

MASON STEVENS]
SUPER
Investment Guide

8 APRIL 2019



1] CONTENTS

1]	Contents	2
2]	Important information	3
3]	About this guide	4
4]	Investments available through your SDP	8
5]	Managed Portfolios	12
6]	Explanation of performance fees	13

2] IMPORTANT INFORMATION

ISSUER AND TRUSTEE

This Investment Guide is issued by Diversa Trustees Limited (“**the Trustee**”, “**We**”) ABN 49 006 421 638, AFSL 235153, RSE Licence No.L0000635, in its capacity as Trustee of Mason Stevens Super (the “**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, or the Trustee or any of their associated entities.

Fund members and their advisers can access account and investment information, as well as making transactions through the Mason Stevens Global Investment Service (“**the Service**”).

INVESTMENT MANAGER

Mason Stevens Asset Management Pty Ltd (“**MSAM**”) ABN 92 141 447 654 is the Investment Manager of the Fund. MSAM may sub contract the activities of all or some of its investment functions to other investment managers, including your adviser or their related companies, for specific financial products or strategies within Mason Stevens Super. These investment managers are appointed by MSAM through a due diligence selection process where the investment managers are approved by the Trustee.

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.

GENERAL INFORMATION

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

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

As at the date of issue the information contained in this Guide, the Mason Stevens Super Additional Information Guide and the Mason Stevens Super PDS is compliant with superannuation laws and regulations. However, these laws and regulations may change. In the event of a material change to any information in this Guide 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 information contained in the Guide, The Mason Stevens Super Additional Information Guide and associated PDS is general information only and has been prepared without taking into consideration of your investment objectives, circumstances, or your personal financial situation or needs. Before acting on the information in this Guide 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 adviser.

Contact Details

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3] ABOUT THIS GUIDE

Important information about investing in the Fund

All investment involves risk and your investment in the Fund is not guaranteed. The value of your investment can rise and fall depending on the investment returns achieved by the investments you and your adviser have selected. Past performance is not indicative of future performance. Superannuation is a long-term investment and therefore you should consider the long term.

You and your adviser, are solely responsible for selecting the investment choices in which you invest in. Neither the Trustee, Mason Stevens or any of their associated entities guarantees the performance of any investment choice and therefore are not liable for any loss or damage you may incur as a result of you deciding to invest in, or withdraw from, a particular investment choice or the Fund.

There are a range of investment choices that allow members and their advisers to select and design investment strategies that aims to meet members long-term needs.

This Guide contains:

- » General information about investment choices, asset classes and Managed Portfolios;
- » Information on each investment choice, any limitations and where applicable fees; and
- » Details of performance fees.

The information in this Guide will be updated regularly.

Before investing in Mason Stevens Super, you should seek financial advice from your adviser.

Applications into Mason Stevens Super

When your application is accepted, a Self Directed Portfolio (SDP) will be established that will accept your initial cash. This can comprise of your initial contribution, rollover(s), regular contributions and any other contributions you may make.

The cash held in your SDP represents the cash you have available to invest directly or allocate to any Managed Portfolios that you have selected. If an investment instruction is not received from you or your adviser, it will remain in cash in your SDP.

How different investment choices and strategies work

Through your SDP you can access a variety of investment choices and strategies directly. Alternatively, you can invest by selecting a Managed Portfolio. Through a Managed Portfolio you can access the same investment choices through a professionally managed portfolio designed that aims to meet a certain investment objective or risk profile.

To assist you and your adviser in the selection of investment choices the below table sets out the characteristics of each.

