



## Solaris Core Australian Equity Fund – Class B

ARSN 128 859 898 APIR WHT0012AU ISIN AU60WHT00121

Additional Information to the PDS dated 9 October 2023

## **Important Information**

This Additional Information to the Product Disclosure Statement ('Additional information to the PDS') provides additional information you need to make a decision about the Solaris Core Australian Equity Fund ARSN 128 859 898 ('Fund'). You can access the PDS on the internet at the Fund's webpage or call 1300 010 311 for a copy.

Neither the Responsible Entity, nor Solaris guarantees the performance of the Fund or the return of capital or income.

The information in the PDS and Additional information to the PDS is general information only. To the extent the information in the PDS and Additional information to the PDS constitutes financial product advice, such advice does not take into account your individual objectives, personal financial situation or needs. Before investing, you should consider the appropriateness of the advice in light of your own objectives, financial situation and needs. We strongly recommend that you consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances. You should also read the PDS before making any decision about whether to acquire units in the Fund.

## **Updated information**

The information in the PDS and Additional information to the PDS may change over time. We may update this information where this does not involve a material adverse change and make it available to you, where permitted by law, via the Fund's webpage. You can also obtain updated information by contacting us.

## **Contact details**

If you have a query in relation to the Fund, please contact us at:

Telephone: 1300 010 311  
Address: PO Box R1313, Royal Exchange NSW 1225  
Email: [service@pinnacleinvestment.com](mailto:service@pinnacleinvestment.com)  
Website: [www.solariswealth.com.au/](http://www.solariswealth.com.au/)

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# 1. How we invest your money

The Fund aims to provide investors with access to an actively managed, diversified portfolio of listed Australian securities, as well as in securities expected to be listed on an Australian exchange.

## **Use of derivatives**

The Investment Manager may invest in derivatives, including futures.

A derivative is a contract between two parties that derives its value from an underlying asset (or group of assets) and can be a highly volatile investment instrument. In addition to managing exposure of the Fund, the use of derivatives offers the opportunity for higher gains and can also magnify losses to the Fund.

The Fund will invest in derivatives that are traded on a regulated exchange. The Fund may invest in derivatives subject to the underlying effective face value being limited to 10% of the NAV of the Fund. The Fund will not use derivatives for gearing purposes.

Risks associated with using derivatives might include the risks associated with the derivative's counterparty, the value of the derivative failing to move in line with expectations or that of the underlying asset, potential illiquidity of the derivative, or the derivative's expiration. The use of derivatives may expose the Fund to risks including counterparty default, legal and documentation risk, and the risk of increased sensitivity of the Fund's unit price to underlying market variables through leverage.

## **Direct and indirect investments**

In addition to holding direct assets, the Fund may also make investment indirectly, for example by investing in other managed funds where these are aligned with the Fund's investment strategy.

Any costs associated with these investments are outlined in Section 6 'Fees and other costs'.

## **Borrowing**

Whilst the Fund's constitution permits borrowing and is not restricted in its borrowing levels, the Responsible Entity does not intend to borrow on behalf of the Fund. The Fund will not use derivatives for gearing purposes.

## **Change to Fund details**

We have the right to change the Fund's asset classes, asset allocation ranges and investment return objectives without prior notice. We will inform investors of any material change to the Fund's details via the Fund's webpage or as otherwise required by law.

## **Additional information about the Fund's strategy**

### **Investment philosophy**

Solaris is a bottom up style neutral Australian equity manager. Solaris believes there are opportunities in both value and growth stocks, therefore their style can be described as 'style neutral' or 'style agnostic'.

### **Investment process**

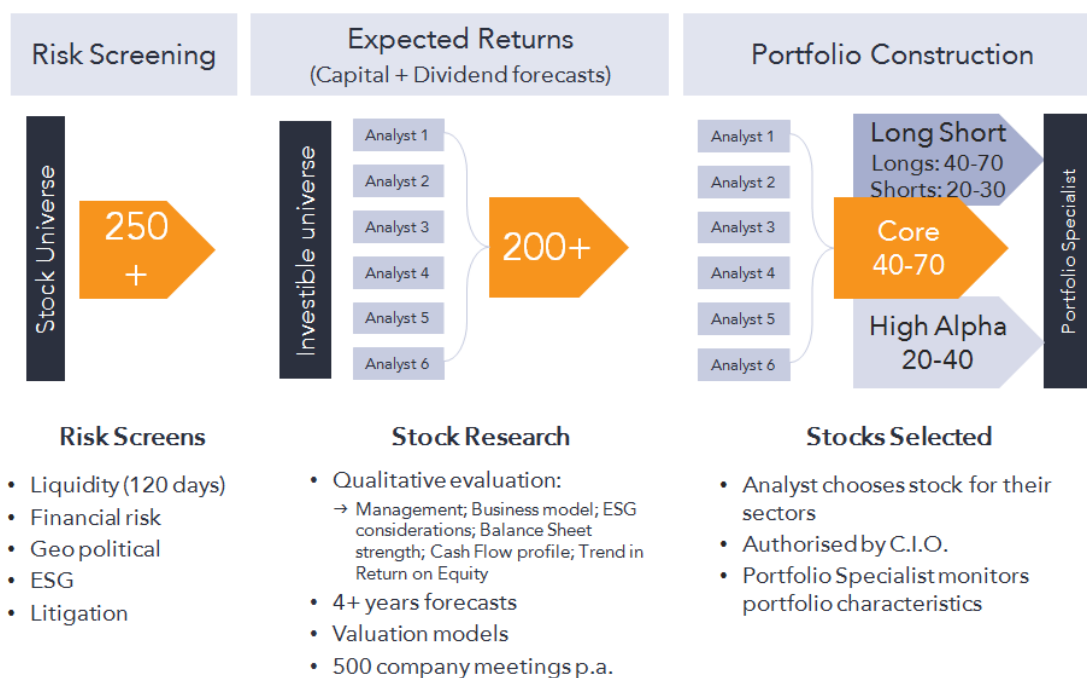
Solaris use fundamental analysis to pick stocks and exploit market inefficiencies in forecasts and valuations. To optimise the conversion of fundamental research into investment portfolios, they empower analysts by combining their analytical role with that of the portfolio manager. This combination ensures the portfolio is constructed purely from the ground up using the knowledge and skill of the people at the analytical 'coal face'.

The use of multi portfolio manager/analyst approach also diversifies the decision-making process delivering more consistent out performance together with lower key person risk.

## Stock selection process

The Solaris investment process is broken down into three areas:

- Risk screening
- Company research (Expected Returns generation); and
- Portfolio construction



## Portfolio Construction

The main portfolio construction technique that Solaris uses is based on Excess Return (the amount by which the expected return for the stock exceeds the expected return for the benchmark). Simply put, if a company has a high excess return, that company will, prima facie, be included in the portfolio and equally a low or negative excess return will see a company excluded from the portfolio. As a rule of thumb, a +/-10% excess return indicates that a +/-1% over/under weight position should be taken in the relevant company. Subsequent over/under weight sector positions are purely the result of the over/under weight positions of companies within that sector. The analyst is accountable for both the company and sector performance contribution. Specific risk limits govern active position sizes at both the company and sector levels. Orders are initiated and signed off by the responsible analysts before being presented to the CIO (or his delegate) for authorisation.

