



ClearView **WealthSolutions** Separately Managed Account

Additional Information Brochure

Date issued 14 September 2015

This Additional Information Brochure (AIB) contains information for the ClearView WealthSolutions Separately Managed Account (the SMA). The SMA is only available for use by investors investing through ClearView WealthSolutions Investments Investor Directed Portfolio Service (WealthSolutions Investments). This Additional Information Brochure dated 14 September 2015 is issued by ClearView Financial Management Limited (CFML) ABN 99 067 544 549 AFSL 227677, the responsible entity for the ClearView WealthSolutions Separately Managed Account ARSN 607 782 187 APIR Code CVW0034AU.

This Additional Information Brochure forms part of the Product Disclosure Statement (PDS) for the SMA dated 14 September 2015. You should consider the information in this document together with the short form PDS and the WealthSolutions SMA Models Brochure before making a decision about the SMA. You can access the short form PDS and SMA Models Brochure online at wealth.clearview.com.au or by calling us on **1800 023 549** to request a copy free of charge.

Terms used in the PDS

'Cash Hub' refers to your WealthSolutions Investments Cash Hub, which forms part of your WealthSolutions Investments account.

'CFML' **'we'**, **'our'**, or **'us'** means ClearView Financial Management Limited as the responsible entity and investment manager of the SMA;

'SMA' means the ClearView WealthSolutions Separately Managed Account ARSN 607 782 187 APiR Code CVW0034AU;

'SMA Model' means a model investment portfolio constructed by CFML or a third party professional investment manager appointed by CFML;

'SMA Portfolio' means the portfolio of investments held for an investor through the SMA that results from the investor's selection of an SMA Model.

Contact Details

ClearView WealthSolutions SMA

Locked Bag 3460

GPO Melbourne VIC 3001

1800 023 549

service@clearviewwealthsolutions.com.au

wealth.clearview.com.au

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Guide to using WealthSolutions Separately Managed Account

The AIB for the SMA should be read in conjunction with the documents below:

WealthSolutions SMA short form PDS (short form PDS)	WealthSolutions SMA Models Brochure (SMA Models Brochure)
The short form PDS is a summary of significant information relating to the SMA.	Contains information about the investment models available through the SMA.

These documents are available through your financial adviser (the person named as the financial adviser on your WealthSolutions Investments account), online at wealth.clearview.com.au or by calling **1800 023 549**. This document, the short form PDS and the SMA Models Brochure together form the PDS for the SMA.

1. About ClearView Financial Management Limited

ClearView Financial Management Limited (CFML) is a subsidiary company of ClearView Wealth Limited (ABN 83 106 248 248) (ClearView Wealth).

Through ClearView Wealth and its other subsidiary companies, we have been helping Australians for over 30 years. ClearView Wealth is a highly focused life insurance and wealth management business. Together with providing quality financial advice, ClearView Wealth offers a comprehensive range of investment, superannuation and retirement options as well as life insurance cover to help ensure people are financially prepared for the future. ClearView Wealth is listed on the ASX with over \$7.9 billion¹ of clients' funds under management and advice.

¹ As at 30 June 2015. Refer to ClearView Wealth Limited 2015 Annual Report, available at www.asx.com.au.

2. How the WealthSolutions Separately Managed Account works

Who are the parties involved?

CFML is the responsible entity and investment manager for the SMA. CFML is also the operator of the WealthSolutions Investments Investor Directed Portfolio Service (WealthSolutions Investments). Any conflict of interest or potential conflict of interest is managed in accordance with CFML's Conflicts Management & Related Party Transaction Policy.

A professional custodian generally holds the assets of each SMA Portfolio. The custodian is appointed by us and is responsible only to us. The custodian's role is limited to holding SMA assets. The custodian may be changed from time to time although we must be satisfied that the proposed new custodian meets all regulatory requirements. You will not be notified of a change in custodian.

At the date of this Additional Information Brochure, CFML has appointed Avanteos Investments Limited ABN 20 096 259 979, AFSL 245531 (AIL) as the administrator and custodian of the SMA. AIL is a subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 (the Bank).

AIL is also the principal custodian, and administrator of certain functions within WealthSolutions Investments. We pay AIL for providing these services and this does not result in an additional cost to you. Please see the AIL Financial Services Guide (FSG) available at wealth.clearview.com.au. Commonwealth Bank of Australia and its subsidiaries do not guarantee the performance of the SMA, or the repayment of capital from the SMA. Investments in the SMA are not deposits or other liabilities of Commonwealth Bank of Australia or its subsidiaries, and are investment-type products subject to investment risk including possible repayment delays and loss of income and capital invested. AIL has given and not withdrawn its consent to be referenced in this PDS in the form and context in which such references are included. AIL is not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the SMA.

