

Spire Copper Rock Capital Global Smaller Companies Fund



SPIRE
CAPITAL

Reference Guide

Issue Date 26 September 2017

mFund SPC01

ARSN 146 874 820

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About this Reference Guide

This Reference Guide ("RG") has been prepared and issued by Equity Trustees Limited ("Equity Trustees", "we" or "Responsible Entity"). The information in this document forms part of the Product Disclosure Statement ("PDS") for the following Fund: Spire Copper Rock Capital Global Smaller Companies Fund ("Fund") (which represents an investment in Class B units in the Copper Rock Capital Global Small Cap Fund (ARSN 146 874 820) dated 26 September 2017.

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.

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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 calling Equity Trustees on +61 3 8623 5000 or Spire Capital on +61 2 9377 0755 or by visiting www.eqt.com.au/insto. A paper copy of the updated information may also be provided free of charge on request.

Investment Manager

Copper Rock Capital Partners LLC
200 Clarendon Street, 51st Floor
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Email: Imotch@copperrockcapital.com

Sales & Marketing Manager

Spire Capital Pty Ltd
ABN 21 141 096 120 AFSL 334365
Level 14, 25 Bligh Street
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Responsible Entity

Equity Trustees Limited
ABN 46 004 031 298, AFSL 240975
GPO Box 2307
Melbourne VIC 3001
Ph: +613 8623 5000
Web: www.eqt.com.au/insto

Unit Registry

State Street Australia Limited
Unit Registry
ABN 21 002 965 200, AFSL 241419
Level 14, 420 George Street
Sydney NSW 2000
Fax: +61 2 9323 6411

1. Investing in the Fund

Application cut-off times

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

- before or at 2pm (Sydney time) on a Business Day and 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 and your application for units is accepted you will receive the Application Price calculated for the next Business Day.

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 if required; and
- we have received the application money (in cleared funds) stated in your application form.

For investors who apply via mFund if:

- we receive an application for units via mFund; and
- we receive the relevant application money (in cleared funds).

We will not investigate whether an application for units received by Equity Trustees via mFund has been made with the authority of the applicant.

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 investors.

Please see the PDS for information regarding how to 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 Application Form and have them sign the relevant sections. If you wish to apply or have applied for units via mFund, please contact Equity Trustees for the appropriate form that our authorised signatories will need to sign. 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; 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 signatory; and
- you agree that our acting on any instructions received from your authorised signatory shall amount to complete satisfaction of our obligations, even if these instructions were made without your knowledge or authority.

Reports

Investors will be provided with the following reports:

- application and withdrawal confirmation statements;

- transaction statements; and
- (where applicable), distribution and tax statements

The annual audited financial accounts are available on Equity Trustees' website.

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

3. Withdrawing your investment

Withdrawal cut-off times

If we receive a withdrawal request:

- before 2pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will receive the Withdrawal Price calculated for that Business Day; or
- on or after 2pm (Sydney time) on a Business Day and your withdrawal request is accepted, you will receive the Withdrawal Price calculated for the next Business Day.
- If you acquired your units through mFund settlement service, you must place your withdrawal request through mFund by placing a sell order for units with your licensed broker.

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 investors.

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

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).

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.

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

- Withdrawals will only be paid to the investor.
- We reserve the right to fully redeem your investment if, as a result of processing your request, your investment balance in the Fund falls below the minimum balance set out in the 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, courier 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.
- We will not investigate whether a withdrawal request received by Equity Trustees via mFund has been made with the authority of the unitholder.

Withdrawal restrictions

Under the Corporations Act, you do not have a right to withdraw from the 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.

The 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 information on fees and costs

Performance fee example

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.

By applying for Class B units in the Fund you also agree to pay Copper Rock a performance fee. The performance fee is calculated and, when payable, paid monthly in arrears directly from the Fund. The performance fee is 15% of the Fund's outperformance of the Benchmark plus GST. Set out below is a description of the workings of the performance fee formula. Sample workings and the complete formula may be obtained from Copper Rock.

For the purposes of this summary of the performance fee:

"Benchmark" means the MSCI World Small Cap Index.

"Performance Period" means the period from the Starting Date to the last day of the month for which the performance fee is being calculated.

"Starting Date" means, over a rolling three year period:

(a) the first day after the Performance Period for which the last Performance Fee was payable; or

(b) if on the last business day of a month no performance fee was paid during the previous three years, the first day of that three year period. (For example, if on March 31, 2016 no performance fee has been paid since before 1 April, 2012, the Starting Date is 1 April 2013.)

Outline of the Performance Fee Formula

Performance will be calculated for each Performance Period. If Copper Rock is entitled to a performance fee it will be paid monthly directly from the Fund.