Ultimately, this creates an extremely disciplined buy/sell regime, whereby as the excess return of a company begins to dissipate, the analyst will reduce the position and vice versa. This way, Solaris can be assured their analysts don't become attached to the investment and remain objective.

## Labour standards or environmental, social or ethical considerations

ESG risks are ordinarily considered by Solaris as part of the Fund's investment process. Examples of ESG factors which may be considered by Solaris include workplace health and safety, carbon emissions, environmental impacts, data security and corporate governance. Solaris' ESG risk integration approach is primarily focused on

assessing and managing the potential financial impact (e.g. adjusted future cashflows and earnings, or adjusted multiples (e.g. PE, EVM), or adjusted beta applied or a discount to a valuation excluding the ESG issue) resulting from ESG risks and/or opportunities on investment assets.

If Solaris determines, in its discretion, that a company has a poor ESG outlook or certain ESG risks, Solaris may discount its valuation of that company, thereby making it less likely that the company will form part of the portfolio. Conversely, if Solaris determines, in its discretion, that a company has a positive ESG outlook or has reduced ESG risks, Solaris may increase its valuation of that company, thereby making it more likely that the company will form part of the portfolio.

In terms of the extent to which the ESG considerations are taken into account, Solaris does not use a weighting system to apply a weight to the standards and considerations. Additionally, Solaris does not have a set time for monitoring or reviewing investments. As such, Solaris has no predetermined view about how far ESG considerations are taken into account. Where Solaris determines that an investment is no longer suitable due to ESG considerations, Solaris may elect to divest such investment.

For more information on how Solaris excludes securities and sectors, as well as reporting and other ESG related measures which have been adopted by Solaris, please visit <https://solariswealth.com.au/about-solaris/sustainability/>.

## 2. Risks

### Risks of Managed Investment Schemes

**All investments carry risk.** All managed investment schemes carry different types of risk which can have varying impacts on returns. Different strategies can carry different levels of risk, depending on the assets that make up that strategy. Assets with the highest long-term returns may also carry the highest level of risk.

Due to uncertainty in all investments, there can be no assurance that the Fund will achieve its investment objectives. The value of your units at any point in time may be worth less than your original investment even after taking into account the reinvestment of Fund distributions. Future returns may differ from past returns and past performance is not a reliable guide to future performance. Returns are not guaranteed, and you may lose some or all of your money.

Neither the Responsible Entity, nor the Investment Manager, their directors, associates nor any of their related bodies corporate (as defined in the Corporations Act) guarantee the success of the Fund, the repayment of capital or any particular rate of capital or income return. Investments in the Fund are not guaranteed or underwritten by the Responsible Entity, Pinnacle or the Investment Manager or any other person or party and you may lose some or all of your investment.

Risks can be managed but cannot be completely eliminated. It is important to understand that:

- the value of your investment may go up and down;
- investment returns may vary, and future returns may be different from past returns;
- returns are not guaranteed and there is always the chance that you may lose money on any investment you make; and
- laws affecting your investment may change over time, which may impact the value and returns of your investment.

Some of the key risks that may impact the value of your investment in the Fund are outlined below. You need to consider the level of risk that you are comfortable with, taking into account factors such as your objectives, financial situation and needs.

It is recommended that investors obtain professional advice before making any investment decision. The information provided in this PDS is only a guide to help investors understand the risks of investing in the Fund. It is recommended investors speak with an adviser to decide on an investment strategy that is best suited for them.

The Fund will be exposed to risks directly as a managed investment scheme, and indirectly through its investment in the underlying assets. The significant risks for the Fund are:

#### **Concentration risk**

Concentration risk refers to the risk associated with a fund that concentrates its investments in a small number of securities or invests in a small subset of an asset class. When the Fund's portfolio is concentrated in a smaller number of securities than the broader market index, the unit price of the Fund may be more volatile than the return of the Benchmark or a more diversified Fund as the returns from the underlying assets are more correlated.

#### **Counterparty risk**

The Fund relies on external service providers in its normal operation and investment activities. There is a risk with external counterparty and service provider arrangements that the party to a contract (such as a derivatives contract, physical security trade or foreign exchange contract) defaults on, or fails to perform, its contractual

obligations (either in whole or in part). This may result in a loss for the Fund, or the investment activities of the Fund being adversely affected.

### **Cyber security risk**

As the use of technology has become more prevalent in the course of business, the Responsible Entity has become potentially more susceptible to operational risks through breaches of cyber security. A breach of cyber security refers to both intentional and unintentional events that may cause the Responsible Entity to lose proprietary information, suffer data corruption or lose operational capacity. This in turn could cause the Responsible Entity to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss.

### **Derivative risk**

The Fund may invest in derivatives as part of its investment strategy. A derivative is an instrument whose value is linked to the value of an underlying asset and can be a highly volatile investment instrument. The derivative itself is a contract between two or more parties based upon the asset or assets. In addition to managing exposure of the Fund, the use of derivatives offers the opportunity for higher gains and can also magnify losses to the Fund.

Risks associated with using derivatives might include the risks associated with the derivative's counterparty, the value of the derivative failing to move in line with expectations or with the value of the underlying asset, potential illiquidity of the derivative, or the derivative's expiration.

Additionally, the use of derivatives may expose the Fund to risks including counterparty default, legal and documentation risk, and the risk of increased sensitivity of the Fund's unit price to underlying market variables through leverage.

### **Equity security risk**

The Fund primarily invests in equity securities issued by listed entities. An equity security represents an ownership interest in an entity (a company, partnership or trust), realised in the form of shares of capital stock, which includes shares of both common and preferred stock.

A security's price can rise and fall as a consequence of many factors including, but not limited to, economic conditions, changes in interest rates or currency rates, adverse investor sentiment, management performance, financial leverage, reduced demand for the company's products and services, or factors that affect the company's industry, including changes in regulation or taxation, as well as competitive conditions within the industry. This may result in a loss of value in the portfolio of the Fund and a change in value of your investment.

Equity securities may make payments (regular or irregular) as dividends, and these may fluctuate significantly in their market value with the ups and downs in the economic cycle and the fortunes of the issuing firm.

### **Income risk**

The Fund may make payments (regular or irregular) as distributions, depending on the income the Fund receives from underlying assets. These may fluctuate significantly in their value with the ups and downs in the economic cycle and the fortunes of the issuing firm. Additionally, the aggregate effect of holding all assets simultaneously may result in risk due to losses from other assets.

### **Investment strategy risk**

The success of the Fund depends upon the Investment Manager's ability to develop and implement investment processes and identify investment opportunities that achieve the investment objectives of the Fund. Matters such



as the loss of key staff, the Investment Manager's replacement as investment manager of the Fund, or the Investment Manager's failure to perform as expected may negatively impact on returns, risks and/or liquidity.

Additionally, the Fund may fail to perform as expected or be able to achieve its stated objectives thereby reducing the value of your investment and leading to loss.

### **Investment structure risk**

There are risks associated with investing in a managed investment scheme, such as the Fund. These may involve risks of the Fund's termination, changes to investment strategy or conditions, changes to fees or expenses, or changes to the Fund's operating rules (such as payments or reinvestments of distributions, or additional investments). An investment in the Fund is governed by the terms of the latest constitution and the PDS of the Fund, the Corporations Act, and other laws (such as regulatory updates, government policies, or taxation rules). Investing in the Fund can result in different performance from holding the underlying assets of the Fund directly, for example because of the aggregate effect of holding all assets simultaneously, or the impact of other investor's transactions.

