



# ADDITIONAL INFORMATION TO THE PRODUCT DISCLOSURE STATEMENT

SOLARIS CORE AUSTRALIAN EQUITY FUND  
(Performance Alignment Class) (Class D)

APIR: SOL0001AU  
30 June 2018

## CONTACT

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The information in this document forms part of the Product Disclosure Statement ('PDS') dated 30 June 2018 issued by Pinnacle Fund Services Limited ACN 082 494 362 AFSL 238371 ('RE') for the performance alignment class units ('Class D units' or Performance Alignment Class units') of the Solaris Core Australian Equity Fund (ARSN 128 859 898) ('the Fund').

You should read this information together with the PDS before making a decision to invest in the Fund.

The information is general information only and does not take into consideration your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

### Updated Information

Information in this Additional Information may change. Any updates to information that is not materially adverse to investors will be provided at [www.solariswealth.com.au](http://www.solariswealth.com.au). Please check the website or call us or your financial adviser for any updates prior to investing. A paper copy of any updates will be provided free of charge upon request.

# 1. How the Solaris Core Australian Equity Fund works

## Additional investments

Additional investments can be made at any time by sending your written instructions together with your cheque or electronic funds transfer (EFT) confirmation. It is not necessary for you to complete another Application Form. Additional investments are made on the basis of the PDS current at the time of investment. The latest PDS is available at [www.solariswealth.com.au](http://www.solariswealth.com.au) or by calling 1300 010 311.

If we receive an application request by 12 noon (Sydney time) on a Business Day you will receive the unit price for that Business Day. An application request received after 12 noon (Sydney time) will be processed using the unit price for the following Business Day.

In circumstances where we receive an incomplete application or withdrawal request you will receive the unit price applicable on the Business Day we receive the completed documentation and, for applications, cleared application funds.

## How to withdraw

You can withdraw from your investment by mailing or faxing us a letter including full details of your name, investor number, number of Units or dollar amount you wish to withdraw and bank account details. Requests must be signed by the appropriate authorised signatories. Cheques and bank accounts must be in the name/s of the investor/s as specified in the Application Form or as otherwise notified to the RE. Proceeds will be paid in Australian Dollars.

Partial withdrawals are subject to you maintaining a minimum balance of \$1,000,000.

## Restrictions on withdrawals

The RE endeavours to ensure that proceeds are paid within 7 days from the date of receipt of the withdrawal request, although the Fund constitution permits up to 40 days to pay withdrawal proceeds after a withdrawal request is processed.

Alternate withdrawal procedures will apply if the Fund is determined not to be liquid. The Fund is considered non-liquid if less than 80% of its assets are cash, marketable securities or assets which can be realised at market value within the period specified in the constitution.

If the Fund becomes non-liquid the withdrawal procedures set out in the Corporations Act will apply.

## Processing application and withdrawal requests

If we receive an application or withdrawal request by 12 noon (Sydney time) on a Business Day you will receive the Unit price for that Business Day. An application or withdrawal request received after 12 noon (Sydney time) will be processed using the Unit price for the following Business Day.

In circumstances where we receive an incomplete application or withdrawal request you will receive the Unit price applicable on the Business Day we receive the completed documentation and, for applications, cleared application funds.

## Unit pricing

The unit price is usually calculated each Business Day by dividing the net asset value of the Fund's assets apportioned to Class D by the number of units on issue in Class D. The Fund's assets are valued in accordance with the Fund's constitution, based on market values of securities and other assets such as cash. Unit prices will vary as the market value of the Fund's assets rise or fall.

An allowance for transaction costs incurred in buying and selling Fund assets, i.e. the buy/sell spread is added to, or subtracted from, the unit price to determine an application price and a withdrawal price.

The RE has a policy for unit pricing discretions we use in relation to the Fund for the purposes of Legislative Instrument 2015/847. The unit pricing policy and discretions exercised by the RE are available from us free of charge upon request.

## Reinvestment of distributions

You can choose to reinvest some or all of your distributions. Distribution reinvestment is generally effective the first day following the end of the distribution period. No buy/sell transaction cost will apply to distribution reinvestments. For tax purposes certain components of a distribution are included as assessable income regardless of whether the distribution is reinvested.