How to invest in the SMA

To invest in the SMA you will need to have a WealthSolutions Investments account which is used only to access the SMA.

If you select an SMA Model, then the total value of your WealthSolutions Investments account will be the value of your WealthSolutions Investments account Cash Hub and the value of your SMA investments.

Our investment experts have created various model investment portfolios, called SMA Models. Each SMA Model is designed to meet the investment objectives of a particular risk profile. The investment team achieves this by blending investment managers, asset allocations and investment styles.

Once selected, each component of an SMA Model is regularly monitored and evaluated on a number of criteria including their ongoing performance to ensure that they continue to meet the selection standards. If changes need to be made to underlying investments or to the asset allocations, we adjust the SMA Model.

Whilst we constantly review the SMA Models, we will generally review your SMA Portfolio relative to your selected SMA Model twice yearly. At this time we assess your underlying investments relative to the SMA Model allocations and tolerance ranges. If necessary, we will rebalance any underlying investments which are outside of tolerance ranges. The tolerance ranges for each SMA Model are set out in the SMA Models Brochure and are available online at wealth.clearview.com.au.

Note that you should review the SMA Models Brochure to ensure that the SMA Model that you are considering meets your needs and is in line with your overall investment objectives. You can obtain a copy of the SMA Models Brochure through your financial adviser, by calling us on **1800 023 549** or online at wealth.clearview.com.au.

Where can you obtain the latest information about the SMA?

It is important that you keep up-to-date with the latest information on the SMA. Information is updated from time to time on our website at wealth.clearview.com.au. On request, your financial adviser can provide you with up-to-date details of the investments within each SMA Model without charge.

3. Benefits of investing in the WealthSolutions Separately Managed Account

By investing in the SMA you can access professionally managed implemented models, overseen by a team of investment experts. The range of SMA Models lets you and your financial adviser select an SMA Model that suits your individual needs and objectives.

In addition to the significant features and benefits outlined in the SMA PDS, below are some additional features and benefits of the SMA.

What are our reporting requirements?

The SMA is subject to regular reporting and continuous disclosure obligations. Copies of documents we lodge with ASIC to fulfil these obligations may be obtained from, or inspected at, an ASIC office.

You also have a right to request a copy of the following documents from us when they become available, and we must send you a copy (free of charge) as soon as practicable:

- the annual financial report most recently lodged with ASIC, also available online at www.clearview.com.au
- any half yearly report for the SMA lodged with ASIC after the lodgement of the last annual financial report and before the date of the request, and
- any continuous disclosure notices given by us after lodgement of the last annual report and before the date of the request.

Annual report of underlying investments

Your SMA Portfolio may include investments in underlying managed funds. Please contact your financial adviser if you would like a copy of the Annual Report for any of these managed funds.

Constitution of the SMA

The SMA is governed by a Constitution. Together with the Corporations Act and some other laws, the Constitution sets out the terms and conditions under which the SMA operates and the rights, responsibilities, powers, discretions and duties of the responsible entity and investors.

The Constitution deals with a number of issues including:

- rights to absolute entitlement to the assets of the SMA
- rights of direct investors
- termination of SMA Models and the SMA
- our broad powers to invest, borrow, receive fees and other payments and generally manage the SMA.

The Constitution states that your liability is limited to the amount you paid, but the courts are yet to determine the effectiveness of provisions of this kind. You can request a copy of the Constitution from us free of charge.

We may retire or be required to retire as responsible entity in accordance with the Corporations Act.

Rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

CFML's rights and obligations

The Constitution sets out our rights and obligations in relation to our powers, duties and liabilities as responsible entity of the SMA.

The Constitution provides that we:

- may refuse applications for investment, in whole or in part, at our discretion and without giving reasons
- may permit an investor to transfer all or part of their interest in the SMA in such manner as we determine from time to time
- may terminate an SMA Model at our discretion
- may set a minimum investment, a minimum investment sell down (ie withdrawal) and a minimum balance to be held in the SMA
- may extend the period for investment sell downs in certain circumstances
- will not be liable to you beyond the value of your portfolio subject to the law and the proper performance of our duties
- may amend the Constitution in accordance with the Corporations Act
- may charge fees and recover all expenses we incur in the proper performance of our duties
- may terminate the SMA by notice to investors and then transfer cash and/or securities to investors.