The Fund may also invest in other managed investment schemes or collective investment vehicles ('Underlying Fund'). In addition to the risks for the Fund, these also apply to the Underlying Fund. The Fund may also experience risks if the Underlying Fund faces transaction restrictions or liquidity constraints.

### **Large transaction risk**

The Fund is subject to the risk that a unitholder may request a significant purchase or redemption of units of the Fund. Large purchases and redemptions may result in: (a) the Fund maintaining an abnormally high cash balance; (b) large sales of portfolio securities impacting market value; (c) increased transaction costs (e.g. brokerage); and/or (d) capital gains being realised which may increase taxable distributions to investors. If this should occur, the returns of investors (including other funds) that invest in the Fund may be adversely affected.

### **Liquidity risk**

Under extreme market conditions there is a risk that investments cannot be readily converted into cash or converted at an appropriate price. This may be due to the absence of an established market or as a result of a shortage of buyers. This may result in the Fund being unable to liquidate sufficient assets to meet its obligations (for example payment of withdrawals) within required timeframes, or the Fund may be required to sell assets at a substantial loss in order to do so.

Additionally, different securities may be less liquid than other securities or pose a higher risk of becoming illiquid during times of market stress. The less liquid the security, the less likely the Fund will be able to transact quickly, and the more difficult it may be to sell the security when the investment managers wishes to do so. Therefore, it may become more challenging to realise the investment manager's perception of fair value.

### **Market risk**

The Fund has exposure to different financial markets. The risk of an investment in the Fund is higher than an investment in a typical bank account investment and the Fund is not expected to behave like a cash investment. Amounts distributed to unitholders may fluctuate, as may the Fund's unit price.

The Fund may be materially affected by market, economic, social and/or political conditions globally and in the jurisdictions and sectors in which it invests or operates. This includes conditions affecting interest rates, the availability of credit, currency exchange and trade barriers. These conditions are outside the control of the Fund and could adversely affect the liquidity and value of the Fund's investments and may reduce the ability of the Fund to liquidate its positions or make attractive new investments.

The unit price may vary by material amounts, even over short periods of time, including during the period between a withdrawal request or application for units being made and the time the withdrawal unit price or application unit price is calculated. While the Fund net exposure to share markets may vary through the use of derivatives. This means the value of the Fund could fall materially in a short period of time and you could lose some or all of your investment.

### **Regulatory risk**

The value of some investments may be adversely affected by changes in Australian government policies, regulations and laws, including tax laws and laws affecting registered managed investment schemes. Changes to regulations can affect the Fund's operation (for example changes to taxation rules can affect the Fund's income payments), disclosure (for example new regulations may require different information be reported or disclosed compared to current information), or investment activities (for example new regulations or tax rules may prohibit or restrict practices or activities the Fund relies on).

### **Unlisted security risk**

Unlike equity securities, an unlisted security is a stock or other financial instrument that is not traded on a formal exchange. As they are not exchange traded, unlisted securities can be less liquid than listed securities as there may not be an established market or market participants may not be as accessible. These also may be less transparent than listed securities as they are not regulated by an established exchange.

### **Withdrawal risk**

There may be circumstances where your ability to withdraw from the Fund is restricted. These circumstances may include (but are not limited to):

- market events that affect the liquidity or marketability of the Fund's assets;
- the Fund no longer being Liquid or cannot meet its liquidity requirements; or
- investor activity has affected the Fund's ability to realise assets at an acceptable price.

If we, as Responsible Entity, determine that it is in the best interests of all unit holders, we may suspend or delay withdrawals and these payments may take longer than the typical timeframe. The timeframe in which we have to meet a withdrawal request is set out in the constitution of the Fund and outlined in Section 5 'Investing in the Fund'.

Where the Fund is not Liquid, you may only withdraw when we make an offer to withdraw to all investors, as required by the Corporations Act.

## 3. How the Fund works

### How the Fund is valued

The Gross Asset Value ('GAV') of the Fund equals the market value of the assets. The Net Asset Value ('NAV') of the Fund attributable to the units is obtained by deducting any liabilities (for example fees and costs) from the GAV attributable to the units.

All assets within the Fund are usually valued every Business Day. More frequent valuations are permitted under the constitution and we may revalue the Fund's assets more or less frequently if it is considered appropriate or in certain circumstances.

The Responsible Entity uses independent pricing services provided by the Fund's Administrator, Apex, for the valuation of the Fund's assets, which is generally calculated on a daily basis. Listed investments are marked to market. The value of unlisted investments is determined by the Responsible Entity after consideration of the recommendations from the scheme's investment manager or the valuation method adopted by an independent third party. Unit prices may be viewed on the Investment Manager's website.

### Unit prices

Units offered under this PDS are Class B units of the Fund. A unit price is calculated for every Business Day, which is equal to the value of the Fund's net assets attributable to the Class B units divided by the number of Class B units. Generally, the unit price changes daily as the market value of the Fund's assets rises or falls.

Unit prices are based on the NAV of the Fund including provision for income and expenses, which have accrued, and an adjustment for a transaction cost factor (see 'Buy/Sell Spread' in Section 6 'Fees and other costs').

### Unit pricing policy

The Responsible Entity complies with ASIC Class Order 13/655 as it relates to unit pricing requirements and has adopted a compliant policy for unit pricing discretions it uses in relation to the Fund ('Unit Pricing Policy'). Additional documents may be prepared for this purpose from time to time. This document may be revised or updated to reflect changes in the Fund constitution or the pricing policies of the Responsible Entity. The Unit Pricing Policy and discretions exercised by the Responsible Entity are available from us, at no charge, upon request.

### Impact of investing just before the end of a distribution period

After a distribution is paid, the unit price usually falls by an amount similar to that of the distribution per unit. This means that if you invest just before a distribution, the unit price may already include income that you would be entitled to receive at the distribution date. Consequently, by investing just before a distribution, you may have some of your capital returned as income through the distribution payment.

This could affect your taxation position and we recommend you seek professional taxation advice.

## Distributions

### How you receive income from your investment

Income (such as interest, dividends and realised capital gains) from investments in the Fund will be paid to you via income distributions. Distributions are payable half-yearly, subject to the Fund having sufficient distributable income.

Distributable income takes into account income received from the investment activities of the Fund less any expenses charged to the Fund, as well as net capital gains made due to trading in the assets of the Fund. Revenue losses are not able to be distributed.

Capital gains are generally not distributed until the end (or shortly thereafter) of the period ending 30 June each year. Any net capital losses are carried forward to be offset against capital gains in future income periods.

### **Distribution reinvestment**

Distributions will be automatically re-invested unless you advise otherwise.

The distribution reinvestment price is the unit price at the end of the distribution period (without the applicable buy spread) less the distribution per unit payable. All units allotted as part of the distribution reinvestment will rank equally in all respects with existing units in the same class. At the time the distribution reinvestment price is set, all information that would, or would be likely to, have a material adverse effect on the realisable price of the units will be publicly available.

Investors may elect to have their distributions paid as cash any time by notifying us or the Fund's Administrator. The change will apply from the date of receipt, as long as it is at least 10 days prior to a distribution date, or such future date as nominated by you.

The Responsible Entity may cancel or suspend distribution reinvestments or modify the terms by which distribution reinvestments are permitted.

