

United Sector Leaders Australian Equities Fund – Manager Profile

Solaris Investment Management

Australian equities

December 2009

Solaris

Investment Management

At a glance

Date of appointment:

April 2009

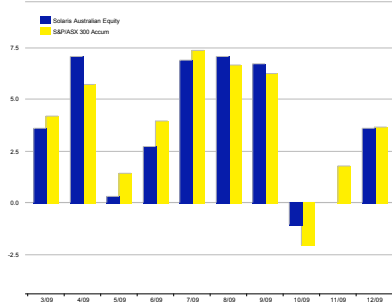
Style:

Neutral

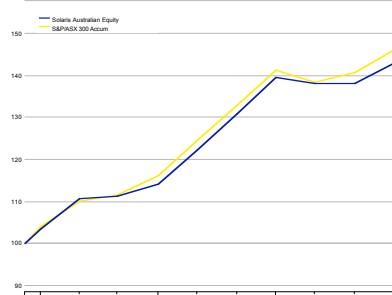
Funds allocated to manager:

AUD \$247.0m as at 30 December 2009

MONTHLY PERFORMANCE



CUMULATIVE PERFORMANCE



Company overview

Solaris Investment is a boutique, style neutral, Australian Equities funds manager. The Solaris team has a successful, demonstrated investment management and performance history spanning many years, despite having only recently established a funds management in business in January 2008. Solaris' analysts are empowered and rewarded as portfolio managers so they are fully accountable for their ideas and decisions. Solaris product offering includes Core and High Alpha strategies.

Investment style

Stock selection is Solaris' main area of expertise. Stocks are picked using fundamental analysis to exploit market inefficiencies in forecasts and valuations and the manager believes that analyst management of the portfolio is the best way to capture market inefficiencies. To achieve superior returns, positions may be taken which deviate from the benchmark portfolio, through skilful stock selection. Analyst research aims to identify the 'true' value of each stock, based on qualitative and quantitative company fundamentals. There is no bias towards value or growth stocks. The Investment process identifies the stocks with the best expected return, regardless of perceived style.

Stock selection and portfolio construction

Solaris is an active, style neutral equities manager using fundamental analysis to select stocks. Industry positions are a function of the stock selection process. The manager's portfolio construction process encompasses the following major steps:

1. Risk Screening

Solaris conducts risk screening to arrive at an investable universe of 200-250 companies.

2. Investable Universe Analysis

The team conducts industry analysis, attends company meetings and conducts modelling and valuations of all companies in the investable universe. The manager utilises qualitative and quantitative techniques to arrive at an expected return of a stock.

3. Expected Returns Platform

- The expected return of a stock is compared against the expected return of the universe, to arrive at an excess return.
- The size of the excess returns are used to generate portfolios.
- The typical portfolio size is 20 to 40 stocks.

Disclaimer

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