A performance fee will be accrued and paid in any Performance Period if the performance (after management expenses but before performance fees) of the Fund from the Starting Date until the end of the current Performance Period exceeds the performance of the Benchmark over the same time period. The Performance Period only ends on the last day of the month for which a Performance Fee is payable. In effect, the Fund must make up any under-performance before a Performance Period will end and a Performance Fee taken.

For example, if the Fund out-performs the Benchmark in month 1, a performance fee is accrued and paid at the end of month 1. If the Fund then under-performs the Benchmark in month 2, no performance fee is paid and the Performance Period is extended. If, in month 3, the Fund out-performs the benchmark but has not made up for the under-performance from month 2, no performance fee is paid, and the Performance Period is extended again.

Only once the Fund has out-performed the Benchmark and made up the under-performance from previous months (ie. since the Starting Date) will the Performance Period end and a performance fee be paid, based on the out-performance of the Fund for the entire Performance Period.

When a performance fee is paid, it is calculated by multiplying the net asset value of the Fund as at the Starting Date by 15% (the performance fee percentage) of the out-performance (the amount the Fund exceeds the Benchmark performance) over the Performance Period. For example, if the MSCI returned 5% in the Performance Period and the Fund returned (after management expenses but before performance fees) 7% and the net asset value of the Fund as at the Starting Date was \$10,000, then the performance fee would be \$30 [Calculated as \$10,000 x 15% x (7% - 5%)] plus GST.

Details Of The Performance Fee Formula

Performance is calculated on the net asset value ("NAV") of the Fund before accrued performance fees. Performance fees which have accrued will be paid to Copper Rock monthly.

Performance fees are accrued and paid only when the Fund has begun to out-perform the Benchmark (ie. at the end of the Performance Period). Unit holders should consider this when deciding on the timing of any investment or redemption.

Valuations usually occur weekly (close of business each Tuesday) and at month end to enable unit allotment or redemptions to occur at the time of any cash movements in or out of the Fund

The performance fee is paid from the Fund directly and is not individually invoiced to unit holders, other than in the circumstances detailed below. This saves unnecessary record keeping by unit holders

There are circumstances where Copper Rock will not accrue performance fees even though an individual unit holder's money is outperforming. For example, if units are issued to a unit holder during a time when the performance of the Fund is behind the Benchmark and it subsequently out-performs the Benchmark but has not yet made up any previous out-performance, Copper Rock is not entitled to a performance fee in respect of the fund, even though the performance of the individual's units have out-performed the Benchmark. In this instance, Copper Rock has the right to invoice the unit holder separately for performance fees on funds invested in the Fund based on 15% of the out-performance from the date the funds were first invested. Direct invoices to the unit holder will be raised monthly until the unit holder is in the same position as all other unit holders (that is, a performance fee has accrued in respect of the entire Fund and is paid directly out of the Fund).

If a unit holder redeems units before the end of the Performance Period, Copper Rock also has the right to invoice separately the equivalent of a performance fee based on similar principles as outlined above. That is, 15% of the out-performance from the Starting Date (or the date on which units were allotted after the Starting Date) to the date of redemption.

5. Other important information

Your privacy

The Privacy Act 1988 (Privacy Act) and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. At Equity Trustees we are committed to respecting the privacy of your personal information throughout the information lifecycle and our Privacy Policy details how we do this.

Equity Trustees may collect personal information about you and individuals associated with you in order to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and tax related legislation). You must ensure that all personal information which you provide to Equity Trustees is true and correct in every detail, and should those personal details change it is your responsibility to ensure that you promptly advise Equity Trustees of the changes in writing. If you do not provide the information requested we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s). We may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

Equity Trustees may disclose your information to other members of our corporate group or to third parties, where it is necessary, in order to provide you with the products or services. Those third parties may be situated in Australia or offshore, and we take reasonable steps to ensure that all third parties with whom we have a contractual relationship or other influence comply with the Australian Privacy Principles.

The third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- those where you have consented to the disclosure and as required by law; and
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” by contacting Equity Trustees.

Equity Trustees’ Privacy Policy contains information about how you can access information held about you, seek a correction if necessary, make a complaint if you think there has been a breach of your privacy and about how Equity Trustees will deal with your complaint.

Full details of Equity Trustees’ Privacy Policy is available at www.eqt.com.au. You can contact Equity Trustees’ Privacy Officer on +61 3 8623 5000, or email to privacy@eqt.com.au to request a copy.

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, 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 and the Fund’s Constitution. You can request a copy of the Constitution free of charge from Equity Trustees. 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.