## Transfers

You can request a transfer of some or all of your units to a third party by completing and signing a transfer form and providing us with any other documentation required by us or any law. You can obtain a transfer form by contacting us on 1300 360 306. The RE reserves the right to refuse to register a transfer of units.

## Custodian

A custodian has been appointed to hold the assets of the Fund on our behalf. Any fees we pay to the custodian are paid out of any fees paid to Solaris or Solaris' own resources and are not an additional charge to you.

## 2. Fees and costs

This document shows fees and other costs that you may be charged for investing in the Fund. These fees and costs may be deducted from your investment, from the returns on your investment or from the Fund's assets as a whole.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

| Type of fee or cost   | Amount <sup>1</sup>   | How and when paid   |
|---|---|---|
| <b>Fees when your money moves in or out of the Fund<sup>2</sup></b>               |   |   |
| <b>Establishment fee</b><br>A fee to open your investment.                        | Nil   | Not applicable  |
| <b>Contribution fee</b><br>The fee on each amount contributed to your investment. | Nil   | Not applicable  |
| <b>Withdrawal fee</b><br>The fee on each amount you take out of your investment.  | Nil   | Not applicable  |
| <b>Exit fee</b><br>The fee to close your investment.                              | Nil   | Not applicable  |
| <b>Management costs</b>   |   |   |
| The fees and costs for managing your investment.                                  | A performance fee of 30% of outperformance of the Benchmark | The performance fee is calculated and accrues each Business Day and is payable as at 30 June. <sup>3</sup><br>Extraordinary expenses are paid from the Fund assets as and when incurred. <sup>4</sup> |
| <b>Service fees</b>   |   |   |
| The fee for changing investment options   | Nil   | Not applicable  |

1 All figures disclosed include the net effect of GST and RITC.

2 Buy/Sell spread applies. Refer to 'Buy/Sell spread' in 'Additional explanation of fees and costs'.

3 Refer to 'Performance fees' in 'Additional explanation of fees and costs'.

4 Refer to 'Extraordinary expenses' in 'Additional explanation of fees and costs'.

### Additional explanation of fees and costs

#### Performance fee

Depending on how well the Fund performs, a performance fee may be payable to Solaris equal to 30% (including the net effect of GST and RITCs) of the outperformance of the Benchmark.

#### When is a performance fee paid?

The performance fee is:

- payable if the investment performance of the Fund exceeds the Benchmark;
- only charged on the proportion of performance above the Benchmark;
- only payable when any applicable performance deficit has been recouped; and
- if payable, accrues each Business Day and is reflected in the unit price.

The Benchmark is the S&P/ASX 200 Accumulation Index.

The performance fee is calculated each Business Day based on daily performance and value of the Fund apportioned to Class D, on that day compared to the Benchmark for that day and, where positive, accrues each Business Day and is reflected in the unit price. Where the daily calculated performance fee is negative it is applied to reduce any accrued performance fee from the

previous day, or, where there is no accrued performance fee from the previous day, carried forward as a 'performance deficit'. Any performance deficit will need to be offset by future positive performance before any performance fee becomes payable.

If a performance fee is payable, it is payable annually as at 30 June. Performance fees are payable in relation to the performance of the Fund as a whole during each year and do not necessarily reflect the performance of any individual investor's investment.

The Fund constitution for the Fund allows for a performance fee of up to 35% if the performance hurdle is exceeded. In addition, the Fund constitution allows for a maximum performance hurdle of the Benchmark plus 3%.

The RE does not currently charge the Fund a performance fee as the RE is paid a fee by Solaris from the performance fee Solaris receives or Solaris' own resources.

#### **Extraordinary expenses**

Generally, expenses incurred in managing the Fund will be paid from Solaris' own resources. However, if extraordinary or unusual expenses are incurred we may choose to recover these costs from the Fund. Examples of this type of expense include the costs involved in:

- convening a meeting of unit holders;
- termination of the Fund;
- amending the Fund constitution;
- defending or bringing of litigation proceedings; or
- replacement of the responsible entity.

#### **Buy/Sell spread**

The buy/sell spread is an additional cost to you when you buy or sell units. This fee is retained by the Fund to cover the transaction costs associated with investing or selling Fund investments when investors apply for, or redeem, Units in the Fund. The buy/sell spread is an additional cost but, as it is included in the unit price of the Fund, it is not charged to you separately.

