

MASON STEVENS CONCENTRATED GLOBAL EQUITY MODEL PORTFOLIO

QUARTERLY REPORT



31 DECEMBER 2018

The Mason Stevens Concentrated Global Equity Model Portfolio is offered via a Managed Discretionary Account (also known as a Separately Managed Account).

MARKET AND PORTFOLIO REVIEW

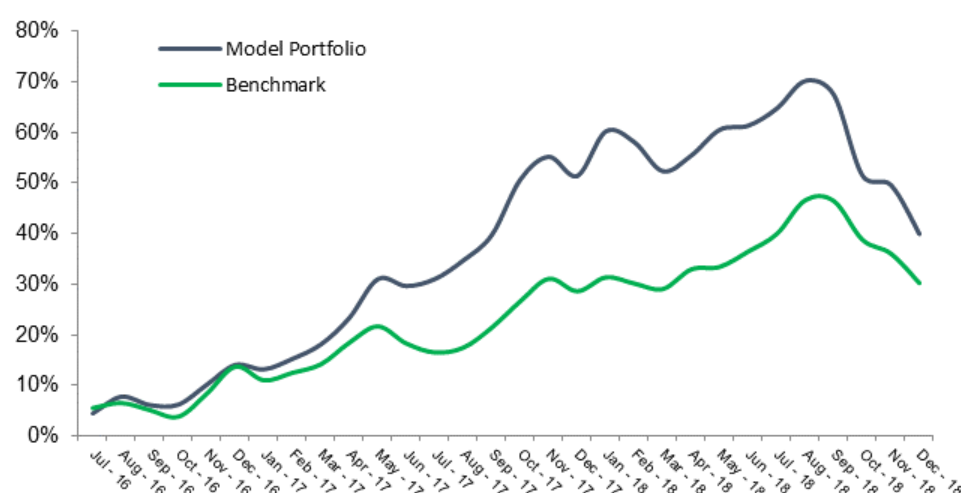
The Mason Stevens Concentrated Global Equity Portfolio declined by -16.45% in the December quarter, compared to the MSCI World Net Total Return of -11.06%. The quarter saw a sharp correction in equity markets, particularly in many of the technology stocks. Markets were worried about escalating trade tensions between the US and China, slowing economic growth, and the possibility of an overzealous Federal Reserve making a policy mistake by raising interest rates too far.

The best-performing stocks in the portfolio during the quarter were Tencent (700.HK) down 2.8%, Berkshire Hathaway (BRK.B) down 4.6% and Johnson & Johnson (JNJ) down 6.6%. The main detractors to performance were NVIDIA (NVDA) down 52.5%, Citigroup (C) down 27.4% and Amazon (AMZN) down 25.0%. During the quarter the portfolio reduced its weighting in Facebook and increased the cash weighting to around 13%, near the maximum limit.

PERFORMANCE SUMMARY¹

Period	Model Portfolio	Benchmark ²	+/- Return
1 month	-6.49%	-4.27%	-2.22%
3 months	-16.45%	-11.06%	-5.39%
1 year	-7.59%	1.26%	-8.85%
Annualised since inception (%pa)	12.33%	9.54%	2.79%

Cumulative Performance Since Inception[^]



Top 5 Holdings	
MSFT	9.70%
AMZN	8.02%
BABA	7.65%
GOOG	6.76%
BRK.B	6.42%

¹ Returns are calculated net of management, performance, administration/custody and transaction fees, but excluding any adviser fees from the Model Portfolio's inception date of 10/02/16, and assumes reinvestment of all income (but not franking credits). Returns are based on the theoretical performance of a portfolio which implemented the Model Portfolio based on simplifying assumptions and stock weightings. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, contributions and withdrawals, fees and any customisations. Past performance is not a reliable indicator of future performance and may not be achieved in the future. Each client should also take into account their own taxation situations. All information provided in this Report is correct as at the date of this Report.

² The Model Portfolio Benchmark is the MSCI® World Net Total Return Index (\$A).

INVESTMENT OBJECTIVE & STRATEGY

The Model Portfolio aims to outperform the MSCI® World Net Total Return Index (\$A) on a rolling 3-year basis after fees and expenses by investing in an actively managed portfolio of direct global equities. Direct equities can be denominated in any currency.

The Model Portfolio will generally form part of the international equity component of an investor's investment portfolio and may be suitable for investors seeking to generate returns through investing in international equities over at least a 3-year period.

The underlying investments are selected for inclusion in the Model Portfolio based on their risk-adjusted return opportunity. To create a balance of risk, return and, to a certain extent, liquidity in the portfolio, the Program Adviser will use the following investment criteria as part of the risk management process:

- Maximum exposure to any single security is limited to 15% of the assets of the portfolio, and
- Cash can be up to 15% of the value of the portfolio.

KEY FEATURES

FEATURE	DETAIL
Investment universe	Securities listed on global stock exchanges and cash.
Investment Objective	Aims to outperform the MSCI World Net Total Return Index (\$A) on a rolling 3-year basis (after fees)
Benchmark	MSCI® World Net Total Return Index (\$A)
Number of investments	10 - 20 securities
Maximum individual security weighting	15%
Minimum investment amount	A\$50,000
Suggested timeframe	3-5 years +

Further information about the Portfolio, including fees and costs, is outlined in the Mason Stevens Concentrated Global Equity Model Portfolio.

PORTFOLIO MANAGEMENT

The Model Portfolio is managed by Mason Stevens Asset Management Pty Limited (MSAM) as the Program Adviser. MSAM is part of the Mason Stevens group of companies.

INVESTMENT TEAM



Marcus Tuck
Portfolio Manager
Head of Equities

Investment decisions are governed by an Investment Committee that ensures the appropriate discipline and rigour is applied to the investment process.

ABOUT MASON STEVENS

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for Advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

CONTACT INFORMATION

Investors

Please speak to your adviser

Advisers

Call 1300 988 878 or
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www.masonstevens.com.au

Important Information

This Report is provided by Mason Stevens Limited (ACN 141 447 207, AFSL 351578) (Mason Stevens) as the Managed Discretionary Account (MDA) Operator of the Model Portfolio. Portfolio commentary has been provided by the Program Adviser. Any content provided in this Report is for the purpose of providing general advice and information only. It does not take into account your or your client's personal objectives, financial situation and needs. Please seek specific advice before making a decision in relation to any investment. The information is provided in good faith and we do not make any representation or warranty as to its accuracy, reliability or completeness. To the extent permissible by law, we do not accept any responsibility for any error, omission, indirect or consequential loss or damages (whether arising in contract, tort, negligence or otherwise, in any case whether foreseeable or not). Please refer to the relevant Investment Mandate for further information. Any information contained in this Report is subject to change without prior notice by Mason Stevens and Mason Stevens is not obliged to update any information. References made to any third party or their data is based on information that Mason Stevens believes to be true and accurate as at the date of this Report but without independent verification. All information provided in this Report is correct as at the date of this Report.