

# Loftus Peak Global Disruption Fund

## Reference Guide

Issue Date 16 January 2017



### About this Reference Guide

This Reference Guide ("RG") has been prepared and issued by Equity Trustees Limited ("Equity Trustees"). The information in this document forms part of the Loftus Peak Global Disruption Fund Product Disclosure Statement ("PDS") dated 16 January 2017 in respect of the Loftus Peak Global Disruption Fund (Fund) and issued by Equity Trustees. You can request a copy of the PDS and RG by emailing the Investment Manager at [enquiry@loftuspeak.com.au](mailto:enquiry@loftuspeak.com.au), visiting [www.loftuspeak.com.au](http://www.loftuspeak.com.au) or calling +612 8274 2005.

The information provided in this RG is for general information only and does not take into account your individual objectives, financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

### Updated information

Information in the PDS and this RG is subject to change. Before making an investment in the Fund, you should ensure that you have read the PDS and RG current as at the date of your investment.

You can request a copy of the PDS and RG by emailing the Investment Manager at [enquiry@loftuspeak.com.au](mailto:enquiry@loftuspeak.com.au), visiting [www.loftuspeak.com.au](http://www.loftuspeak.com.au) or calling +612 8274 2005. A paper copy of the updated information may also be provided free of charge on request.

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# 1. Investing in the Loftus Peak Global Disruption Fund

## How to invest

To invest in the Loftus Peak Global Disruption Fund (the "Fund"), please complete the Application Form that accompanies the PDS and make payment via electronic bank transfer (see details in the Application Form).

Completed Application Forms should be sent along with your identification documents (if applicable) to:

FundBPO  
Client Services Registry Team  
GPO Box 4968  
Sydney, NSW, 2001

Please note that cash will not be accepted.

## Application cut-off times

If we receive a correctly completed Application Form, identification documents (if applicable) and cleared application money:

- before or on 2pm (Sydney time) on a Business Day, the application will generally be processed on that Business Day. If your Application for units is accepted, you will receive the Application Price calculated for that Business Day; or
- after 2pm (Sydney time) on a Business Day, the application will generally be processed on the next Business Day. If your application for units is accepted you will receive the Application Price calculated for the next Business Day.

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

## Cooling off rights

If you are a Retail Client (as defined in the Loftus Peak Global Disruption Fund Reference Guide) and invested directly in the fund, you have up to 14 days from the earlier of:

- The day you receive the investment confirmation; and
- The end of the fifth Business Day after the units are issued or sold, to cool off in relation to your investment.

No cooling off period applies if you are a Wholesale Client.

The right to cool off may not apply if you are an Indirect Investor, even if you are a Retail Client. Indirect Investors should seek advice from their IDPS Operator or consult the IDPS Guide or similar type document as to whether cooling off rights apply.

# 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 and 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 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:

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- 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 our acting on any instructions received from your authorised representative shall amount to complete satisfaction of our obligations, even if these instructions were made without your knowledge or authority.

## Reports

We will make the following statements available to all investors in the Fund:

- A transaction confirmation statement, showing a change in the investor's holding. Such statement shall be provided when a transaction occurs and it may also be provided on request to Equity Trustees.
- The Fund's half-yearly financial account (if applicable).
- The Fund's annual audited accounts for the relevant financial year.
- Annual distribution, tax and confirmation of holdings statements for the relevant financial year.

## Unit price and valuations

Your investment is represented by the number of units you are allocated at the time of investment.

The NAV of units in the Fund is calculated on each Business Day, and is calculated by deducting the value of the liabilities of the Fund from the value of its gross assets in accordance with the Fund's Constitution. The unit price may rise or fall.

The Application Price of a unit in the Fund is based on the Fund NAV and the Buy Spread, divided by the number of units on issue.

# 3. Withdrawing your investment

## Withdrawal cut-off times

All withdrawal requests should be received by 2pm (Sydney time) on a Business Day for processing that day and will generally receive the Withdrawal Price for that Business Day. Any withdrawal request received after that time will be treated as having been received the following Business Day.

We reserve the right to accept or reject withdrawal requests in whole or in part at our discretion. We have the discretion to delay processing withdrawal requests where we believe this to be in the best interest of the Fund's investors.

Please see the relevant PDS for information regarding how to request a withdrawal.

## Payment of withdrawals

Generally, we will instruct that your withdrawal proceeds be transferred to your nominated bank account within 14 days from the time we receive your withdrawal request.

However, the Constitution allows Equity Trustees to delay payment up to 180 days after receipt of a withdrawal request and use its discretion to extend this period in certain circumstances.

We may contact you to check your details before processing your withdrawal request. 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.

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.

## Withdrawal terms

Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

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

- We reserve the right to fully withdraw your investment upon 30 days notice if, as a result of processing your request, your investment balance in a Fund falls below the minimum balance set out in the relevant PDS.
- If we cannot satisfactorily identify you as the withdrawing investor, we may 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 without your knowledge or authority.
- You agree that if the payment is made according to these terms you, and any person claiming on your behalf, shall have no claim against us with regards to such payment.