The buy spread and the sell spread for applications and withdrawals are 0.30% of the value of the application or withdrawal amount. These spreads may change from time to time depending on the nature of the costs and volume of assets being bought or sold.

For example, assuming a unit price of \$1, if \$1,000,000 was invested in, or withdrawn from, the Fund, the cost of your buy/sell spread would be \$3,000 in and \$3,000 out.

#### **Additional transactional and operational costs**

Additional transactional and operational costs associated with dealing with the Fund's assets may be recovered from the Fund. Transactional and operational costs, other than the buy/sell spread, may include brokerage, investment settlement fees, clearing costs and applicable stamp duty when underlying assets are bought or sold.

The total transactional and operational costs incurred by the Fund for the 12 months ended 30 June 2017 were calculated to be \$9,542.51 based on a \$1,000,000 holding (approximately 0.95% of total average net assets). The total transactional and operational costs, net of buy/sell spread recovery, were calculated to be \$8,782.14 based on a \$1,000,000 holding (approximately 0.88% of total average net assets).

#### **Differential fees**

There may be differing fee arrangements for investors in different classes. Rebates of management costs may be negotiated with wholesale clients.

These arrangements reflect terms privately agreed with each sophisticated or professional investor. Neither Solaris nor the RE is under any obligation to make arrangements on these terms available to all other investors (including other sophisticated or professional investors).

#### **Payment to platforms**

Payments may be made to a platform where they include one or more of our funds on their menu. Any platform payments are deducted from the management cost or Solaris' own resources and are not a separate charge to you.

#### **Goods and Services Tax (GST)**

The fees specified in the PDS include the net effect of Goods and Services Tax (GST) and the benefits of reduced input tax credits (RITC) where applicable, unless otherwise specified.

Investors should not be directly subject to GST when applying for or withdrawing units. However, the Fund may incur GST as part of the expenses of the Fund. The Fund may then be entitled to claim RITCs for GST incurred on certain expenses.

## 3. Additional information

### Incomplete Applications

Application monies accompanying an incomplete application will be retained in a non-interest bearing trust account for up to 30 days pending receipt of the required information.

### Appointment of Authorised Representative

#### Authorised Representative Form

A person appointed as your authorised representative is authorised by you to:

- apply for units and sign all documents necessary for this purpose;
- make requests to redeem all or some of your units (receipt by the authorised representative or as directed by the authorised representative fully discharges our redemption obligations to you); and
- make written requests for information regarding your units.

The RE may act on the sole instructions of the authorised representative until we are notified that the appointment of the authorised representative is terminated.

You can cancel your appointment of the authorised representative by giving the Responsible Entity 14 days prior notice, as permitted by law.

Termination of an appointment does not prejudice the following statement. By appointing an authorised representative, you agree to release, discharge and indemnify us from and against any loss, expense, action, claims or other liability which may be suffered by you or brought against us for any actions or omissions by you or your authorised representative, whether authorised or not by you or your authorised representative.

Any request for information by an authorised representative will be responded to in writing only. Such written responses will be sent to the authorised representative's email/fax/residential address nominated on the Authorised Representative Form.

If an authorised representative is a partnership or a company, any one of the partners or any director of the company, is each individually deemed to have the powers of the authorised representative. It is sufficient for us to show that we had reasonable grounds for belief that an action was taken or a request given by or for an authorised representative when determining whether an action or request was taken or given by the authorised representative.

### Investor Representations and Warranties

In addition to the acknowledgments contained in the declaration on the Application Form, by completing and signing the Application Form:

- (a) You agree to be bound by the provisions of the Fund constitution;
- (b) You confirm that you are in compliance with all relevant laws and regulations (including, without limitation, the requirements of the Corporations Act) and will not cease to be in compliance if you accept your allocation of units;
- (c) You authorise the use of the TFN information provided on the Application Form in respect of your investment;
- (d) You acknowledge that neither the RE and its respective holding companies and officers, nor the Investment Manager and its respective officers and holding companies, guarantees the capital invested by investors or the performance of the specific investments of the Fund;
- (e) You acknowledge that the provision of the products available through the Fund should not be taken as the giving of investment advice by the RE or the Investment Manager, as they are not aware of your investment objectives, financial position or particular needs;
- (f) You acknowledge that you are responsible for ensuring that the information on the Application Form is complete and correct;
- (g) You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of a purchase of the units and you acknowledge that an investment in the Fund involves a degree of risk;
- (h) You have the financial ability to bear the economic risk of the investment in the Fund;
- (i) You have had access to all information that you believe is necessary or appropriate in connection with your application for units. You acknowledge and agree that you will not hold the RE or any of its affiliates responsible for any misstatements in, or omissions from, any publicly available information concerning the Fund;
- (j) You have made and relied upon your own assessment of the Fund and have conducted your own investigation with respect to your application and the Fund including, without limitation, the particular tax consequences of