Investment choice	Characteristic
Australian equities	Australian equities are shares listed on the Australian Stock Exchange (ASX). Most shares are considered liquid as they may be sold at any time (subject to market conditions). The returns Australian equities generate are made up from any dividends and changes in the price. The returns are considered volatile but over the long term are expected to produce growth. They can be selected for growth and income characteristics.
International equities	International equities are investments in companies listed on overseas exchanges. The return from international equities is made up from dividends and changes in the price, the returns are considered volatile but over the long term are expected to produce growth. International equities also provide exposure to foreign currencies and changes in the exchange rates may also affect the value of the international securities. They can be selected for growth and income characteristics.
Fixed income securities	Fixed interest securities are bonds issued to businesses or governments. They are generally less liquid and riskier than cash (please see “Risks of investing” later in this Guide) and the returns are typically higher than cash. Returns consist of the interest paid and any changes in the value of the security. Fixed income securities are usually included in a portfolio for their defensive characteristics, however, different types of fixed income securities have different returns and volatility. Market values of both listed and unlisted fixed income securities may change due to factors such as a change in interest rates or concerns about defaults on loans.
Managed funds	Managed funds are funds that are managed by professional managers. They may be made up from a combination of all of the above assets or may comprise a single asset type. They have a defined objective that may include an income or growth outcome. Investing in managed funds should be considered as a long-term investment, and should be considered in line with your investment needs. Members invest in units of managed funds and not the underlying securities.
Managed Portfolios	Managed Portfolios are portfolios or strategies that are managed by professional managers or your adviser. They may be made up from a combination of all of the above assets or may comprise a single asset type. They may be made up of a combination of Managed Portfolios to form other investment choices. They have a defined objective that may include an income or growth outcome. Investing in a Managed Portfolio should be considered as a long-term investment, and should be considered in line with your investment needs.
Term deposits	Term deposits are less liquid than cash, they are considered a defensive asset as they provide capital security. Their return is generated from a set rate of interest for a defined period. There is no change in capital value. There may be penalties if you break your term deposit earlier than the maturity date.
Cash	Cash provides members with security and liquidity. Cash is the least volatile asset and is therefore a defensive asset. Australian cash held in your account earns interest, however the return may be below the potential returns for other investment choices.

Types of managed funds and Managed Portfolio strategies

The below is provided as a guide only. Please refer to the managed fund's PDS or the Managed Portfolio Disclosure Document for full information on specific underlying strategies.

Type of strategy	Characteristic
Conservative	Conservative or capital stable strategies have a higher exposure to defensive assets. They may have a smaller weighting to growth assets. The return generated is likely to be income focussed with some capital change.
Balanced	Balanced strategies have a higher weighting to growth assets than conservative strategies. The return they generate will be a mix of capital change and income. Generally, a balanced strategy will have higher risk than a conservative strategy.
Growth	Growth strategies have a higher weighting to growth assets and some exposure to defensive. Most of their return will generally come from capital change potentially with some income. Generally, a growth strategy will have higher risk than a balanced strategy.
High growth	High growth or aggressive strategies generally will have exposure to growth assets. Their investment return is likely to be from capital change. High growth strategies have a higher risk than growth strategies.

Risks of investing

Selecting investments involves risk and you should be aware that the following risks are normally associated with investing.

Risk Type	Meaning
Investment manager risk	<p>The risk that the investment manager, or the outsourced investment manager may not achieve their stated investment objectives or underperform at any stage of an investment cycle. Changes in the key investment team may impact returns or the management of risk.</p> <p>As noted earlier, investment functions maybe outsourced to a number of investment managers, including your adviser or their related companies for specific financial products or strategies. These investment managers will be approved by the Trustee on the basis of a due diligence selection process.</p>
Investment risk	All investments have a level of risk. The general expectation is that a high-risk investment offers a higher expected return on investment. Investment risk may result in performance less than you expect or the loss of some or even all the capital invested or reduction in or no income and possible delays in repayment. Whilst it is the intention of the investment manager to implement strategies designed to minimise potential losses, there can be no assurance that these strategies will be successful.
Advice risk	The risk that your adviser may recommend a strategy or investment that's not appropriate for you or they have provided delayed or inaccurate instructions.
Company or security risk	Risks which could affect the value of a specific security, such as a fall in the profit performance of a company, may impact adversely on its market price and may also affect the interest rate it must pay to borrow funds, which in turn, can affect the value of its securities.
Inflation risk	The risk your investments may not keep pace with inflation with the result that over time your money has less purchasing power.
Market risk	Unexpected conditions (i.e. economic, technological or political) can have a negative impact on the returns of all investments within a market. General movements in local and international stock markets, prevailing and anticipated economic conditions, investor sentiment, interest rates and exchange rates could all affect the value of listed securities and the investment returns.
Diversification risk	The failure to adequately diversify between asset classes, securities and sectors may significantly increase risk.
Counterparty risk	The risk that a counterparty to a contract will fail to perform contractual obligations (e.g. default in either whole or part) under the contract. Counterparties may include, among others, brokerage and trading firms and banks.

