

Franklin Concentrated Global Equity ex-Australia Managed Portfolio

ISSUE DATE: 9 NOVEMBER 2018

1 About this Managed Portfolio Disclosure Document

Issuer and Trustee

This Managed Portfolio Disclosure Document (Disclosure Document) is issued by Diversa Trustees Limited (Trustee) ABN 49 006 421 638, AFSL 235153, RSE Licence No. L0000635, in its capacity as Trustee of the Mason Stevens Super (Fund), an APRA-regulated fund ABN 34 422 545 198.

The Trustee is required to disclose certain Trustee, Fund information and documentation on a website. This includes, but is not limited to, the following: the Trust Deed, the PDS, the most recent annual report and the names of each material outsourced service provider to the Fund. Please see the Trustee's website (www.diversa.com.au/trustee).

Sponsor and Promoter

Mason Stevens Limited (Mason Stevens) ABN 91 141 447 207, AFSL 351578, is the Sponsor and Promoter of the Fund.

An investment in the Fund is neither a deposit nor liability of Mason Stevens Group of companies, Mason Stevens or the Trustee or any of their associated entities.

Fund members and their financial advisers can access account and investment information, as well as making transactions through the secure, online Mason Stevens investment service (Service).

Investment manager

Mason Stevens Asset Management (MSAM) ABN 92 141 447 654 is the Investment Manager of the Fund. MSAM has sub contracted the activities of some of its investment functions to Franklin Templeton Investments Australia Limited (Franklin Templeton) ABN 87 006 972 247, AFSL 225328, for specific financial products or strategies within Mason Stevens Super.

Custodian

Mason Stevens Limited is the custodian of all Fund assets and has appointed National Australia Bank Limited ABN 12 004 044 937, AFSL 230686 as primary sub-custodian.

Administrator

FNZ (Australia) Limited ABN 67 138 819 119 (Administrator) is the administrator of the Fund.

Important information

This Disclosure Document is a summary of significant information about the Mason Stevens Managed Portfolio. The information contained in this Disclosure Document is incorporated by reference into the Mason Stevens Super PDS, the Mason Stevens Super Additional Information Guide and the Mason Stevens Super Investment Guide. It should be read in conjunction with these documents, and the disclosure documents of any relevant insurance policies, managed funds or other Managed Portfolios. These documents are available from your financial adviser or www.masonstevens.com.au/super

As at the date of issue the information contained in this Disclosure Document and associated PDS is correct under superannuation laws and regulations. However, these laws and regulations may change. In the event of a material change to any information in this Disclosure Document and associated PDS, irrespective of whether it is adverse or not, the Trustee will notify existing members either via the website or in writing within the time frames required by law. Updated information is available online at **www.masonstevens.com.au/super**

The PDS, including other documents, is not intended to be, and should not be construed in any way as, investment, legal, taxation or financial advice.

The information contained in the Disclosure Document and associated PDS is general information only and has been prepared without taking into consideration your investment objectives, circumstances, or your personal financial situation or needs. Before acting on the information in this Disclosure Document you should consider seeking financial advice tailored to your own objectives, circumstances, financial situation and needs.

As permitted by the Trust Deed, we may change the terms and conditions of the Fund. The Trustee may also add, change or close any investment choice or insurance option and this may include making changes to asset allocations, benchmarks and investment strategies without prior notice to you.

All investment involves risk, potentially resulting in (but not limited to) delays in payment of withdrawal proceeds and the loss of income and capital invested.

Past performance is not necessarily indicative of future performance.

Mason Stevens Super is only available through licensed financial advisers. To invest, contact your financial adviser.

2 About the Managed Portfolio

FRANKLIN CONCENTRATED GLOBAL EQUITY EX-AUSTRALIA MANAGED PORTFOLIO			
Portfolio Manager	Franklin Templeton The portfolio manager is responsible for designing and managing the composition of this managed portfolio to meet the investment objectives and investment strategy detailed below.		
Inception date	November 2018		
Holding limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).		
Investment objective	The investment objective of the Franklin Concentrated Global Equity ex-Australia Managed Portfolio is to outperform the MSCI® World ex Australia Index (Net Dividends), in Australian dollar terms after fees and expenses (but before taxes), over the medium to longer term.		
Investment strategy and approach	The Franklin Concentrated Global Equity ex-Australia Model Portfolio will comprise of a portfolio of international equities. The strategy's investment philosophy is a disciplined investment process which aims to build a concentrated yet diversified portfolio that seeks to generate a strong risk adjusted return. The strategy adopts a stock selection process focused on fundamental company research and analysis, in addition to a consistent valuation approach. This approach aims to identify quality growth companies with sustainable business models, attractive levels of free cash flow and proven management with a strong track record that is focused on the creation of shareholder value.		
Designed for	This Managed Portfolio provides investors with exposure to global equity stock markets and is best suited for investors with an investment time frame of at least five years.		
Target return	MSCI® World ex-Australia Index (net) (\$A)		
Indicative number of securities	15-25		
Minimum cash	1.5%		
Maximum cash	10%		
Asset allocation¹	Asset class	Target weight %	Allocation range %
	International equities	98	90-100
	Cash ²	2	1.5-10
Portfolio income	All income derived from this portfolio will be retained in the portfolio.		
Investment universe	Listed global equities and cash.		
Maximum single security weighting	8% (at purchase)		
Minimum suggested timeframe	5 years		
Minimum initial investment	\$50,000		
Minimum additional investment	\$50,000		