- subscribing, owning or disposing of the units in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction;
- (k) Except to the extent that liability cannot by law be excluded, you acknowledge that none of the directors, officers, employees or advisers of the RE or the Fund, or any of their respective related bodies corporate, accept any responsibility in relation to your application;
- (l) You acknowledge that the Fund, the RE and its affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements. You indemnify the Fund, the RE, the Investment Manager and their affiliates against any loss, damage or costs incurred and arising out of or in relation to any breach by you of the acknowledgments, representations, warranties and agreements; and
- (m) You agree that the RE, may:
- (i) require you to provide any additional documentation or other information and perform any acts to enable compliance with any laws relating to anti-money laundering and counter terrorism financing ('AML') or any other law;
  - (ii) at its absolute discretion and without notice to you, take any action it considers appropriate, including blocking or delaying transactions on your account or refuse to provide services to you to comply with any law relating to AML or any other law;
  - (iii) in its absolute discretion and without notice to you report any, or any proposed transaction or activity to any body authorised to accept such reports relating to AML or any other law.

## 4. Privacy

When investors apply to invest in the Fund, they acknowledge and agree that:

- (a) they are required to provide the Responsible Entity with certain personal information to facilitate their application; and
- (b) the Responsible Entity may be required to disclose their information to:
- (i) third parties carrying out functions on behalf of the Responsible Entity on a confidential basis;
  - (ii) third parties if that disclosure is required by or to the extent permitted by law; and
  - (iii) their adviser.

All personal information will be collected, used and stored by the Responsible Entity in accordance with our Privacy Policy, a copy of which is available on request. We will use your information for the purpose of marketing products issued by us and our related entities. To ensure that the personal information we retain about you is accurate, complete and up to date, please contact us if any of your details change. You can unsubscribe from marketing communications from us at any time by contacting us.

### Collecting and using your information

We collect information for the following purposes:

- to process your application;
- to administer your investment and provide you with reports;
- to monitor and improve the quality of service provided to you; and
- to comply with regulatory or legal requirements, including the Corporations Act, the Proceeds of Crime Act, the Financial Transaction Reports Act, the Anti-Money Laundering and Counter-Terrorism Financing Act and the Foreign Account Tax Compliance Act.

We also ask you for some personal details so that we, and our related companies, can keep in touch with you and tell you on an ongoing basis about our other products and services that could be useful to you. We may do this by telephone, electronic messages (e.g. email) and other means. Please contact us if you do not wish your details to be used for marketing purposes.

We may gather information about you from a third party. These include credit agencies, financial advisers, fund managers, or intermediaries and spouses. We may also collect details of your interactions with us and our products and services (including from our records of any telephone and email interactions).

If you provide someone else's personal information to us, you must ensure that they first agree on the basis of this privacy section.

### Disclosing your information

At your request, we will exchange your personal information with your adviser, authorised representative, Power of Attorney and any other third parties. In addition, we may exchange personal information about you in the following circumstances:

- you consent to the disclosure;
- with any joint investor;
- with companies that provide services to us, to our related companies, to the Fund, or on our behalf (and our related

companies may also exchange personal information with these companies) on the basis they deal with such information in accordance with their respective privacy policies - for example administration, custody, investment management, technology, identity verification, auditing, registry, mailing or printing services. These service providers may be located outside Australia, where your personal information may not receive the same level of protection as that afforded under Australian law;

- where required or authorised by law, which may include disclosures to the Australian Taxation Office and other government or regulatory bodies; or
- with organisations related to us such as Pinnacle Investment Management Limited and its related bodies corporate, whether in Australia or any overseas jurisdiction.