Risk Type	Meaning
Third party risk	The risk that information and services provided by third parties such as sub-custodians and other service providers have not been provided correctly. Procedures are in place to address risks associated with outsourcing, such as having comprehensive service agreements with service providers. If a service provider advises of an error, it is corrected and if material, it will generally be communicated to you or your adviser (or both).
Time horizon risk	There is no assurance that in any time period, particularly in the short term, the portfolio will achieve the investment objectives. Many of the underlying assets may be volatile particularly over the short term. Many portfolios are more suitable for medium to long term investors and are not designed for short term investment.
Interest rate risk	Changes in interest rates will affect the value of interest bearing securities and shares in some companies. Rises in interest rates may lead to losses in value and falls in interest rates may lead to rises in value.
Derivatives risk	The use of sophisticated financial products such as derivatives has the potential to cause losses that are large in relation to the amount invested. Some managed funds use derivatives and this may imply some embedded leverage that could under some circumstances, magnify losses. The cost of using this type of financial product may also reduce returns.
Foreign currency risk	The risk that a portfolio may make a loss when the exchange rate changes. This may occur if a portfolio has any exposure to foreign currency assets or liabilities. Even if hedging is used to reduce the risk, there can be no guarantee that the currency exposure of a portfolio will be hedged always and there still might be residual exposure to foreign currency risks.
Climate change risk	There is risk that the value of your investment may fall as a result of climate changes, or changes to legislation or restrictions regarding fossil fuels. It is therefore important you consider long term climate and environmental factors when you and your adviser select investments.
Liquidity risk	The risk that certain investments in your account or portfolio may not be able to be sold when you require. In the case of unlisted fixed income investments this may be due to the risk that the size of your holding in that security may be below the minimum market parcel. Liquidity risk may prevent you from rolling over all your benefit to another super fund in a timely manner.
Credit risk	Any change in the market perception of the creditworthiness of an issuer or to any security of that issuer, or the credit rating of the issuer or any security of that issuer, may affect the security's value.

When considering the risk associated with investments you should consider your financial needs and investment timeframes. Your adviser can assist you in selecting the most appropriate investment for your financial position.

When considering managed funds and Managed Portfolios a Standard Risk Measure (SRM) has been developed to assist investors understand the risk as measure by the probability of a loss over 20 years.

Standard Risk Measure

The Standard Risk Measure (SRM) applies to managed funds and Managed Portfolios, and has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC) at the request of the Australian Prudential Regulation Authority (APRA).

The purpose of the SRM is to disclose the level of risk for a particular managed fund or Managed Portfolio, by using a standard measure. It allows members to compare investments both within and between funds based on the likely number of negative annual returns over any twenty-year period.

Risk Band	Risk label	Estimated number of negative 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

As shown above, a risk band of 1 would suggest that the investment is the least risky investment, and a risk band of 7 suggests a very risky investment.

By using the SRM you will be able to compare risk of managed funds and Managed Portfolios offered within the Fund and other options offered by different super providers. See the PDS of the relevant managed fund or the Managed Portfolio Disclosure Document for the SRM.

4] INVESTMENTS AVAILABLE THROUGH YOUR SDP

The following direct investments are assets that can be held in your SDP:

- » Australian equities
- » International equities
- » Fixed income securities
- » Managed funds
- » Term deposits
- » Cash

You and/or your adviser can select to invest in the above assets and provide instructions via the Service for execution.