Distribution reinvestment will only apply in respect of unitholders who are resident in Australia or New Zealand. Investors who are not resident in Australia or New Zealand will have their distributions paid as cash.

### **Different classes**

As permitted under the constitution, we may issue more than one class of units in the Fund, with different applicable fees and other different conditions of issue. This PDS applies to Class B units. For information relating to other unit classes, please contact us.

### **Operational governance**

The Fund's operation is governed by its constitution and the Corporations Act, with other Relevant Laws.

#### **Constitution**

The Constitution contains the rules relating to a number of operational issues and practices, including rights, responsibilities and duties of the Responsible Entity and unitholders in the Fund, some of which are outlined in further detail in this document.

Copies of the Fund's constitution can be provided on request. Please contact us on 1300 010 311 for further details.

#### **Compliance Plan**

The Fund's compliance plan outlines how we aim to ensure compliance with the Fund's constitution, the Corporations Act and other relevant laws.

The Fund's compliance plan has been lodged with the Australian Securities and Investments Commission ('ASIC').

## 4. Investing in the Fund

### Applications

#### **Making an application**

##### **Direct investors**

To invest, complete the Application Form (including the provision of other documentation required for identification purposes) and return it, via post, with your initial investment to the Unit Registry. A copy of the Application Form can be obtained on the Fund's webpage or by contacting us. You can also invest in this Fund via the online application form.

Applications received, verified and accepted by the Unit Registry prior to 12pm (Sydney time) on a Business Day will generally be processed using the unit price for that day. For applications accepted after 12pm (Sydney time) or on a non-Business Day, generally the next Business Day's unit price will apply.

We reserve the right not to accept (wholly or in part) any application for any reason or without reason. If we refuse to accept an application, any monies received from you will be returned to you without interest.

##### **Indirect investors**

Investors and prospective investors may also access the Fund indirectly. This PDS has been authorised for use by operators through an IDPS or master trust. An IDPS is an investment and reporting service offered by an operator.

People who invest through an IDPS, master trust or wrap account are indirect investors. Such indirect investors do not acquire the rights of a unitholder of the Fund. Rather, it is the operator or custodian of the IDPS or master trust that acquires those rights. Therefore, indirect investors do not receive income distributions or reports directly from us, do not have the right to attend meetings of unit holders and do not have cooling off rights. Different investment, balance and withdrawal minimums may also apply. Indirect investors should not complete the Fund's Application Form. The rights of indirect investors are set out in the disclosure document for the IDPS or master trust. If you are investing through an IDPS or a master trust, enquiries should be made directly to the IDPS operator or the trustee of the master trust. Any changes to investor details must also be made through the IDPS operator.

All changes to an account for an indirect investor, including but not limited to the switches, changes of details, additional investment and redemption requests must be processed through the IDPS, master trust or wrap account provider.

#### **Additional information about investing**

For an application to be valid the Application Form must be completed correctly, must comply with the designated minimum investment amounts, and be appropriately signed by the applicant(s). However, the Responsible Entity may, at its discretion, accept amounts less than the minimum initial investment amounts. We will not be able to process your application if the Application Form is incomplete or incorrectly completed, or we are not satisfied that we have received the necessary proof of identification requirements to meet our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and associated rules and regulations ('AML/CTF Law'), or we have not yet received your relevant FATCA/CRS declaration.

#### **Incomplete applications**

If, for any reason, we are unable to process your application the application monies will be held by us in a non-interest-bearing trust account for up to 30 days (while we endeavour to verify your identification information or

obtain any necessary outstanding information) after which we will return the application monies to you. No interest is received on application monies, including monies for additional investments, and no interest will be paid to you if for any reason your application cannot be accepted.

### **Effect of the Application Form**

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

- a) agrees to be bound by the provisions of the Fund's constitution;
- b) acknowledges having read and understood the PDS located at the Fund's webpage;
- c) authorises the provision of information relating to the investor's account to the named financial adviser, and any other person authorised by that adviser, from time to time;
- d) authorises the use of the TFN information provided on the Application Form in respect of the investor's Fund account;
- e) acknowledges that neither the Responsible Entity, 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;
- f) acknowledges that the provision of the product available through the PDS should not be taken as the giving of investment advice by the Investment Manager or the Responsible Entity, as they are not aware of the investor's investment objectives, financial position or particular needs;
- g) acknowledges that the investor is responsible for ensuring that the information on the Application Form is complete and correct;
- h) acknowledges that neither the Responsible Entity nor its agents are responsible where a loss may be suffered as a result of the investor providing incorrect or incomplete information;
- i) agrees that the Responsible Entity may:
  - i. require the investor to provide any additional documentation or other information and perform any acts to enable compliance with the AML/CTF Law, FATCA, CRS or any other law;
  - ii. at its absolute discretion and without notice to the investor, take any action it considers appropriate including blocking or delaying transactions on the investor's account or refuse to provide services to the investor to comply with the AML/CTF Law or any other law; and
  - iii. in its absolute discretion and without notice to the investor report any, or any proposed, transaction or activity to anybody authorised to accept such reports relating to actual or suspected contraventions of the AML/CTF Law or any other law; and
- j) acknowledges that the Responsible Entity is required to collect the investor's personal information under the Corporations Act and the AML/CTF Law and agrees that information provided may be used as detailed in the PDS and the Responsible Entity's Privacy Policy.

### **Electronic offer document**

The application form may only be distributed when accompanied by a complete and unaltered copy of the PDS. The application form contains a declaration that the investor has personally received the complete and unaltered PDS prior to completing the application form.

The Responsible Entity will not accept a completed application form if it has reason to believe that the applicant has not received a complete paper copy or electronic copy of the PDS or if it has reason to believe the application form or electronic copy of the PDS has been altered or tampered with in any way. Whilst the Responsible Entity believes that it is extremely unlikely that, during the period of the PDS, the electronic version of the PDS will be tampered with or altered in any way, the Responsible Entity cannot give any absolute assurance that this will not occur.

Any investor who is concerned with the validity or integrity of an electronic copy of the PDS should immediately request for a paper copy of the PDS directly from the Responsible Entity.

## Withdrawals

### Making a withdrawal

You can decrease your investment in the Fund by redeeming units at any time. The Responsible Entity endeavours to effect payment of withdrawals within 5 Business Days of processing your withdrawal request, however, this timeframe is not guaranteed and there may be occasions when timeframes are significantly longer. Under the Fund's constitution, we have 40 days to satisfy a redemption request.

In addition to their share of the capital value of the Fund, and as part of the withdrawal proceeds, unit holders will receive their share of any net income of the Fund (corresponding to the unit class, the period of time during which their units were on issue, and the relevant distribution period). These proceeds are included in the applicable withdrawal unit price and will be treated as capital.

### Direct investors

Direct withdrawal requests can be made daily, and must be received, verified and accepted by the Unit Registry prior to 12pm (Sydney time) on a Business Day. Withdrawal requests received after that time, or on a non-Business Day, will be treated as being received on the next Business Day. Electronic transfer of the withdrawal proceeds can take up to 5 Business Days, however it will often be completed in a shorter period of time.

There is a minimum withdrawal amount of \$5,000 or less at the discretion of the Responsible Entity. In addition, if your withdrawal request would result in your investment balance being less than \$5,000, we may treat your withdrawal request as being for your entire investment. We will provide investors with advance notice of any compulsory withdrawals. Alternatively, we may return your withdrawal request to you unprocessed.