Please note the above is not an exhaustive list of our rights under the Constitution.

4. Risks of investing

Investment-specific risks

The particular risks outlined below are specific to certain investments in the SMA Models and will often be managed by the underlying product issuer rather than us. Refer to the SMA Models Brochure for the Standard Risk Measure for each SMA Model.

Credit risk

This is the risk of a borrower failing to repay their loan obligations. Changes in the perception of the riskiness of borrowers can, by widening credit spreads, lead to fluctuations in capital values in certain credit investments.

Currency risk

Investments in global markets or securities which are denominated in foreign currencies give rise to foreign currency exposure. This means the value of these investments will vary depending on changes in the exchange rate.

Derivatives risk

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index.

They can be used to manage certain risks in investment portfolios, however they can also increase other risks in a portfolio or expose a portfolio to additional risks. Risks include the possibility that the derivative position is difficult or costly to reverse, that there is an adverse movement in the asset or index underlying the derivative, or that the parties do not perform their obligations under the contract.

As a financial instrument, derivatives are valued regularly and movements in the value of the underlying asset or index should be reflected in the value of the derivative. The managed funds and listed securities included in the SMA Models may use or be exposed to derivatives such as futures, options, forward currency contracts and swaps.

Duration risk

The capital value of longer duration fixed interest securities will vary with changes in inflation and interest rates. Should inflation or interest rates sharply increase there is the prospect of capital losses on fixed interest investments.

Gearing risk

Gearing means borrowing money to invest more money. Gearing increases potential gains but also increases the potential losses and variability in the value of your SMA Portfolio.

Investment manager risk

This is the risk of an investment manager underperforming their benchmark or failing to follow their investment mandates or models. The investment style, investment decisions or changes in personnel of the investment manager could impact the investment returns. There is also a risk that two or more investment managers may make the same investments, thereby reducing diversification.

Political risk

This is the risk of political instability or changes in government adversely impacting investment markets and ultimately the value of assets.

Short selling risk

Short selling occurs when an investment manager sells a security it does not own to try to profit from a future decrease in the value of the security. This is generally done by borrowing the security from another party to make the sale.

Short selling strategies involve additional risks such as liquidity risk, leverage risk and regulatory restrictions. Regulatory restrictions may affect an investment manager's ability to use short selling.

Risk of capital loss in fixed interest investments

Investors who select an SMA Model with a conservative mix of investments with a predominance of fixed interest investments should be aware that under certain circumstances they are at risk of capital losses (and gains) in situations where there are large moves in long term interest rates. This risk of capital losses is elevated when long term interest rates are at very low levels relative to their historic experience. At the time of issue of this document, bond yields in most bond markets around the world are at exceptionally low levels. A large upward move in these yields would cause capital losses in long dated fixed income investments. If you are selecting an SMA Model with a conservative mix of investments with a large fixed interest component, consult your financial adviser.

5. How we invest your money

Your financial adviser will work with you to implement an investment strategy designed to suit your goals and objectives. This strategy should take into consideration your personal situation, financial objectives, age, investment time frame and risk profile, and provide for an appropriate level of diversification.

Once your investment strategy has been agreed, you and your financial adviser can implement this strategy by choosing the appropriate SMA Model through WealthSolutions Investments.

Before investing, you should read the relevant section of the SMA Models Brochure for the SMA Model you are considering.

You should refer to the SMA Models Brochure available online at wealth.clearview.com.au for the full list of available SMA Models to choose from. You can also get a hard copy by calling your financial adviser or us on **1800 023 549**.

SMA Portfolio rebalancing

Your SMA Portfolio will be reviewed at least twice yearly against your selected SMA Model. There are a number of reasons that a rebalance may not occur as part of these reviews such as:

- All underlying investments are within the tolerance range set for that underlying investment within your selected SMA Model
- There are trades pending on your SMA Portfolio underlying investments due to other actions.

In addition, CFML and your financial adviser can choose to rebalance your SMA Portfolio at any time. Speak to your financial adviser for more details on this.

The rebalancing on your SMA Portfolio will usually generate transactions under the following scenarios:

- market movements in the underlying investments cause the weighting of your SMA Portfolio to differ from the SMA Model by more than the tolerance ranges
- a change is made to the underlying investments of an SMA Model such as a managed fund or listed security
- when you invest or sell investments by transfer into or out of your SMA Portfolio.

It is important to understand that there may be periods where your SMA Portfolio differs from the SMA Model asset allocations due to the reasons outlined above. We will communicate to your financial adviser if there are any changes to the way the rebalances are managed.