You can make investments through your SDP at any time with any unreserved cash. You may also allocate future contributions to your Managed Portfolios, subject to any investment limits.

If you invest in a Managed Portfolio the investment manager will be issuing instructions through the Service to buy and sell the assets that make up the Managed Portfolio.

Australian equities*

Security class	Investment limit	
	Individual security limit	Total investment limit
Securities listed in ASX All Ordinaries Index	20%	100%
Securities listed outside ASX All Ordinaries Index	10%	40%
Exchange Traded Funds (excluding any Alternative ETFs)	100%	100%
Alternative ETFs (excluding commodity or currency based investments)	25%	40%
Alternative ETFs (commodity or currency based investments)	10%	40%
Listed Investment Companies	50%	100%

* Please be aware that Mason Stevens may impose more conservative limits (from time to time) than those quoted in the Investment Guide at its own discretion. You or your adviser will be notified if this is the case.

International equities*

Security class	Investment limit	
	Individual Security Limit	Total Investment Limit
International securities listed in the MSCI World Index (ex Australia)	20%	100%
International securities listed in markets outside of the MSCI World Index (ex Australia)	5%	30%

Subject to market capitalisation exceeding AUD\$200M.

Please contact Mason Stevens before making an investment into these securities to ensure that the market and security are supported and available.

* Please be aware that Mason Stevens may impose more conservative limits (from time to time) than those quoted in the Investment Guide at its own discretion. You or your adviser will be notified if this is the case.

Foreign currency conversion

Your Australian dollars will be converted and used to purchase the international equities selected unless you hold the currency of the equity you have selected. You and/or your adviser can make the election to use that currency at the time you initiate your order.

On the sale of any international equities held, you may elect to hold that security's native currency in your SDP. This means that the proceeds of that sale will not be converted into Australian dollars. You can continue to hold and use foreign currencies to purchase other international equities for up to 90 days. If you continue to hold foreign currencies for more than 90 days, we may direct your adviser to convert these currencies back into Australian dollars. Interest is not paid on foreign currency holdings.

For the conversion of foreign currency, there are expenses relating to this service. Mason Stevens may recover some of these costs through the pricing provided to you on each transaction settled to your account. See the Mason Stevens Super Additional Information Guide, Section 7 "Fees and costs" – Activity fees for Self Directed Portfolios and activity fees for Managed Portfolios.

Investing in international equities will expose you to foreign currency risk.

Fixed income securities*

Security class	Investment limit	
Australian fixed income securities	Individual security limit	Total investment limit
Fixed income securities (not listed on the ASX)		
If you want to invest in the below fixed income securities, you are required to have an overall portfolio balance of \$50,000 or greater. The minimum investment in the below fixed income securities is \$5,000.		
Unlisted fixed income securities	15%	30%
Includes corporate bonds, asset backed securities, tier 1 and 2 senior debt, and structured securities		
When selected, the securities must be rated at least investment grade by a reputable rating agency.		
All fixed income securities must be "seasoned" (i.e. have been in issue for more than 1 year).		
Listed Debt Securities	20%	100%
Includes bonds, floating rate notes, convertible notes, hybrid securities and collateralised debt obligations		

* Please be aware that Mason Stevens may impose more conservative limits (from time to time) than those quoted in the Investment Guide at its own discretion. You or your adviser will be notified if this is the case.

Fixed income securities may include corporate fixed income securities, residential mortgage backed securities, hybrids (such as preference shares and convertible notes) and asset backed securities which traditionally are typically reserved for institutions and professional investors. The fixed income securities on offer will change from time to time and the current list will be displayed on the Service.

Generally, fixed income securities are liquid but there may be instances where the value of a fixed income security that you are attempting to sell may be below the minimum market size. In this instance the fixed income security may be considered illiquid. See the "Risks of investing" section earlier in this guide.