Please note that we only make payments to your nominated bank or financial institution account. No third-party payments will be allowed. There may be circumstances, as permitted under the Fund constitution and Corporations Act, where your ability to withdraw from the Fund is restricted. The following text contains further information on restrictions on withdrawals.

### Indirect investors

Indirect investors should not complete the Fund's withdrawal form. If you are investing through an IDPS or a master trust, enquiries relating to your account should be made directly to the IDPS operator or the trustee of the master trust. The minimum investment balance does not apply to investments through an IDPS.

### Delay to withdrawal payments

Under the Fund's constitution, the Responsible Entity may suspend withdrawal payments under certain circumstances for such period as it considers appropriate. This is likely to not exceed more than 30 days. These circumstances include, but are not limited to:

- we reasonably estimate that we must sell 5% or more of all the Fund's assets to meet outstanding withdrawal requests;
- total outstanding withdrawal requests require us to realise a significant amount of the Fund's assets, which may affect remaining unitholders (for example by creating an expense or tax burden);
- we reasonably consider it to be in the interests of unitholders to do so; or
- the law otherwise permits

Any withdrawal requests received during a period where withdrawals have been suspended, or for which a unit price has not been calculated or confirmed prior to the commencement of a period of suspension, will be deemed to have been received immediately after the end of the suspension period.

### **If the Fund becomes Illiquid**

We may delay or suspend a withdrawal request where we are unable to realise certain assets due to circumstances outside our control, such as when there is restricted or suspended trading in assets held by the Fund, or where the Fund becomes non-liquid as defined by the Corporations Act.

The Fund will not be Liquid under the Corporations Act if it has less than 80% of liquid assets (generally cash and marketable securities). If the Fund is not Liquid, withdrawals from the Fund may only be possible if we make a withdrawal offer in accordance with the Corporations Act. We are not obliged to make such an offer. However, if we do you will only be able to withdraw your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy all withdrawal requests, the requests will be satisfied proportionately among those unitholders wishing to withdraw from the Fund.

## **Other transactions**

### **Switches**

Direct investors may switch from the Fund to another fund managed by Solaris, operated by us and serviced by the same Unit Registry at any time. A switch operates as a withdrawal of units in one fund and the investment of units in the other fund and therefore may have taxation implications. Please contact a licensed financial or taxation adviser for further information.

There is no switching fee applicable as at the date of this document. However, a buy and/or sell spread or a contribution fee may apply (where applicable) to the relevant fund(s) at the time of the switch. Before making a decision to switch, you should read the relevant PDS located at the investment Managers website.

### **Transferring ownership**

You can generally transfer some or all of your investment to another person, although we are not obliged to process a transfer that does not meet prescribed criteria. Transfers may be subject to tax or other relevant regulations, and we recommend you acquire financial advice before making a decision regarding transferring your units.

### **Changes and delays to permitted transactions**

We can vary the minimum investment amounts for the Fund at any time and can also change the transaction cut-off time. The Responsible Entity has the right to refuse applications or withdrawals for any reason.

Where we consider it to be in the interests of unitholders, we may suspend application or withdrawal requests. Any application or withdrawal request received during a period where transactions have been suspended, or for which a unit price has not been calculated or confirmed prior to the commencement of a period of suspension, will be deemed to have been received immediately after the end of the suspension period.

### **Cooling-off**

If you wish to exercise the cooling off rights, investors who are retail clients have a 14-day cooling-off period in which to decide if the investment is right for you. The 14-day cooling-off period commences on the earlier of the end of the fifth Business Day after we issue the units to you or from the date you receive confirmation of your application.



The cooling-off period is not applicable to investments made through an IDPS or master trust. Investors should contact the IDPS operator or master trustee for further information.

## 5. How we keep you informed

### Statements and reports

For the most up to date information on your investment visit the Investment Managers website.

At the Investment Manager's website, you can:

- access the PDS documents and the annual financial reports for the Fund;
- download Fund forms which includes the Application Form and other standard administration forms;
- monitor unit prices, investment performance and changes to the Fund; and,
- read the latest views and opinions of the Investment Manager's investment team.

By making an application to acquire a unit, you agree to receive certain communications and disclosures in relation the Fund and units in digital form.

#### **Confirmation statement**

A statement of confirmation will be sent to you for your initial investment, as well as any additional investments and withdrawals within 3 Business Days of processing via your preferred method of communication.

#### **Transaction statement**

You will receive a transaction statement on a half-yearly basis. The transaction statement will provide you with the total value of your investment as at the end of that period, including any switches, withdrawals, investments and distributions received.

#### **Annual taxation statement**

After making any distribution for the final distribution period (ending 30 June) each year, an annual taxation statement will be posted to the address on your account.

#### **Distribution statement**

A distribution statement will be sent to you in the month following the end of a distribution period, detailing your income distribution and current balance. Please contact Pinnacle Client Service on 1300 010 311 if you would like to receive estimate of any upcoming distributions in respect of the Fund.

#### **Financial report**

The annual financial report for the Fund you are invested in, detailing the financial performance of the Fund for the financial year ending 30 June, can be downloaded from [www.pinnacleinvestment.com](http://www.pinnacleinvestment.com) and will be available by 30 September each year.

### Continuous disclosure

The Responsible Entity will comply with the continuous disclosure requirements for disclosing entities under the Corporations Act where the Fund is a disclosing entity.

This means that the Fund will be subject to regular reporting and disclosure obligations and copies of documents the Responsible Entity lodges with ASIC for the Fund may be obtained from or inspected at an ASIC office.

Upon request, and in any event within 5 days and at no charge, the Responsible Entity will also send you copies of:

- The most recent annual financial report for the Fund lodged with ASIC.

- Any half year financial reports for the Fund lodged with ASIC after the lodgment of the most recent annual financial report and before the date of the relevant PDS.
- Any continuous disclosure notices given by the Fund after the lodgment of that annual report and before the date of the PDS.

Also, we will comply with our continuous disclosure obligations for the Fund by publishing material information on the Fund's webpage.

## 6. Fees and other costs

### Additional explanation of fees and other costs

This section provides summary information about the main fees and costs that you may be charged for your investment in the Fund. The fees and costs charged by the Fund may be deducted from your account, from returns on your investment or from the Fund's assets as a whole.

#### Management costs

The management costs, in relation to the Fund, are generally the administration and investment fees and costs (excluding transaction costs) of the Fund.

These costs include (where relevant):

- Responsible Entity fees;
- administration costs;
- safekeeping fees;
- audit costs; and,
- legal costs.

The Investment Manager pays management costs out of the fees it receives. Therefore, for this Fund, the management fee and indirect costs will typically reflect the total management costs.

#### Indirect Costs

Indirect costs form part of management fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle (e.g. any underlying fund that the Fund may invest in) and certain OTC derivative costs, where relevant. The Fund's indirect costs are estimated to be 0.00%, which is the actual indirect costs amount for the Fund for the previous financial year. The actual indirect costs payable (if any) will depend on the investments of the Fund and the indirect costs estimate provided may not be a reliable indicator of future indirect costs of the Fund.

#### Extraordinary expenses

In general, the management fees and indirect costs are all that will be charged. However, under certain circumstances, extraordinary expenses may be paid directly by the Fund. Extraordinary expenses are not of an ongoing nature. Examples of this type of expense include:

- convening of a unitholders' meeting;
- termination of the Fund;
- amending the Fund constitution;
- defending or bringing of litigation proceedings; and,
- replacement of the Responsible Entity.