Attribution Managed Investment Trusts (“AMITs”)

The Constitution allows, where separate classes of units are on issue in respect of the Fund, for income allocation to take into account any impact of the currency overlay that may be in place for the respective classes. The quantum of the distribution is sought to be determined on a standalone basis. Prior to the AMIT multi-class election being made (as described below), the Fund is treated as a single taxpayer. As any separate classes of units would not currently be treated as separate taxpayers, it is possible under the current taxation regime that the tax character of distributions made to a particular class may be impacted by transactions associated with another class. The Constitution provides a mechanism to seek to minimise this outcome. Insofar as possible, where separate classes of units are on issue, the Constitution seeks to quarantine the income associated with a particular class to that class.

In May 2016, the Australian Federal Government enacted legislation establishing a new tax system for AMITs. Trusts that meet the eligibility criteria to be an AMIT may elect into the AMIT rules. An election into AMIT has been made in respect of the Fund and therefore the following will apply:

Fair and reasonable attribution: Each year, the Fund’s determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to investors on a “fair and reasonable” attribution basis, rather than being allocated proportionally based on each investor’s present entitlement to the income of the Fund.

Unders or overs adjustments: Where the Fund’s determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

Cost base adjustments: Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor’s units may be increased (or decreased). Details of cost base adjustment will be included on an investor’s annual tax statement, referred to as an AMIT Member Annual Statement (“AMMA”).

Large redemptions: In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large redemption being attributed to the redeeming investor.

Multi-class AMITs: A choice is available to elect to treat separate classes of units as separate AMITs. Equity Trustees is intending that the AMIT multi-class election be made in respect of the Fund.

Penalties: In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

The new rules are intended to reduce complexity, increase certainty and reduce compliance costs for managed investment trusts and their investors.

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

Australia’s AML/CTF laws require Equity Trustees to adopt and maintain an AML/CTF Program. A fundamental part of the AML/CTF Program 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 AML/CTF laws. Processing of applications 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.

The Responsible Entity shall not be liable for any loss you may suffer because of compliance with the AML/CTF laws.

If you apply for units via mFund you may be required to provide the KYC documents to your broker (rather than the Administrator).

NAV for the Fund

The NAV for the Fund is available at <http://www.eqt.com.au/business-partners/mfund-product-issuer>.

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 an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor 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 the 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.

Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("U.S."), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate unitholders for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Common Reporting Standard ("CRS")

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS. However, penalties may apply for failing to comply with the CRS obligations.

Enquiries and complaints

If you have any questions regarding the management of the Fund, you can contact Spire Capital on +61 2 8667 5707. If you are not completely satisfied with any aspect of our services regarding the management of the Fund, please contact Equity Trustees. Equity Trustees seeks to resolve potential and actual complaints over 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: complianceteam@eqt.com.au

Equity Trustees will respond within 14 days of receiving the complaint and will seek to resolve your complaint as soon as practicable but not longer than 45 days after receiving the complaint. If we are unable to resolve your complaint, you may be able to seek assistance from the Financial Ombudsman Service ("FOS"). To find out whether you are eligible (and if so, to make a complaint) contact FOS on 1800 367 287 (Australia) or +61 3 9613 7366, info@fos.org.au or GPO Box 3, Melbourne VIC 3001.

Please include the Equity Trustees FOS membership number with your enquiry. It is 10395.

FOS can assist you if Equity Trustees 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 \$309,000 per managed investment claim (excluding compensation for costs and interest payments). These monetary limits and the FOS terms of reference do change from time to time. Current details can be obtained from the FOS website (www.fos.org.au).

6. Glossary

AMITs

Attribution Managed Investment Trusts

AML/CTF

Anti-Money Laundering and Counter Terrorism Financing

Application Form

The application form attached to the PDS.

ASIC

Australian Securities and Investments Commission

ATO

Australian Taxation Office

AUSTRAC

Australian Transaction Reports and Analysis Centre

Business Day

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

Corporations Act

The Corporations Act 2001 and the Corporations Regulations 2001 (Cth), as amended from time to time.

CRS

Common Reporting Standards

Derivative

A financial contract whose value is based on, or derived from, an asset class such as shared, interest rates, currencies or currency exchange rates and commodities. Common Derivatives include options, futures and forward exchange contracts.

FATCA

Foreign Account Tax Compliance Act

GST

Goods and Services Tax

IDPS

Investor Directed Portfolio Services or investor-directed portfolio-like managed investment scheme.

IDPS Operator

The entity responsible for managing an IDPS.

Indirect Investors

Individuals who invest in the Fund through an IDPS.

mFund

The mFund Settlement service.

Net Asset Value (NAV)

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

Retail Client

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

RITC

Reduced Input Tax Credit.

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 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.

We, us

Refers to Equity Trustees

Wholesale Client

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

You, your

Refers to an investor.