To invest in fixed income securities (subject to a minimum amount), you or your adviser will need to provide instructions via the Service.

Managed funds

The list below is the list of managed funds available for investment in your SDP at the time of publication. For an up-to-date list of managed funds, please refer to www.masonstevens.com.au/super

APIR code	Managed fund	Single security limit	Standard Risk Measure
CSA0131AU	Aberdeen Australian Small Companies	25%	6 High
ETL0349AU	Allan Gray Australia Equity Fund - Class B	100%	6 High
AMP1179AU	AMP Capital Core Infrastructure	25%	6 High
AMP1015AU	AMP Capital Core Property Fund-Class A	25%	6 High
NML0001AU	AMP Wholesale Australian Property Fund	25%	7 Very High
ANZ0150AU	ANZ Cash Plus Fund	100%	1 Very Low
BFL0004AU	Bennelong ex-20 Australian Equities	100%	6 High
BFL0010AU	Bennelong Kardinia Absolute Return	25%	6 High
BFL0017AU	Bennelong Twenty20 Australian Equities Fund	50%	6 High
FID0008AU	Fidelity Australian Equities Fund	25%	6 High
FRT0011AU	Franklin Templeton Multisector Bond Fund Wholesale Class Units	100%	5 Medium to High
BNT0101AU	Hyperion Small Growth Companies Fund Units	100%	6 High
IML0005AU	Investors Mutual Equity Income	25%	6 High
IOF0145AU	Janus Henderson Tactical Income	100%	3 Low to Medium
KAM0101AU	K2 Absolute Return Fund	25%	6 High
MMC0110AU	Loftus Peak Global Disruption Fund	10%	7 Very High
MAQ0640AU	Macquarie Asia New Stars No. 1	20%	7 Very High
MAQ0274AU	Macquarie Diversified Fixed Interest	100%	3 Low to Medium
MAQ0277AU	Macquarie Income Opportunities	100%	4 Medium
MGE0001AU	Magellan Global	100%	6 High
MST0002AU	Mason Stevens Credit	25%	4 Medium
ETL0463AU	Orbis Global Equity Fund	50%	7 Very High
RFA0813AU	Pendal Fixed Interest	100%	3 Low to Medium
PER0071AU	Perpetual Wholesale Geared Australian Fund	100%	7 Very High
ETL0016AU	PIMCO EQT WS Diversified Fixed Interest	100%	4 Medium
ETL0018AU	PIMCO Global Bond W	100%	4 Medium
PLA0004AU	Platinum Asia Fund	100%	6 High
PMC0100AU	PM Capital Global Companies Fund	25%	7 Very High
RIM0001AU	Russell Investments Balanced Class A	100%	6 High
ETL0062AU	SGH ICE	25%	6 High

APIR code	Managed fund	Single security limit	Standard Risk Measure
SBC0007AU	UBS Diversified Fixed Interst	100%	4 Medium
UBS0003AU	UBS Income Solution Fund	100%	5 Medium to High
SBC0816AU	UBS Property Securities Fund	30%	6 High
VAN0001AU	Vanguard Australian Fixed Interest Index	100%	3 Low to Medium
VAN0004AU	Vanguard Australian Property Secs Idx	100%	7 Very High
VAN0002AU	Vanguard Australian Shares Index	100%	7 Very High
VAN0108AU	Vanguard Balanced Index Fund	100%	5 Medium to High
VAN0109AU	Vanguard Conservative Index	100%	3 Low to Medium
VAN0110AU	Vanguard Growth Index	100%	7 Very High
VAN0111AU	Vanguard High Growth Index	100%	7 Very High
VAN0103AU	Vanguard International Fxd Intr Idx Hdg	100%	4 Medium
VAN0003AU	Vanguard International Shares Index	100%	7 Very High

Cash

Asset	Total investment limit	Standard Risk Measure
Cash	100%	1 Very Low

Term deposits

Mason Stevens Super offers members a choice of term deposits only issued by Authorised Deposit-Taking Institutions (ADIs) with varying choices of terms. These ADIs and choice of terms will be continually reviewed and added to where appropriate, based on Trustee review and approval.

