

ClearView **WealthSolutions**

Separately Managed Account

Update pursuant to ASIC Corporations (Updated Product Disclosure Statements) Instrument 2016/1055

Date issued 21 December 2018

The information in this notice dated 21 December 2018, provides non-materially adverse updates to the WealthSolutions Separately Managed Account (ARSN 607 782 187 APIR Code CVW0034AU) (the **SMA**) Product Disclosure Statement (**PDS**) and Additional Information Brochure (**AIB**) both issued 29 September 2017. This update is issued by ClearView Financial Management Limited ABN 99 067 544 549 AFSL 227677 (**CFML**) as responsible entity for the SMA. It should be read together with the PDS and AIB, which are available at www.clearview.com.au.

About this update

This update incorporates information on the following:

1. Updates to the **Fees and Other Costs** disclosure, to comply with the Australian Securities and Investments Commission's (ASIC) updated *Regulatory Guide 97 – Disclosing fees and costs in PDSs and period statements*
2. Update to the **Complaints Resolution** section of the AIB.

Changes to the PDS and AIB from 21 December 2018

Updates to the Fee and Cost disclosure

Replace

The fees and costs table in the 'Fees and Costs' section on page 7 of the PDS with the following table:

SMA Strategic 70 Model

| Type of fee or cost ¹ | Amount |
|--|--------------------|
| Fees when your money moves in or out of the SMA Model | |
| Establishment Fee The fee to open your investment | Nil |
| Contribution Fee The fee on each amount contributed to your investment | Nil |
| Withdrawal Fee The fee on each amount you take out of your investment | Nil |
| Exit Fee The fee to close your investment | Nil |
| Management Costs | |
| The fees and costs for managing your investment | 0.99% ² |

- 1 This may include the net effect of Goods and Services Tax (GST) and Reduced Input Tax Credits (RITC) on underlying investments.
- 2 The Management Costs for the SMA Strategic 70 Model include the management fee (0% pa of the net asset value (NAV)), indirect costs (0.99% pa of NAV) and recoverable expenses (0% pa of NAV). The indirect costs are the weighted average of the management costs of the underlying investments within the SMA Strategic 70 Model only and are based on the financial year ending 30 June 2018 and further information where required, and are subject to change. For more information on Management Costs, please see the 'Additional explanation of fees and costs' section of the AIB.

Replace

The Example of annual fees and costs table in the Fees and Costs section on page 7 of the PDS with the following table:

Example of annual fees and costs

| EXAMPLE – SMA Strategic 70 Model | | Balance of \$50,000 with a contribution of \$5,000 during year ¹ |
|--|--------------------|--|
| Contribution Fees | Nil | For every \$5,000 you put in, you will be charged \$0. |
| PLUS Management Costs | 0.99% ² | And , for every \$50,000 you have in the SMA Strategic 70 Model you will be charged \$495 each year. |
| EQUALS cost of - SMA Strategic 70 Model | | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees from \$495³ . What it costs you will depend on the investment option you choose and the fees you negotiate. |

- 1 For this example, the contribution of \$5,000 is made at the end of the year, therefore Management Costs are calculated using the \$50,000 balance only.
- 2 The Management Costs for the SMA include the management fee (0% pa of the net asset value (or NAV)), indirect costs (0.99% pa of NAV) and recoverable expenses (0% pa of NAV). For more information on Management Costs, please see the 'Additional explanation of fees and costs' section of the AIB.
- 3 Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you, such as transactional or operational costs. Please see the 'Additional explanation of fees and costs' section of the AIB for further information.

Replace

The table in the Fees and Costs section on pages 9 and 10 of the AIB with the following table:

Example of fees and costs

| Type of fee or cost | Amount | How and when paid |
|--|--|--|
| Fees when your money moves in or out of the SMA | | |
| Establishment Fee The fee to open your investment | Nil | Not applicable |
| Contribution Fee The fee on each amount contributed to your investment | Nil | Not applicable |
| Withdrawal Fee The fee on each amount you take out of your investment | Nil | Not applicable |
| Exit Fee The fee to close your investment | Nil | Not applicable |
| Management Cost | | |
| The fees and costs for managing your investment | Each SMA Model has its own Management Cost ranging from 0.27% to 1.24% p.a. ¹ | <p>The Management Cost is expressed as a percentage of the total average net assets (NAV) in the SMA. These fees and costs are generally deducted by the underlying investment managers before calculating the unit price for the underlying investments and is not taken from your Cash Hub or directly from your SMA Portfolio. You are not required to pay additional fees to cover these costs.</p> <p>The Management Cost of the SMA consists of the following components:</p> <ol style="list-style-type: none"> Management fee: 0% p.a. of the NAV of the Fund, accrued daily and paid from the assets of the SMA in arrears on the last Business Day of each month. Indirect costs: Estimated at 0.27% to 1.24% p.a. of the NAV of the SMA, paid from the assets of the SMA or an underlying fund as and when they are incurred and reflected in the unit price. Recoverable expenses: Recoverable expenses, other than abnormal expenses, are paid out of the management fee. Where abnormal expenses are incurred, they will be paid from the assets of the SMA as and when they are incurred and reflected in the unit price. |
| Service fees² | | |
| Switching Fee The fee for changing investment options | Nil | Not applicable |