FRANKLIN CONCENTRATED GLOBAL EQUITY EX-AUSTRALIA MANAGED PORTFOLIO

Derivative restrictions	The portfolio manager does not use derivatives directly.
Investment manager fee	0.66% p.a.
Indirect cost ratio (ICR)	The estimated ICR at the date of this Disclosure Document is nil, however changes to underlying investments will result in changes to the ICR. This fee may include a performance fee charged by the underlying investments.
Performance fee	Nil
Standard risk measure	6 - High. The estimated likelihood of a negative return is 4 to less than 6 years in 20. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all form of investment risk. Please refer to the Mason Stevens Investment Guide for more information about the standard risk measure.

- 1 Allocation of assets may be within the allocation range stated. The above target weight is indicative only. At any point in time the actual allocation may be very different to the target weights stated in this document.
- 2 A cash management rate will apply to the cash account portion you hold in the Managed Portfolio. Please refer to the Mason Stevens Super Investment Guide for further information.

3 About the Portfolio Manager

Franklin Templeton

Franklin Templeton Investments Australia Limited (Franklin Templeton) is a wholly owned subsidiary of Franklin Resources, Inc. (operating worldwide as Franklin Templeton Investments) which is one of the largest publicly-traded investment management companies in the world, with offices in over 30 countries and over 9,000 staff globally. The company is listed on the New York Stock Exchange under the ticker BEN, and is a constituent of the S&P 500 Index.

Investment process

The Franklin Concentrated Global Equity ex-Australia Managed Portfolio will comprise of a portfolio of international equities. The strategy's investment philosophy is a disciplined investment process which aims to build a concentrated yet diversified portfolio that seeks to generate a strong risk adjusted return. The strategy adopts a stock selection process focused on fundamental company research and analysis, in addition to a consistent valuation approach. This approach aims to identify quality growth companies with sustainable business models, attractive levels of free cash flow and proven management with a strong track record that is focused on the creation of shareholder value.

How does the Portfolio Manager manage risk?

The Portfolio Manager is unable to eliminate all investment risk, but does analyse, manage and aim to reduce the impact of risks by actively monitoring investment markets and portfolios and through the use of carefully considered investment guidelines.

Labour standards and environmental, social and ethical considerations

The Trustee does not take into account labour standards, environmental, social or ethical considerations when making the investments available. The approach in relation to any consideration of labour, environmental, social or ethical standards as part of the investment decision making process for the portfolio is left by the Trustee to the individual discretion of the Portfolio Manager. This investment strategy does not directly measure or incorporate labour, environmental, social or ethical standards as part of the investment decision-making process.

The Portfolio Manager is aware that these issues can influence social, business and investor outcomes; in certain circumstances they may consider these issues when making an investment decision. The Portfolio Manager's consideration of labour, environmental, social or ethical considerations are in its own right and not on behalf of the Trustee.

Execution of strategy

Mason Stevens Limited and its associated entities have been appointed by the Trustee to provide various services in relation to the Fund, including promoter, investment management and custody services. Mason Stevens and the Administrator are responsible for implementing the investment instructions of the investment manager by buying and selling assets, taking into consideration timing, trading costs (such as transaction fees and currency costs, if applicable) and the mandate of the portfolio. In certain circumstances Mason Stevens has the right to vary the managed portfolio. By investing in this managed portfolio, you instruct Mason Stevens and the Administrator to buy and sell assets on your behalf through the managed portfolio as advised by the Portfolio Manager.

Risks

Before you consider investing in this portfolio, it's important you understand the risks that can affect your investments. A summary of key risks is in the PDS.

See the 'Risks' section in the PDS. Please note this is not an exhaustive list of all the risks. The risks relevant to this portfolio reflect the underlying investments. For information about risks regarding your personal situation speak to your adviser.

Trade notifications

When the Portfolio Manager trades, or rebalances the portfolios, Mason Stevens (through the Service) may send you an advice notifying you of the trades being undertaken. This is called a 'trade notification'. The rebalance and reallocation of managed portfolios may occur regularly and you may receive a trade notification each time a rebalance or reallocation occurs.



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