Cash management

When you invest in Mason Stevens Super, your cash funds are pooled with that of other members. Mason Stevens may deposit these cash funds with an ADI, Australia and New Zealand Banking Group ABN 11 005 357 522 (ANZ) or our primary sub-custodian National Australia Bank Limited.

The rate calculated on your funds will be determined by the interest earned by Mason Stevens on all members' cash funds on deposit with the respective ADIs after consideration of any fees payable to Mason Stevens for any management and administration of such cash balances and associated payments and services.

The current interest rate applicable to your account for cash funds invested through the Service by deposits with ADIs is notified to you via the Mason Stevens Super Website.

Mason Stevens will not withdraw any part of your cash holdings except at your direction (which may include a standing instruction).

5] MANAGED PORTFOLIOS

Mason Stevens Asset Management (MSAM) is the Investment Manager of the Fund. MSAM may sub contract the activities of all or some of its investment functions to other investment managers, including your adviser or their related companies, for specific Managed Portfolios within Mason Stevens Super. These investment managers are appointed by MSAM. A due diligence selection process is followed where the investment managers are approved by the Trustee.

Managed Portfolios are professionally managed investments that have a defined objective and may hold Australian and international equities, fixed income securities and managed funds or a selection of all of these in the one portfolio. Before investing in a Managed Portfolio you are required to read and understand the associated Managed Portfolio Disclosure Document.

The investment manager is responsible for making investment decisions in line with its chosen investment strategy, and will issue instructions to buy and sell assets as well as rebalance the portfolio in line with its objective.

The Managed Portfolios available in Mason Stevens Super at the time of publication are below. For an up-to-date list of Managed Portfolios, please refer to www.masonstevens.com.au/super:

Managed Portfolio name	Total investment limit	Standard Risk Measure
Franklin Concentrated Global Equity ex-Australia Managed Portfolio	100%	6 High
Mason Stevens Australian Fixed Income Managed Portfolio	100%	3 Low to Medium
Mason Stevens 20 Leaders Managed Portfolio	100%	6 High

Your adviser may also help you to invest in Managed Portfolios that are not listed above and are only available to your adviser's licensee.

6] EXPLANATION OF PERFORMANCE FEES

An investment manager may apply a performance fee if the portfolio that they manage, meets or exceeds a specific performance benchmark. This benchmark may be an index, zero (0%) or a stated return.

The performance of the portfolio relative to hurdle is calculated over the performance period, usually semi-annually.

At the end of that performance period,

- » if the manager has met or exceeded the benchmark; and
- » any carry over underperformance is recovered (if the Managed Portfolio Disclosure Document indicates so),

then the performance fee is applied. If the benchmark is not met then no fee is applied for that period.

Note: An underperformance occurs when the portfolio net return is less than the benchmark return (if the investment objective was to earn the benchmark return). In this instance, no performance fee is paid.

Some Managed Portfolios require that the investment manager can only charge a performance fee once any previous underperformance is recovered.

The calculation of a performance fee includes all dividends and distributions but excludes any franking credits unless otherwise stated.

Where applicable, the performance fee calculation is specific to each Managed Portfolio, so for any particular Managed Portfolio over a performance period, some members may be charged a performance fee while others are not, depending on the circumstances applicable to each investor's particular investment.

Refer to the relevant Managed Portfolio Disclosure Document for details on performance fees (if applicable).

Performance fee example

The following example is simplistic and for illustrative purposes only as it is not possible to reliably estimate the actual fee payable and therefore may not reflect the actual performance fee charged to you.

Item	Performance fee	Cost / value add
\$100,000 invested for 6 months	Portfolio value at end of period = \$110,000 ie 10% return Portfolio value at benchmark return = \$105,000	Outperformance: \$5,000
Performance fee is 20% of the return in excess of the benchmark		\$5,000 x 20% = \$1,000

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