision to invest in the Fund.

CBGAM is 100% owned by Ronni Chalmers, the Chief Investment Officer of the CBG Australian Equities Fund (Wholesale).

An investment acquired through the Fund is not a liability of CBGAM. Neither CBGAM nor any related corporation stand behind or guarantee the investments acquired through the Fund. Your investment is subject to investment risk including possible delays in repayment and loss of income and capital invested.

Confidentiality

The information contained in this document is confidential and must not be passed on to third parties without the prior written consent of CBGAM.

Who can invest

Only wholesale client investors may invest in this Fund. Please refer to the 'Who can apply' section of this Information Memorandum for further details on who may invest and the procedures for making an investment.

Trustee and Investment Manager

CBG Asset Management Limited
ABN 12 098 327 809 AFSL 246 790
Level 3
8 -10 Loftus St
Sydney NSW 2000
ABN 12 098 327 809
AFSL 246790

The Fund

CBG Australian Equities Fund (Wholesale)

Auditor

KPMG
ABN 51 194 660 183

Custodian, Administrator and Unit Registry

White Outsourcing Pty Limited
ABN 44 114 914 215

Sub-custodian

J.P. Morgan Chase Bank, N.A.
ABN 43 074 112 011

The Fund

The Fund invests in securities listed on the Australian Securities Exchange. Any uninvested moneys are held in high-rated cash management trusts or cash management accounts.

The Fund's objective is to provide investors with a return which exceeds the return of the S&P/ASX 200 Accumulation Index over the medium term.

Neither CBGAM nor any related corporation guarantee the repayment of capital or the performance of the Fund. The Fund's performance is influenced by market volatility over time. Past performance is not necessarily any indication of future performance.

Features

As the objective of the Fund is to outperform the S&P/ASX 200 Accumulation Index over the medium term, at least 75% of the investments of the Fund will be in stocks from the S&P/ASX 200. A 5% margin is allowed for market value fluctuations and short-term investment positions. The balance of the Fund's investments will be in stocks drawn from outside the S&P/ASX 200. The Fund can only invest in investments that are authorised for this purpose in the Fund's Trust Deed. Selected securities may include any of listed equity, fixed interest, hybrid investments, convertible notes or preference shares quoted on the Australian Securities Exchange. In addition, any cash held by the Fund will be held in high-rated cash management trusts or accounts.

Investors will be issued with units in the Fund based on the applicable unit price as calculated by the Administrator.

Who is responsible

CBG Asset Management Limited acts as the Trustee of the Fund in terms of a Trust Deed dated 3 April 2002. This Information Memorandum briefly details the conditions under which the Fund is to operate. The Trust Deed contains further details and a copy is available on request. Some of the aspects covered by the Trust Deed are suspension of redemptions, Trustee liability and indemnity, and termination of the Fund.

In addition to acting as Trustee, CBGAM is also the Investment Manager for the fund.

CBGAM has selected White Outsourcing Pty Limited as the custodian of the Fund. White Outsourcing Pty Limited also provides unit registry and administration services.

KPMG are the auditors to the Fund and the Trustee.

Investment style

CBGAM is an active manager with particular skills in stock selection.

To diversify the risk of the portfolio, the Fund will invest in stocks across a number of industries and displaying a variety of characteristics. For example, growth stocks, value stocks, stocks with attractive maintainable dividend yields and special situations (for example, where there is a takeover play).

Our investment philosophy is based on the premise that equity markets can display inefficient pricing valuations in the short term that can allow an active investment style to benefit and ultimately outperform its relevant benchmark.

We frequently visit many companies and attend shareholder presentations. The information we learn is used as the basis for managing the equity portfolio.

When CBGAM cannot find attractively priced equities, we will allow the cash weighting to increase and consider investing in ASX listed fixed interest, preference shares, convertible notes or hybrid securities.

Investment time horizon

The Fund is designed as a long-term investment and is not suitable for short-term investment. Depending on individual circumstances CBGAM expects the Fund to be suitable for investors looking to invest for at least three years and who would be seeking capital growth and some income as well as accepting that the value of their investment can fluctuate.

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.