- This cost is the weighted average of the Management Costs of the investments within each SMA Model based on the financial year ending 30 June 2018 and further information where required, and is subject to change. Please refer to the SMA Models Brochure for Management Costs that apply to that SMA Model. This may include the net effect of Goods and Services Tax (GST) and Reduced Input Tax Credits (RITC) on underlying investments.
- Additional fees and costs may apply. Refer to the following 'Additional explanation of fees and costs' section for more information.

Replace

The 'Indirect costs - fees of the underlying investment managers' section on page 10 of the AIB with the following:

Indirect costs - fees of the underlying investment managers

Indirect costs are any amounts paid from the SMA's assets that the responsible entity knows or estimates will reduce the SMA's returns, other than the management fee, recoverable expenses and transactional and operational costs set out elsewhere in this section.

As set out in the table on Page 9 the indirect costs of the SMA for the financial year ending 30 June 2018 (and further information where required) are estimated to be between 0.27% and 1.24% per annum of net asset value of the SMA.

The indirect costs are the weighted average of the management costs of the underlying investments which make up the relevant SMA Model, as shown in the table in the separate SMA Models Brochure. Investment managers of the underlying managed funds in your SMA Portfolio may receive fees for their services. These fees are generally deducted by the investment manager before calculating the unit price for the underlying managed fund and are not taken from your SMA Portfolio or your WealthSolutions Investments account. These fees may also change as determined by the relevant investment manager and may or may not include performance fees. These fees are included in 'Management Costs' in the previous table. You are not required to pay additional fees to cover these costs.

Replace

The 'Transactional and operational costs' section on page 10 of the AIB with the following:

Transactional and operational costs

The SMA may incur transactional and operational costs. Transactional and operational costs include costs incurred by the SMA when investors invest in or withdraw from the SMA and when transacting to meet investment objectives. These may include brokerage, settlement costs, clearing costs, stamp duty and the transactional and operational costs of the underlying funds.

These costs are an additional cost to you but are generally incurred indirectly via the unit price and not charged separately to the investor. Transactional and operational costs are deducted from the SMA from time to time and as they are incurred and are reflected in the unit price.

We estimate that the transactional and operational costs for the SMA (based on the transactional and operational costs incurred in the year ended 30 June 2018) for the next financial year will be between 0% and 0.31% of the net asset value of the SMA, as shown in the table in the separate SMA Models Brochure. However, given the above, this amount will constantly vary. Each year we will recalculate the approximate transactional and operational costs of the SMA (based on the prior year). Should this value vary by a non-material amount

to the year prior, we will update the value via a website update. However, should the recalculation give a value that is materially higher to the year prior, we will issue a new PDS.

All government taxes such as stamp duty and GST may be deducted from the SMA as appropriate. Relevant tax information is provided in section 7, 'Taxation information'. RITC will also be claimed by the SMA where appropriate to reduce the cost of GST to the SMA and investors.

Updates to Enquiries or Complaints

Replace

The 'Enquiries or complaints' section on page 8 of the PDS with the following:

Complaints resolution

At ClearView, we're never satisfied when it comes to doing better and our customers are very important to us. If something goes wrong, we're determined to make it right again. If you've had an experience with ClearView that you are not satisfied with, we're here to resolve the issue.

If you have a complaint, please call us on **132 977** or write to the following address:

Complaints Manager

ClearView

Reply Paid 4232

Sydney NSW 2001

Email: complaints@clearview.com.au

We will address your complaint within 45 days (or within any extended period you approve).

If you are not satisfied with how we respond to your enquiry or complaint, or we have not dealt with your complaint within 45 days (or within any extended period you approve), you may lodge your complaint with the Australian Financial Complaints Authority (AFCA). AFCA is the external dispute resolution scheme for financial services complaints. AFCA provides fair and independent financial services complaint resolution that is free to consumers and can be contacted on the details below:

Website: **afca.org.au**

Email: **info@afca.org.au**

Telephone: **1800 931 678** (free call)

Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Need more information?

Please speak to your financial adviser or contact WealthSolutions Service and Support Centre on **1800 023 549**.

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