Model reallocations

Our investment experts regularly monitor and evaluate the SMA Models on a number of criteria including their ongoing performance to ensure that they continue to meet the selection standards. SMA Model reallocations may result in a rebalancing to your SMA Portfolio.

Changes to SMA Models

We may vary or terminate an SMA Model at any time. If we make a change or terminate an SMA Model that you have selected, we will notify you of these changes. Please refer to your financial adviser, or online at wealth.clearview.com.au for up-to-date information on the SMA Models available under the SMA.

If an SMA Model that you have selected is discontinued by us, your financial adviser will be contacted and asked for instructions. New SMA Models may be added to replace terminated SMA Models. Your financial adviser will be notified of any new SMA Models and if an alternative SMA Model has been nominated for the terminated SMA Model. If your financial adviser has not responded back with instructions after 30 days, we will take this as an instruction to switch to that alternative and nominated SMA Model. If an alternative SMA Model has not been nominated for the terminated SMA Model, then unless you provide us with instructions to the contrary, we will take this as an instruction to sell your SMA Portfolio investments that relate to the discontinued SMA Model and to transfer the net cash proceeds of the sale to the Cash Hub.

Switching between SMA Models

You can switch between SMA Models. When you switch between SMA Models, this will trigger any required buys and sells on underlying investments to move your SMA Portfolio to the new SMA Model allocation. We will only place buy or sell trades for any difference in either the underlying investment or the allocation to that underlying investment. We do this to avoid unnecessary trades and their related tax and cost impacts. Note that sales of underlying investments may trigger tax consequences.

Cease using your SMA Model

Please note that you can choose to exit the SMA at any time. We recommend that you consult your financial adviser to discuss the best options for you. If you choose to exit the SMA this involves selling down underlying investments which may trigger tax consequences.

You and your financial adviser will need to make all subsequent changes to investments.

Investment information

The SMA Models Brochure contains summary descriptions of each of the SMA Models available. This Brochure shows the general investment objective of each strategy classification but you should be aware that actual returns may be positive or negative.

You should speak with your financial adviser for further information on any of these classifications or to obtain a copy of the SMA Models Brochure. The representative asset allocation ranges provided are broadly representative of the asset class category.

Below is a brief explanation of two key terms used to describe investments in the short form PDS and SMA Models Brochure:

Growth

Growth assets include investments such as equities and property. They are designed to grow your investment in the form of capital growth. Growth assets are generally of higher risk, but have the potential to deliver higher returns over longer investment time frames.

Defensive

Defensive assets include investments such as cash and fixed interest. They are designed to provide returns in the form of income (eg: interest payments) rather than capital growth. Defensive assets are generally of lower risk and have a lower return potential.

Labour standards and environmental, social and ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations when making the investments available. However, where those factors may negatively affect investment performance or company stability we may on a case-by-case basis discuss these matters with company management or the relevant investment manager and/or review our decision.

Investment managers of the underlying assets in each managed investment, when making investment decisions, may take labour standards or environmental, social or ethical considerations into account. Whether or not the managers have such a policy is not taken into consideration by us in the selection, retention or removal of investments from the SMA Models.

How is risk measured?

The Standard Risk Measure for each investment option is based on industry guidance to allow investors to compare investment options that are expected to deliver negative annual returns over any 20 year period as shown in the table.

The Standard Risk Measure is an industry wide standard designed to allow investors to compare investment options in terms of risk. A series of labels and bands are used to convey the level of likely risk as shown in the accompanying table. The Standard Risk Measure looks at the probable number of years in a twenty year period where annual returns are likely to be negative. In calculating the Standard Risk Measure we use conventional statistical techniques to forecast statistically likely future outcomes. It therefore should be used as a guide only, as opposed to a definitive statement on the future outcomes of an investment. You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment option/s.

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

You should ensure you are comfortable with the risks and potential losses associated with the investment funds you choose to invest in.

6. Fees and costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of the document.

You should read all the information about fees and costs because it is important to understand their impact on your investment. The ASIC fee calculator can be used to help you calculate the effect of fees and costs on account balances. It is important that you understand these fees.

The fees and costs below apply generally to the SMA. For specific Management Costs that relate to each SMA Model you should refer to the SMA Models Brochure available through your financial adviser, by calling us on **1800 023 549** or online at **wealth.clearview.com.au**.