## Withdrawal restrictions

Under Australian securities law (as set out in the Corporations Act), you do not have a right to withdraw from a fund if the fund is illiquid. In such circumstances, you will only be able to withdraw your investment if Equity Trustees makes a withdrawal offer in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

A fund will be deemed liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, should Equity Trustees be unable to realise sufficient assets to meet withdrawal payments, it may suspend the calculation of the NAV and withhold withdrawal proceeds.

## 4. Additional risks

### Liquidity risk

There are circumstances under which access to your money may be delayed. Further, the level of overall market liquidity is an important factor that may contribute to the profitability of the Fund and access to your money. Illiquid markets can make it difficult to trade profitably and to realise assets in a timely fashion to meet withdrawal requests. Also, note that units in the Fund are not quoted on any stock exchange so for example you cannot sell them through a stockbroker.

### Interest rate risk

This is the risk that the capital value or income of a security may be adversely affected when interest rates rise or fall.

### Regulatory risk

This is the risk that the value or tax treatment of either the Fund itself or investments of the Fund, or the effectiveness of a Fund's trading or investment strategy, may be adversely affected by changes in government (including taxation) policies, regulations and laws, or changes in generally accepted accounting policies or valuation methods.

### Counterparty risk

Counterparty risk is the risk that the counterparty to a transaction or contract (such as a broker or other agent of Equity Trustees) may default on their obligations and that the Fund may, as a result, experience an adverse investment outcome or liability.

### General risks

Other significant risks relevant to many managed funds include:

- The value of investments will vary
- The level of returns will vary, and future returns may differ from past returns and
- Returns are not guaranteed, and you may lose some of your money

The level of risk for each person will vary depending on a range of factors, including age, investment time frames, where other parts of your wealth are invested and your risk tolerance.

These risks can be managed, but cannot be completely eliminated. You can adopt certain tools to help you manage your own risk.

## 5. Fees and costs

### Indirect Costs

Indirect costs include any amount, not already disclosed as a fee or cost, which reduces (directly or indirectly) the performance return of a product. The "Fees, costs and expenses" sub-total in the Management Cost figure disclosed in the table of fees and costs on Section 6 of the PDS incorporates the indirect costs incurred in connection with managing the underlying investment assets of the Fund based on the information for the financial year ended 30 June 2016. Performance related fees are disclosed separately (see below).

Indirect costs are reflected in the unit price of your investment in the Fund and include any underlying (indirect) management costs, underlying (indirect) performance-related fees (if relevant to this Fund) and other indirect costs. The indirect costs may vary from year to year, including to the extent that they rely on estimates.

These indirect costs include:

- *Indirect management costs (any underlying funds):* Managers in underlying funds will typically charge management fees and these fees are deducted from the underlying funds and the impact is included as part of their unit price. Except for certain types of securities such as exchange traded funds (ie ETFs), we will typically offset these fees in the Fund to ensure they are not an additional cost to you.
- *Indirect performance-related fees (any underlying funds):* Managers in underlying funds may also receive performance-related fees and if they apply they will reduce the unit price of the underlying fund. These indirect performance-related fees will be an indirect cost to you.
- *Other indirect costs:* In managing the assets of the Fund, the manager(s) may engage in trading activity in certain types of derivative financial products which are either not traded or listed on a recognised exchange and/or not used for hedging purposes but rather to gain or reduce market exposure e.g. derivatives such as forwards, over-the-counter (OTC) options and swap arrangements. Engaging in trade activity of these types of products may give rise to other indirect costs.

### Transactional costs

Other costs of a transactional nature may be incurred in connection with the acquisition and disposal of a Fund's investments. These can arise either as a result of day-to-day trading activity or as a result of applications and redemptions made from a Fund. Where these costs arise from applications and redemptions, they are reimbursed from the Buy/Sell Spread applying to those investor transactions. Alternatively, where they arise from day-to-day trading decisions, these costs are typically included in the cost of purchasing or selling certain securities and are not recovered through the Buy/Sell Spread.

## 6. Performance related fee

### Additional explanation of Loftus Peak Global Disruption Fund performance related fee

Performance related fee: 15% (incl GST and RITC) of the amount by which the Fund's performance exceeds the MSCI All Countries World Index (net dividends reinvested) in AUD. Any underperformance from a prior period must be recouped before a fee can be taken (we call this the high-watermark)

Where the aggregate amount of the daily performance related fee amounts is negative, no performance related fee will be reflected in the daily unit price and no performance related fee will accrue until the total of the aggregate amount of the daily performance related fee amounts for the current Performance Related Fee Period and the negative balance carried forward from previous Performance Related Fee Periods is a positive amount.