#### Transaction costs

Transaction costs associated with dealing with the Fund's assets may be recovered from the Fund. Transaction costs, other than any buy/sell spread (which is described below), may include brokerage, settlement fees, clearing costs and applicable stamp duty when underlying assets are bought or sold.

The total transaction costs incurred by the Fund for the previous financial year were calculated to be \$65 based on a \$50,000 holding (approximately 0.13% of total average net assets). The total transaction costs, net of buy/sell spread recovery, were calculated to be approximately 0.00% of total average net assets, or \$0 based on a

\$50,000 holding. These net transaction costs are borne by the Fund as an additional cost to investors and are shown in the 'Fees and Costs Summary' in the PDS. These costs are in addition to the management cost set out above. These estimated costs are based on the actual amount for the Fund for the previous financial year.

Transaction costs are paid out of the assets of the Fund and are not paid to the Investment Manager.

### **Buy/sell spread**

The buy/sell spread forms part of the transaction costs. When you invest or withdraw all or part of your investment we generally apply a cost via a unit price 'buy/sell spread', which is an additional cost to you and retained by the Fund. A buy/sell spread operates to increase the relevant unit price for each new investment and to decrease the unit price for each withdrawal to cover costs of underlying portfolio transactions, which include brokerage, share settlement and clearing fees, government charges / stamp duty, bank charges and foreign exchange transaction fees. The current buy / sell spread for the Fund, which is an estimate of these costs, is 0.30% on both investment and withdrawal. For example, if \$50,000 was invested in, or withdrawn from, the Fund the cost of your buy/sell spread would be \$150 in and \$150 out.

The purpose of the buy/sell spread is to ensure that the costs to the Fund of buying or selling underlying assets are borne by investors as they invest or withdraw and to not disadvantage longer term investors remaining in the Fund.

From time to time, we may vary the buy/sell spread. Any revised spread will be applied uniformly to transacting investors while that spread applies. In circumstances where the Responsible Entity determines that unitholders of the Fund are not being treated equitably (for example, withdrawals in stressed and dislocated markets), the buy/sell spread may be higher than our estimate.

The Responsible Entity has discretion to waive or reduce the buy/sell spread where the Fund incurs no costs, or reduced costs. Investors will be provided with notification of any changes to the buy/sell spread via the Fund's webpage.

### **Incidental fees and costs**

Standard government fees, duties and bank charges may also apply to your investments and withdrawals, including dishonour fees and conversion costs.

### **Adviser fees**

We do not pay fees to financial advisers. If you consult a financial adviser, you may incur additional fees charged by them. You should refer to the Statement of Advice they give you for any fee details.

### **Payments to IDPS operators**

Subject to the law, annual payments may be made to some IDPS operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

### **Fees for indirect investors (additional master trust or wrap account fees)**

Indirect investors must also refer to the fees and costs payable for the IDPS, master trust or wrap account they are investing through. The IDPS operator will be the registered holder of the units and may charge you fees that are different or in addition to the Fund's fees detailed in this section. You should refer to the offer document for the relevant IDPS, master trust or wrap account for more information.

### **Differential fee arrangements**

The management costs of the Fund may be negotiated with persons who qualify as wholesale clients within the meaning of the Corporations Act, such as sophisticated or professional investors. In negotiating such fees, we will take into consideration our obligations under the Corporations Act. Such arrangements will be by individual negotiation and will be disclosed separately to relevant clients. Please contact us on 1300 010 311 for further details.

### **Changes to fees and other costs**

We reserve the right to change fees and other costs, subject to any limitations under the Fund constitution and applicable law. We will give investors 30 days' notice prior to increase in any fees.

The Fund's constitution provides for various fees which we do not currently recover from the Fund.

### **For more information on fees and costs**

If you would like to better understand how our fee structure may impact your investment in the Fund, we recommend that you speak to your financial adviser or visit the ASIC website at [www.moneysmart.gov.au](http://www.moneysmart.gov.au) where a fee calculator is available to help you compare the fees of different managed investment products.

## 7. Taxation

**WARNING:** Investing in a registered managed investment scheme may have tax consequences. You are strongly advised to seek professional tax advice.

The taxation implications of investing in the Fund can be complex and depend on a number of factors, including whether you are a resident or non-resident of Australia for taxation purposes and whether you hold the units on capital account or revenue account. This summary may not be relevant for investors that are subject to special tax rules such as banks, superannuation funds, insurance companies, managed investment trusts, tax exempt organisations and dealers in securities.

The following tax comments have been prepared on the assumption that:

- the investor holds the units on capital account as a long-term investment;
- the Fund qualifies as an attribution managed investment trust ('AMIT') within the meaning of Section 276-10 of the Income Tax Assessment Act 1997 (Cth) and the Responsible Entity of the Fund elects to apply the AMIT regime to the Fund; and
- the Fund has made an irrevocable "capital election" to apply the Capital Gains Tax ('CGT') provisions pursuant to Section 275-115 of the Income Tax Assessment Act 1997 (Cth) applicable to certain "covered assets"

### Income of the Fund

The Fund has been established as an Australian resident unit trust. In accordance with the AMIT provisions, the Fund is required to determine certain amounts (e.g. assessable income, exempt income, non-assessable non-exempt income and tax offsets). The Fund then attributes these amounts of assessable income, exempt income, non-assessable non-exempt income and tax offsets (referred to as "characters") to investors on a fair and reasonable basis in accordance with their interests. The attributed trust amounts retain their tax character in the hands of the investors and investors will be taxed on their attributed amounts even where amounts are not distributed in cash. Investors will be provided with an AMIT Member Annual ('AMMA') Statement for tax purposes after 30 June each year to assist the investor in determining their tax position. The AMMA Statement will advise all amounts attributed to an investor by the Fund for inclusion in their income tax returns. The AMMA statements will also advise the character of the income, and any cost-base adjustments required to the units. Generally, no Australian income tax will be payable by the Responsible Entity of the Fund where investors are attributed with all taxable characters of the Fund each year.

The Fund's investments and activities are likely to give rise to income, dividends and capital gains and losses. Further detail in respect of the Australian tax treatment of these income/gains and losses at the Fund level is provided below.

In normal circumstances, you should expect the Fund to derive assessable income and/or capital gains each year.

### Franking credits

The Fund may derive franking credits from the receipt of franked dividends. These franking credits will be attributed to investors if certain conditions are met. One of these conditions is that the 45-day holding period rule has been satisfied by the Fund.

### Tax losses

In the case where the Fund makes a loss for tax purposes, the Fund cannot distribute the loss to investors. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses in determining the income tax position in subsequent years.

## **Taxation of Financial Arrangements (TOFA) rules**

The TOFA rules apply tax timing methods to certain “financial arrangements”. The TOFA rules mandatorily apply to all financial arrangements entered into by the Fund (for example debt securities and hedging arrangements), provided that the TOFA eligibility criteria is met by the Fund and no exclusions from the TOFA rules apply. Broadly, the TOFA rules have the effect of treating gains and losses from financial arrangements on revenue account and recognise certain gains and losses on an accruals basis which may, in certain circumstances, result in a taxing point prior to the realisation of the investments (unless a specific TOFA elective methodology is adopted).