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 Costs		
The fees and costs for managing your investment	Each SMA Model has its own management fee ranging from 0 to 3.00% pa ¹	The Management Cost is expressed as a percentage of the total average net assets 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.
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 figures for the most recently completed financial year 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) of underlying investments.
- Additional fees and costs may apply. Refer to the following 'Additional explanation of fees and costs' section for more information.

Additional explanation of fees and costs

Fees under WealthSolutions Investments

As the SMA is available via WealthSolutions Investments, please note there may be investment fees and brokerage charged for investing in the SMA. Refer to the WealthSolutions Investments disclosure documents for further information.

Management fees

We do not currently charge management fees but may do so in the future.

Management fees are the fees payable under the Constitution for the management of your SMA Portfolio. Management fees are calculated on gross assets of each SMA Portfolio. For details of the maximum management fee allowed under the Constitution, refer to the section below entitled 'Increases or alterations to the fees'.

Fees of the underlying investment managers

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.

Increases or alterations to the fees

CFML reserves the right to vary fees, and to introduce additional fees without your consent. The right to vary fees is at CFML's discretion, subject to any restrictions under the Constitution and the law. You will be given 30 days prior notice of any increase to a fee or charge and/or the introduction of any additional fee.

The Constitution provides for the following maximum fees:

- management and administration fee of up to 3% of the value of an investor's SMA Portfolio;
- an account keeping fee of up to \$200 per annum for each SMA Portfolio;
- a fee of up to \$200 for each asset transferred into your SMA Portfolio;
- a fee of up to \$200 for each asset transferred out of your SMA Portfolio.

Please note that the maximums are provided for information and do not reflect the fees currently charged.

Abnormal costs

Abnormal costs (such as costs of investor meetings, recovery and realisation of assets, changes to the Constitution, defending or pursuing legal proceedings and borrowing costs

such as interest on borrowings) are paid out of the SMA. These costs are expected to be incurred on an infrequent basis, or not at all.

Buy/sell spread

A buy/sell spread is an additional cost to you and may be incurred when you invest in a managed fund included in your SMA Model. The buy/sell spread is retained by the underlying managed fund (it is not a fee paid to us) and represents a contribution to the transaction costs incurred by the managed fund.

Other operating expenses

The Constitution for the SMA allows for the ongoing operating expenses (such as registry, audit, taxation advice and disclosure document expenses) to be paid directly from the SMA.

We do not currently recover these costs related to audit, regulatory, production of the disclosure documents and particular transactions. The Constitution does not place any limit on the amount of the ongoing operating expenses that can be paid from the SMA.

Transaction costs

Transaction costs such as government taxes/duties/levies, bank charges and account transaction charges, may apply to the underlying investments in each of the SMA Models, and are paid from each SMA Model.

GST and RITC

The fees are current as at the date of this document. Other than Management Costs there are no other fees charged.

7. Tax information

When investing through the SMA, you are the beneficial owner of the investments in your SMA Portfolio. As a result, all income, dividends, distributions, capital gains and capital losses, and their tax consequences, accrue directly to you.

This information will be provided to the WealthSolutions Investments account and included in the annual reporting for that account.

The taxation information in this guide is general information only for individuals who are residents of Australia for tax purposes and you should seek professional taxation advice in relation to your investments in the SMA. The levels and basis of tax may change in the future. We will send you information you will need each year in order for you to complete your tax return.

Taxation on income

The investments you hold in your SMA Portfolio can derive income such as dividends, distributions from managed funds and interest that is generally taxable in your hands.

You may also receive tax credits from your investments to offset your tax liability (for example, franking credits received from Australian shares).

Buying or selling investments

Capital gains tax liability may arise from the sale of your investments within your SMA Portfolio. Sales may arise from a withdrawal or switch request or changes to your SMA Portfolio as a result of rebalancing. Capital gains tax may also arise from the transfer of investments into and out of your SMA Portfolio if there is a change in beneficial ownership.

8. Other information

How is your personal information dealt with?

For details on the collection, storage and use of your personal information, please contact WealthSolutions Investments.

Where we receive your personal information, we will deal with it in accordance with our Information Handling Policy. If you would like a copy of our Information Handling Policy or have any questions regarding privacy, please call us on **1800 023 549** or refer to our website at **wealth.clearview.com.au**.

Conflicts of interest

Any related party transactions are conducted on arm's length terms. We have policies on how conflicts of interest or potential conflicts of interest are identified and managed. These policies also apply to the investment selection process.

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ClearView WealthSolutions SMA
Locked Bag 3460
GPO Melbourne VIC 3001
1800 023 549
service@clearviewwealthsolutions.com.au

wealth.clearview.com.au