If the aggregate of the daily performance related fee amounts at the end of a Performance Related Fee Period is a positive amount, this positive amount is accrued as an expense and is deducted from the assets of the Fund at the end of each Performance Related Fee Period. The amount of the performance related fee expense is paid to Loftus Peak.

Where the aggregate daily performance related fee amount for a Performance Related Fee Period is negative, no performance related fee expense will be paid to the Investment Manager, and the negative balance will be carried forward to the next Performance Related Fee Period.

The performance related fee is waived until 1 July 2017

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund.

### Example of how the performance related fee may affect your investment in the Fund

The following is an example of the calculation of a performance related fee expense for a Performance Related Fee Period. Terms referred to below have the same meaning as detailed in section 6 Fees and costs of the PDS for the Fund.

Assumptions:

- The percentage movement in the MSCI All Countries World Index (net dividends reinvested) from the start of the Performance Related Fee Period to the end of the Performance Related Fee Period is 6%;
- the Fund's performance hurdle for the Performance Related Fee Period is hence 6.00%;
- the Fund's 'investment return' for the Performance Related Fee Period is 8%;
- the Fund's 'investment return' for the Performance Related Fee Period is assumed to accrue evenly over the course of the Performance Related Fee Period;
- the Fund's 'investment return' with reference to which the performance related fee is calculated is a return after deduction of the management costs for the Performance Related Fee Period; and
- there are no negative performance related fee amounts for previous Performance Related Fee Periods to be carried forward.

On the basis of the above assumptions and if you had an investment in the Fund of \$100,000 at the beginning of the Performance Related Fee Period and no withdrawals were effected during the Performance Related Fee Period, your investment would bear a performance related fee expense inclusive of GST of approximately \$300.00 for the Performance Related Fee Period.

Please note that the 'investment return' specified in this example:

- is only an example to assist investors to understand how the performance related fee is calculated and the effect of the performance related fee expense on the investment return of the Fund; and
- is **not** a forecast of the expected investment return for the Fund.

## 7. Other important information

### Your privacy

When you provide instructions to Equity Trustees or its related bodies corporate, Equity Trustees may be collecting personal information about you. You must ensure that all personal information which you provide to Equity Trustees is true and correct in every detail, and should your personal details change it is your responsibility to ensure that you promptly advise Equity Trustees 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 Equity Trustees and its delegates will not be able to administer and/or manage your investment.

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

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

The organisations to which Equity Trustees discloses your information may be situated in Australia or offshore, though it is not practicable to list all of the countries in which such recipients are likely to be located.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products they believe may be of interest to you. Should you not wish to receive this information from Equity Trustees or the Investment Manager (including by email or electronic communication), you have the right to "opt out" by advising Equity Trustees by telephoning +613 8623 5000, or alternatively by contacting us via email at [privacy@eqt.com.au](mailto: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. Equity Trustees Privacy Statement outlines how you can request to access and seek the correction of your personal information. Equity Trustees' Privacy Statement is available at [www.eqt.com.au](http://www.eqt.com.au) and can be obtained by contacting Equity Trustees' Privacy Officer on +613 8623 5000, or alternatively by contacting us via email at [privacy@eqt.com.au](mailto:privacy@eqt.com.au).

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

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

### The Constitution

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

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

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

Australia's AML/CTF laws require Equity Trustees to adopt and maintain an Anti-Money Laundering and Counter Terrorism Financing programme. A fundamental part of the AML/CTF programme is that Equity Trustees 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 withdrawals will be delayed or refused if investors do not provide the applicable KYC Documents when requested.

Under the AML/CTF laws, Equity Trustees is required to submit regulatory reports to AUSTRAC. This may include the disclosure of your personal information. Equity Trustees may not be able to tell you when this occurs and, as a result, AUSTRAC may require Equity Trustees 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.

Equity Trustees shall not be 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 the Fund via 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. 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 may exercise, or decline to exercise, these rights on your behalf.

Indirect Investors do not receive reports or statements from us and the IDPS Operator's application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem. Your rights 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 a Fund will be provided to an investor of the Fund on request, to the extent Equity Trustees 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 is required to comply with the U.S. Foreign Account Tax Compliance Act ("FATCA"). To comply with these requirements, the Fund will collect certain additional information from you and will be required to disclose such information to the ATO or the U.S. Internal Revenue Service.

## 8. Glossary

### Application Form

The Application Form that accompanies the PDS.

### ATO

Australian Taxation Office

### AUSTRAC

Australian Transaction Reports and Analysis Centre

### Business Day

A day other than Saturday or Sunday on which banks are open for general banking business in Sydney

### Indirect Investors

Individuals who invest in the Fund through an IDPS.

### Net Asset Value (NAV)

The value of the assets of the Fund less the value of the liabilities of that Fund.

### IDPS

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.

### IDPS Operator

An entity responsible for operating an IDPS.

### US Person

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 Fund 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.

### We, us

Refers to Equity Trustees

### Wholesale Client and Retail Client

Person or entities defined as such under section 761G of the Corporations Act.