## **Taxation of Australian resident investors**

Investors are generally subject to tax on their share of the taxable characters attributed to them by the Fund each year. Investors are treated as having derived their share of the taxable characters of the Fund directly on a flow through basis.

The way in which investors are taxed will depend on the underlying nature of each character they receive (for example, franked dividends to which franking credits may attach, capital gains, foreign income to which foreign income tax offsets (‘FITOs’) may attach, or interest income).

The AMMA Statement, provided to investors after 30 June each year (within 3 months of the end of the income year), will outline the amounts attributed to you by the Fund and the nature of those amounts (i.e. the characters of the total amount attributed), including any FITOs and franking credit entitlements.

### **Capital gains**

To the extent that an investor is attributed with characters of a capital gain nature, investors will include the capital gain in their net capital gain calculation. Certain investors may be entitled to apply the relevant CGT discount in working out the net capital gain (i.e after offsetting capital losses) to include in their assessable income (refer further comments below).

### **Franking credits**

If franking credits are attributed to investors by the Fund, investors must include the amount of franking credits in addition to the franked dividend income in their assessable income.

Certain requirements, including the 45-day holding period rule, may need to be satisfied in order to utilise franking credits in relation to dividends. The investor’s particular circumstances will be relevant in determining whether the investor is entitled to any franking credits, in respect of franked dividends. Where entitled, a tax offset equal to the franking credits will be applied against the tax otherwise payable by investors on their total assessable income, subject to the investor satisfying specific conditions. Corporate investors may be entitled to convert any excess franking credits into tax losses. Certain other investors may be entitled to obtain a refund of any excess franking credits.

### **Under and overstatements of taxable income**

If the Responsible Entity discovers understatements or overstatements of taxable income and tax offsets in prior years, the Responsible Entity has the ability under the AMIT regime to deal with these understatements and overstatements in the financial year in which they are discovered (‘discovery year’) or to carry these forward to be dealt with in a future income year. That is, the distribution statements in the discovery year (or future year) may be adjusted to take into account these understatements or overstatements from a prior financial year, rather than re-issuing amended distribution statements for the prior financial year to which the understatements or overstatements relate to.



The amount of attributed income from the Fund which the investor is required to include in their assessable income may be different to the cash distributions received by an investor in respect of their units. This is because the distributions received on the units may be determined by reference to the cash returns received in respect of the Fund, whereas the attributable income of the Fund is determined by reference to the overall tax income position of that Fund.

An investor may be required to make, in certain circumstances, both upward or downward adjustments to the cost or cost base of their unit holdings, where there is a difference between the cash amount distributed by the Fund and the taxable characters attributed by the Fund to investors for any income year.

If the amount of cash distribution received in relation to an income year exceeds the taxable characters (including the discount component of any discounted capital gains) attributed by the Fund, the cost base of the investor's units in the Fund should be reduced by the excess amount. This results in either an increased capital gain, or a reduced capital loss, upon the subsequent disposal of the investor's units in the Fund. Should the cost base of the units be reduced to below zero, the amount in excess of the cost base should be treated as a capital gain that is to be included in the investor's calculation of their net capital gain..

Conversely, where the cash distribution amount received in relation to an income year falls short of the taxable characters (together with the discount component of any discount capital gain) attributed by the Fund during a financial year, the cost or cost base of the investor's units in the Fund should be increased by the shortfall amount.

## Withdrawals from the Fund and disposal of units

The withdrawal or disposal of a unit in the Fund is the disposal or cancellation of a CGT asset by an investor and a CGT event for tax purposes. To the extent that the proceeds exceed the cost base of the unit, you will make a capital gain. However, if the proceeds are less than your reduced cost base, you will make a capital loss. Generally, a capital loss can only be used to offset against capital gains derived in the current or a future tax year (subject to satisfying certain conditions).

An individual, trust or complying superannuation entity may be able to claim the benefit of the CGT discount if they have held the units for 12 months (excluding the acquisition date and disposal date). A corporate investor cannot claim the benefit of the CGT discount. Gains and losses realised by an investor who holds their units on revenue account will be taxable as ordinary income or an allowable deduction, and will not qualify for the CGT discount.

It is important to highlight that on 8 May 2018 the Australian Government announced a proposed measure to prevent Managed Investment Trusts (MITs) and AMITs from applying the CGT discount at the trust level. Following various deferrals of this measure (i.e due to the COVID-19 crisis) it was announced that the start date for this proposal to apply would be revised to income years commencing on or after three months after the date of Royal Assent of the enabling legislation. At present, the legislation to introduce this new proposal has not yet been released. Further, following the Federal Election in 2022, the current Australian Government has not confirmed whether it will proceed with this proposal. Notwithstanding, it is recommended that any investors which are MITs or AMITs seek independent professional taxation advice in relation to the status and implications of this proposal before investing in the Fund.

## Non-resident individual unitholders

The above taxation summary is only for investors who are residents of Australia for tax purposes. The tax treatment of non-resident investors in the Fund depends on the investor's particular circumstances and the

provisions of the relevant Double Tax Agreement between Australia and the country of residence. It is important that non-resident investors seek independent professional taxation advice before investing in the Fund.

The Fund may be required to withhold tax on part, or all, of the distributions made to non-resident investors.

## Goods and Services Tax ('GST')

Unless otherwise stated, the fees quoted in this PDS are inclusive of the net effect of GST and Reduced Input Tax Credits ('RITC'). The rate of GST and any other taxes may change if the relevant law changes.

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.

## Tax File Numbers and Australian Business Numbers

You are not required to quote your Tax File Number ('TFN') or, if you have one, an Australian Business Number ('ABN')<sup>1</sup> or claim an exemption from providing a TFN.

However, if a TFN or ABN is not provided, or an exemption is not claimed, we are required by law to withhold tax from distributions at the top marginal tax rate plus the Medicare Levy (and any other levies required to be withheld from distributions from time to time). If you are making this investment on behalf of a business or enterprise you carry on, you may quote your ABN instead of a TFN. The ABN, TFN, or an appropriate exemption can be provided on the Application Form when making an initial investment. The collection of TFNs is authorised and their use is strictly regulated by tax and privacy laws.

## Tax reforms

The expected tax implications of investing in the Fund may change as a result of changes in the taxation laws and interpretation of them by the Courts and/or the Australian Taxation Office.

It is recommended that investors obtain independent taxation advice that takes into account your specific circumstances regarding investing in the Fund and the potential application of any changes in the tax law.

## Foreign Account Tax Compliance Act ('FATCA') and OECD Common Reporting Standard ('CRS')

Tax evasion is a global problem and international cooperation and sharing of high quality, predictable information between revenue authorities will help them ensure compliance with local tax laws. FATCA was enacted by the United States (U.S.) Congress to improve compliance with U.S. tax laws by imposing due diligence and reporting obligations on foreign financial institutions, notably the obligation to report U.S. citizen or U.S. tax-resident account holders to the U.S. Internal Revenue Service ('IRS').

Similar to FATCA, the CRS for the automatic exchange of information, is a single global standard for the collection and reporting to tax authorities of information by financial institutions on non-Australian residents.

Accordingly, we may request certain information about yourself (for individual investors) or your controlling persons (where you are an entity) in order for the Fund to comply with its FATCA or CRS obligations. In the event that the Fund suffers any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither the Fund nor the Responsible Entity acting on behalf of the Fund, will be required to compensate you for any such tax, except in exceptional circumstances.