Investment application

Please refer to the 'Who can apply?', and 'Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) requirements for new investors' sections of this Information Memorandum for further details on who can invest and the application procedures for making an investment.

The minimum investment for eligible investors is \$100,000.

Unit prices are determined monthly at the end of each month. Subject to us receiving your duly completed application forms, AML forms and any additional documentation we may require under Australian anti-money laundering legislation, funds received in a month up to 4 p.m. Sydney time on the last NSW business day of the month will be processed using the entry price applicable at the end of that month.

Applications received after this time and date will be deemed to be received at the end of the next month. Where applications are not accompanied by duly completed AML forms and related documentation we will not be able to process them. We will try to contact you and let you know if this is the case.

The unit entry price of the Fund is the net asset value of the Fund divided by the number of units in the Fund. We receive no interest on application monies and no interest will be paid to you if for any reason (such as failure to complete the AML forms) your application does not go ahead or is delayed.

We will provide confirmation of your transaction once it is processed, usually within 10 business days after the end of the month.

Investment redemption

For redemptions we require a written request be received by the 15th day of the month to allow the Trustee the necessary time to ensure that the Fund has sufficient liquidity to pay the redemption request at that month end using the unit price at that time.

A redemption will be paid net of all outstanding fees after the calculation of the month end unit price.

Distributions

The Fund will distribute to the unit holders all the income that has been received during the relevant year.

Distributions will be determined annually as at 30 June and can be reinvested in full back into The Fund or paid out entirely to the financial institution account nominated in your application form.

Reporting

The unit price, application unit allocation and redemption value are normally determined within 10 working days of month end, and confirmation statements sent to investors shortly thereafter.

Taxation

The Fund will distribute all its taxable income that has been earned and thus the Fund is not expected to be liable for any income tax. Each investor will be liable for income tax according to their tax position and profile.

Each investor will receive a taxation statement within two months of the year-end specifying the income being distributed to the investor and the taxable components of the distribution.

Before investing in the Fund, CBGAM recommends you seek professional taxation advice.

Fees and expenses

Our standard fee structure is

Entry Fee:	Nil.
Management Fee:	1.0% per annum on funds under management, accrued monthly and paid quarterly at the end of each calendar quarter.
Performance Fee:	20% of the excess return above benchmark (the S&P/ASX200 Accumulation Index) accrued monthly and paid six-monthly at the end of June and December provided that the gross return of the Fund over the six-month period is positive and the excess returns over the benchmark over the six-month period is positive.
Exit Fee:	1.5% of the redemption amount.

For large investment amounts, fees may be negotiable.

Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) requirements for new investors

We are required by the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the Act) to obtain additional information from new investors as to their identity, and to verify that information through sighting appropriate documentation. We may also need to obtain additional information in relation to source of funds and similar matters. Similar requirements may also apply in relation to existing unit holders if there are "suspicious matters".

We will acquire this information through the completion of AML forms and sighting required documentation. For example, individuals will be required to produce a current photographic identification document such as a current passport or driver's licence, or to provide us with a certified copy of the document, in order to verify their identity details.

We will contact you if we require additional information or documentation from you and let you know full details. We reserve the right to request such information as is necessary to verify the identity of any applicant and their personnel (for example, if a unitholder is a company, we may also need to verify the identity of the company directors) and to assess the likelihood of you being involved in anti-money laundering or counter- terrorism financing (risk assessment).

If you do not provide us with this information or documentation, we may not be able to process your transactions at all, may not be able to issue your units within the time periods contemplated in this Information Memorandum, or may not make distribution or redemption payments until we have received the information that we request and all anti-money laundering checks have been completed.

Our Anti-Money Laundering and Counter-Terrorism Financing Policy is to use our best endeavours, as a socially responsible organisation, to ensure that we are not inadvertently involved in facilitating the proceeds of criminal conduct being laundered, nor the financing of terrorist groups or activities, through operating the Fund.

We have an AML/CTF programme, together with related risk-based procedures. Through the program and procedures we aim to identify, mitigate and manage any risk that CBGAM may (whether inadvertently or otherwise) be involved in or facilitate money laundering or financing of terrorism.

Privacy

CBGAM is required under the privacy legislation to make the following disclosures before collecting personal information about individuals:

- CBGAM collects personal information for the purpose of processing your application and administering your investments. For this purpose, CBGAM may need to disclose the personal information to its service providers (including the administrator, custodian, the unit registry, printers and mailers), your financial adviser (unless you instruct us otherwise), government agencies and bodies when required by law, and the auditors of the Fund.
- CBGAM will keep records of the information and documentation that you provide in order to meet regulatory requirements. We may be legally obliged to disclose that information. Otherwise we will keep the information confidential to the extent permitted by law.
- If you do not provide the personal information or identification documentation, CBGAM may not be able to accept your application or administer your investment.
- Unless you tell us not to do so, CBGAM may use personal information (but not sensitive information) collected about you to notify you of its other products, or pass it to related companies to allow them to notify you of their products.
- In most cases, if you so request, CBGAM will give you access to the personal information collected about you.

Queries regarding access, CBGAM's privacy policy or other aspects of CBGAM's treatment of personal information, should be directed to the Chief Investment Officer, Ronni Chalmers on (02) 8599 1164 or 0407 355 855.

Who can apply

To apply to invest in the Fund, a prospective investor must be a wholesale client investor.

The following types of investors (explained in more detail below) are considered under the Corporations Act to be wholesale client investors:

(a) Sophisticated Investor

Those investing \$500,000 or more in the Fund.

(b) High net worth investors with net assets of at least \$2.5 million, or gross income for each of the last two financial years of at least \$250,000.

- This must be demonstrated by way of an accountant's certificate under section 761G(7)(c) and regulation 7.1.28 of the Corporations Act.
- In determining if an investor meets the net asset or gross income test, the net assets or the gross income of a company or trust controlled by the investor can be included
- In addition, if a person meets the net assets or gross income test, then a company or trust controlled by the person qualifies as a wholesale client.

(c) Professional investors, who generally may be any of the following:

- a financial services licensee
- a company or trust regulated by APRA, other than a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme
- a body registered under the Financial Corporations Act 1974
- the trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme and the fund, trust or scheme has net assets of at least \$10 million
- a person, company or trust who controls at least \$10 million (including any amount held by an associate or under a trust that the person manages)
- a listed entity, or a related body corporate of a listed entity
- an exempt public authority

viii a body corporate or an unincorporated body that carries on a business of investment in financial products, interests in land or other investments, and for those purposes invests funds received following an offer or invitation to the public where the terms of the offer provided for the funds subscribed to be invested for those purposes, and

ix a foreign entity that, if established or incorporated in Australia, would be covered by one of the preceding paragraphs.

(d) Experienced Investor

An Experienced Investor is a person CBGAM is satisfied on reasonable grounds has investment experience that allows them to assess:

- the merits of this product
- the value of the product
- the risks associated with holding the product
- the clients own information needs, and
- the adequacy of the information provided by CBGAM.

Clients who believe they have the required investment experience may benefit from participating in this product.

CBGAM will assess on application as to whether they meet the criteria of an Experienced Investor.

If a body corporate is one of these types of wholesale client, related bodies corporate of that body corporate are also wholesale clients.

Any offer or invitation to invest in the Fund is made only to investors who meet these wholesale client investor requirements. No offer or invitation is made to, and applications will not be accepted from, anyone who does not meet these wholesale client investor requirements.

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CBG Asset Australian Equities Fund (Wholesale)

Initial Application Form

How to Invest

To invest in the Fund you will need to complete and sign the attached Application Form.

- Supply of Tax File Numbers (TFN) is discretionary. It is not an offence if you decide not to supply your TFN. If you do not supply your TFN, however, tax will be deducted from your income earned at the highest marginal tax rate (plus Medicare levy) and forwarded to the Australian Taxation Office. These deductions will appear on your statements. A form is attached for your convenience.
- Joint applications must be signed by all applicants. Joint investments will be deemed to be held as Joint Tenants.
- Applications under Power of Attorney must be accompanied by a certified copy or the original of the Power of Attorney with specimen signatures.

The minimum initial investment in the Fund is \$100,000. The Trustee may in its discretion accept lesser amounts. All investors will need to qualify as a Wholesale Investor.