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<sup>1</sup> Under AML/CTF Law, disclosure of an ABN is required for those individual investors who are a sole trader.

## 8. Privacy

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 at [www.pinnacleinvestment.com](http://www.pinnacleinvestment.com) or on request.

### Collecting and using your information

The Unit Registry on behalf of the Responsible Entity may collect Personal Information during the application process. We may gather information about you from a third party. These include credit agencies, financial advisers, fund managers or intermediaries and appointed agents. 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.

We will only collect Personal Information that is reasonably necessary for one or more of our functions or required or authorised by law. Generally, this means 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 AML/CTF Law, FATCA and CRS.

We may use your Personal Information so that we and our related companies can communicate with you to promote products and services that may be of interest to you. We 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.

### Accessing and correcting your details

You can access, correct or update any Personal Information we hold about you, subject to some exceptions allowed by law, by contacting 1300 010 311. We may charge a reasonable fee for access to your personal information. 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.

### What happens if you don't provide information

If, for any reason, you don't provide all necessary information, we may not be able to process your application, and this may have implications for your investment account. For example:

- we may not be able to give effect to subsequent transaction requests (including additional applications or withdrawals ) until all required information has been provided;
- we may need to notify the Australian Taxation Office or international tax offices, or apply the highest marginal tax rate to any payments made to your accounts.

### Disclosing your information

We may exchange your Personal Information with your adviser, authorised representative, Power of Attorney and any other third parties if you request or provide consent to us. In addition, we may exchange Personal Information about you in the following circumstances:

- you consent to the disclosure;

- such disclosure is to your joint investor (if any);
- such disclosure is to companies that provide services to us, to our related bodies corporate (as defined in the Corporations Act), to the Fund, or on our behalf (and our related bodies corporate may also exchange personal information with these companies) - for example administration, custody, investment management, technology, identity verification, auditing, registry, mailing or printing services. These service providers may be located outside Australia (for example in Malaysia, or elsewhere), 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
- such disclosure is to organisations related to us whether in Australia or any overseas jurisdiction.

## 9. Additional Information

### Appointment of authorised representative

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

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

The Responsible Entity may act on the sole instructions of the authorised representative until the Responsible Entity is 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. Termination of an appointment does not prejudice the following statement. By appointing an authorised representative, you agree to release, discharge and indemnify the Responsible Entity from and against any loss, expense, action, claims or other liability which may be suffered by you or brought against the Responsible Entity 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 the Responsible Entity to show that it 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.

## 10. Defined terms

Term	Definition
<b>ABN</b>	Australian Business Number.
<b>Administrator</b>	the appointed administrator of the Fund is Apex Fund Services Pty Ltd.
<b>AFSL</b>	an Australian financial services licence issued by ASIC.
<b>AMIT</b>	attribution managed investment trust.
<b>AML/CTF Law</b>	our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and associated rules and regulations.
<b>Application Form</b>	the application form for the Fund.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Benchmark</b>	S&P/ASX 200 Accumulation Index
<b>Business Day</b>	a day which is not a Saturday, Sunday or public holiday in New South Wales, Australia.
<b>Buy/Sell Spread</b>	the difference between the entry and exit price for a Fund, relating to transaction costs. It is a set, average percentage amount paid by investors when they transact.
<b>CGT</b>	Capital Gains Tax.
<b>Corporations Act</b>	the Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth).
<b>CRS</b>	OECD Common Reporting Standards.
<b>FATCA</b>	Foreign Account Tax Compliance Act.
<b>Fund</b>	Solaris Core Australian Equity Fund ARSN 128 859 898.
<b>Fund Forms</b>	the Solaris Fund Forms which incorporate all the necessary forms required for changing your details, applying to, or redeeming from Solaris Funds.
<b>Gross Asset Value ('GAV')</b>	the market value of a Fund's assets determined in accordance with the constitution and applicable accounting standards.
<b>Illiquid</b>	that a fund has liquid assets that amount to less than 80% of the fund's assets having regard to Section 601KA of the Corporations Act.
<b>Initial investment</b>	an Investor's initial investment which requires the opening of a new Fund account.
<b>Investor Directed Portfolio Service ('IDPS')</b>	or IDPS-like scheme or a nominee or custody service (collectively referred to as master trusts or wrap accounts), refers to a service that allows a person to access the Fund indirectly.
<b>Liquid</b>	that a fund has liquid assets that amount to at least 80% of the fund's assets having regard to Section 601KA of the Corporations Act.
<b>Net Asset Value ('NAV')</b>	the total value of the Fund's underlying investment portfolio, less any fees, charges, expenses and other liabilities accrued by the Fund, but excludes unitholder liabilities.
<b>PDS</b>	Product Disclosure Statement for the Fund.
<b>Personal Information</b>	information or an opinion (including information or an opinion forming part of a database) whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion, which is collected or held by the Responsible Entity.
<b>Pinnacle</b>	Pinnacle Investment Management Limited ABN 66 109 659 109 AFSL 322140.
<b>Pinnacle Fund Services Limited or Responsible Entity</b>	Pinnacle Fund Services Limited ABN 29 082 494 362 AFSL 238371.

Term	Definition
<b>Related Body Corporate</b>	as that term is define in Section 9 of the Corporations Act.
<b>Relevant Law</b>	<p>any requirement of the Corporations Act, the Australian Securities and Investments Commission Act 2001 (Cth), the Superannuation Industry (Supervision) Act 1993 (Cth), the Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth), the Superannuation Prudential Standards issues by APRA from time to time, the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) and any other present or future law of the Commonwealth of Australia or any State or Territory with which the Responsible Entity, Solaris, or the governing rules of the Fund must satisfy in order:</p> <ol style="list-style-type: none"> <li>1. to secure imposition at a concessional rate of any income tax which, in the opinion of the Responsible Entity, is or may become payable in connection with the Fund; or,</li> <li>2. for the Responsible Entity or Solaris to avoid a relevant penalty, detriment or disadvantage.</li> </ol>
<b>RITC</b>	Reduced Input Tax Credits.
<b>Solaris or Investment Manager</b>	Solaris Investment Management Limited ABN 72 128 512 621 AFSL 330505.
<b>TFN</b>	Tax File Number.
<b>The US Securities Act</b>	US Securities Act of 1933, as amended.
<b>Unit Pricing Policy</b>	a compliant policy adopted by the Responsible Entity for unit pricing discretions it uses in relation to the Fund.
<b>Unit Registry</b>	the appointed unit registry of the Fund is Apex Fund Services Pty Ltd.
<b>US Persons</b>	<p>U.S. Person, as defined in Regulation S of the U.S. Securities Act 1933, include:</p> <ul style="list-style-type: none"> <li>• any natural person resident in the United States;</li> <li>• any partnership or corporation organised or incorporated under the laws of the United States;</li> <li>• any estate of which any executor or administrator is a US Person;</li> <li>• any trust of which any trustee is a US Person;</li> <li>• any agency or branch of a foreign entity located in the United States;</li> <li>• any non-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;</li> <li>• any 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 United States; or</li> <li>• any partnership or corporation if organised or incorporated under the laws of any foreign jurisdiction and formed by a US person principally for the purpose of investing in securities not registered under the US Securities Act of 1933, as amended ('the Act'), unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the Act) who are not natural persons, estates or trusts.</li> </ul>
<b>Withdrawal Request</b>	the form that must be completed when making a withdrawal of your investment from the Fund.