Application monies should be received by 4.00 pm Sydney time on the last NSW business day of the month by electronic transfer to:

Account Name: CBG Asset Management ATF CBG Aust Equities Fund (Wholesale)
BSB: 012-003
Account number: 8376-61038

Alternatively cheques should be made payable to: CBG Asset Management ATF CBG Aust Equities Fund (Wholesale)

Please send completed Application Form with relevant AML documentation to:

White Outsourcing Pty Limited
CBG Australian Equities Fund (Wholesale) Unit Registry
GPO Box 5482
Sydney NSW 2001

How do you qualify as a Wholesale Investor

If you are applying for \$500,000 or more you'll be automatically deemed Wholesale Investor and no additional documentation is required. If you are investing less than \$500,000 and you are an Australian Investor, additional documentation will be required to certify that you are a Wholesale Investor in the form of:

1. An accountant's certificate certifying that the proposed Unitholder has:
 - net assets of at least A\$2.5million, or
 - gross income for each of the last two financial years of at least \$250,000.

OR

2. A statutory declaration that the proposed Unitholder:
 - is a trustee of a superannuation fund within the meaning of the Superannuation Industry (Supervision) Act 1993 with net assets of at least A\$10 million,
 - controls at least A\$10 million (including any amount held by an associate or under a trust that the investing entity manages),
 - is a manufacturer and employs 100 or more people, or the investing entity is not a manufacturer and employs 20 or more people,
 - holds an Australian financial services licence, or
 - is a 'professional investor' as otherwise defined in the Corporations Act.

Please contact the Manager if you need us to assist you in providing the appropriate documentation to certify that you are a Wholesale Investor.

Privacy

You acknowledge that any personal information you provide to us will be collected and handled in accordance with White Outsourcing's privacy policy, a copy of which can be found at www.whiteoutsourcing.com.au or posted / emailed to you if you contact White Outsourcing on +612 8262 2800 or registry@whiteoutsourcing.com.au. By submitting this form or any other paperwork relating to your investment you consent to your personal information being collected and handled by the unit registry in accordance with that policy.

Regular Information

Following acceptance of your application, you will be sent an application advice. You should check the details on the advice carefully and contact White if you have any questions.

Additional Investment

Additional investments can be made using the Additional Application Form on page A23.

If Unitholders choose to send Application and Redemption Request Forms by post, facsimile or email, they bear the risk of such requests not being received. Neither the Administrator nor Trustee accept any responsibility or liability for any loss caused as a result of non-receipt or ineligibility of any facsimile notice or email or for any loss caused in respect of any action taken as a consequence of such facsimile or email instruction believed in good faith to have originated from properly authorised persons.

If You Have Any Questions

If you have any questions about any matter relating to the Fund, please telephone Ronni Chalmers on (02) 8599 1164.

Examples of correct names and required signatures

Type of Investor	<input checked="" type="checkbox"/> Correct Name	<input checked="" type="checkbox"/> Incorrect Name	Signature Required
Individual/ joint investors • use full name of each applicant, do not use initials	Alexander John Smith Laura Sue Barden	Alex Smith Laura S Barden	• signature of each applicant
Company • use full company title, do not use abbreviations	ABC Pty Ltd XYZ Limited	ABC P/L, ABC Co, XYZ Inc.	• by two directors, or • by a director and a secretary, or • if there is only one director by that sole director
Trusts/minors • use trustee(s)/ individual(s)name(s) • use trust/minor name as designation	Paul Ryan Smith ATF <Smith Family Trust> Paul Ryan Smith<Joel Smith>	Paul Smith Family Trust Joel Smith	• signature of each trustee/ individual • if trustee is a company see above
Superannuation fund • use trustee(s)personal name(s) • use fund name as designation	Amy Rachel Wood ATF <Amy Wood Super Fund> ABC Pty Ltd ATF <Smith Superannuation Fund>	A R Wood Super Fund Smith Super Fund	• signature of each trustee • if trustee is a company see above
Deceased estates • use executor(s) personal names, do not use name of the deceased	John Smith <Est Jane Smith A/c>	Estate of the Late Jane Smith	• signature of the executor(s)