

Territory Managed Portfolios

Issue date: January 2020

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 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 (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 Territory Funds Management Pty Limited (Territory or Territory Funds Management) ABN 68 136 472 985, AFSL 124995, 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 Territory Funds Management Pty

Limited (Territory or Territory Funds Management) ABN 68 136 472 985, AFSL 124995 managed portfolios. The information contained in this Disclosure Document is incorporated by reference into the Mason Stevens Super PDS and the Mason Stevens Super Investment Guide. It should be read in conjunction with these documents, and the disclosure documents of any insurance policies, managed funds or other Managed Portfolios. These documents are available from your financial adviser or masonstevens.com.au/super

This Disclosure Document, and 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 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 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.

About the managed portfolios

TERRITORY CORE DIVERSIFIED MANAGED PORTFOLIO (RS)

Investment manager Territory Funds Management

The investment 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 September 2019

Holding limit Up to 100% of your account (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).

Investment objective The portfolio aims to outperform the Morningstar Aus Msec Balanced TR AUD index (before fees) over a rolling three year period.

Investment strategy and approach An actively managed diversified portfolio with a long term average exposure of approximately 55% to growth assets such as equities, property, infrastructure and alternatives and approximately 45% exposure to defensive assets such as cash, fixed interest and alternatives. The portfolio will be invested across other managed portfolios, managed funds, direct securities, ETFs and fixed income instruments. The portfolio aims to deliver real returns whilst preserving capital over the targeted investment horizon.

Designed for This is a moderate volatility portfolio for wealth accumulators, transition to retirement and retirement stage investors than can be held stand-alone or paired with other investments to tailor a risk adjusted outcome.

Benchmark Morningstar Aus Msec Balanced TR AUD Index

Indicative number of securities 40

Asset Allocation ¹	Asset class	Target weight %	Allocation range %
	Australian equity	16	5-35
	International equity	20	5-35
	Fixed interest	40	30-60
	Infrastructure	8	0-20
	Alternatives	4	0-15
	Property	7	0-20
	Cash ²	5	2-40

Portfolio income All income derived from this portfolio will be retained in the portfolio or distributed to your Self Directed Portfolio (SDP) at your discretion.

Investment universe Securities listed on the ASX and approved global exchanges, fixed income securities, REITS, hybrids, infrastructure securities, managed funds, managed portfolios and cash.

If the Managed Portfolio invests in another Managed Portfolio, the portfolio will show the direct investment in individual securities contained in that Managed Portfolio.

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.

TERRITORY CORE DIVERSIFIED MANAGED PORTFOLIO (RS) (cont)

Maximum single security or fund weighting	25%
Maximum single equity weight at inception	7.5%
Minimum suggested timeframe	5+ years
Minimum initial investment	\$25,000
Minimum additional contribution	\$7,500
Minimum redemption amount	\$7,500
Derivative restrictions	The investment manager does not use derivatives directly. Underlying managed funds may utilise derivatives.
Investment manager fee	0.275% p.a. (inclusive of GST) of the balance in the Managed Portfolio.
Indirect cost ratio	The estimated ICR at the date of this Disclosure Document is 0.39% p.a., 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	20% of the outperformance of the portfolio above the Benchmark, being the Morningstar Aus Msec Balanced TR AUD Index.
Standard risk measure	5 – Medium to High The estimated likelihood of a negative return is three to less than four years in 20 years. 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 forms of investment risk. Please refer to the Mason Stevens Investment Guide for more information about the standard risk measure.

TERRITORY LOW VOLATILITY MANAGED PORTFOLIO (RS)

Investment manager Territory Funds Manager
The investment 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 September 2019

Holding limit Up to 100% of your account (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super additional information guide).

Investment objective The portfolio aims to outperform the Morningstar Aus Msec Conservative TR AUD index (before fees) over a rolling 3 year period.

Investment strategy and approach The portfolio aims to provide investors a liquid portfolio targeting low volatility investments that aim to return a higher than cash return, which may result in a lower capital growth.

Designed for Investors that seek a higher liquidity requirement from their investments.

Benchmark Morningstar Aus Msec Conservative TR AUD Index

Indicative number of securities 25

Asset Allocation ¹	Asset class	Target weight %	Allocation range %
	Australian Equity	5	0-30
	International Equity	0	0-10
	Fixed interest	70	50-90
	Infrastructure	10	0-30
	Alternatives	0	0-15
	Property	10	0-25
	Cash ²	5	2-30

Portfolio income All income derived from this portfolio will be retained in the portfolio or distributed to your Self Directed Portfolio (SDP) at your discretion.

Investment universe Securities listed on the ASX and approved global exchanges, fixed income securities, REITS, hybrids, infrastructure securities, managed funds, managed portfolios and cash.
If the Managed Portfolio invests in another Managed Portfolio, the portfolio will show the direct investment in individual securities contained in that Managed Portfolio.

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.

TERRITORY LOW VOLATILITY MANAGED PORTFOLIO (RS) (cont)

Maximum single security or fund weighting	25%
Minimum suggested timeframe	2+ years
Minimum initial investment	\$25,000
Minimum additional contribution	\$5,000
Minimum redemption amount	\$5,000
Derivative restrictions	The investment manager does not use derivatives directly. Underlying managed funds may utilise derivatives.
Investment manager fee	0.275% p.a. (inclusive of GST) of the balance in the Managed Portfolio.
Indirect cost ratio	The estimated ICR at the date of this Disclosure Document is 0.46% p.a., 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	20% of the outperformance of the portfolio above the Benchmark, being the Morningstar Aus Msec Conservative TR AUD.
Standard risk measure	4 - Medium The estimated likelihood of a negative return is two to less than three years in 20 years. 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.

TERRITORY MID-TERM INCOME MANAGED PORTFOLIO (RS)

Investment manager	Territory Funds Management The investment 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	September 2019		
Holding limit	Up to 100% of your account (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).		
Investment objective	The portfolio aims to provide investors with a moderate level of income by investing in securities that produce strong cash flow generation, of which a high proportion is returned to investors. The portfolio aims to outperform the Morningstar Aus Msec Growth TR AUD index (before fees) over a rolling three year period.		
Investment strategy and approach	In order to achieve this strategy, the portfolio may invest in Australian equities, global equities, fixed and floating interest securities, infrastructure securities and property trusts, which may result in a moderate capital growth and moderate volatility portfolio.		
Designed for	This Portfolio may be suitable for investors that seek moderate liquidity and capital growth from their investment.		
Benchmark	Morningstar Aus Msec Growth TR AUD Index		
Indicative number of securities	25		
Asset Allocation¹	Asset class	Target weight %	Allocation range %
	Australian Equities	30	0-60
	International equities	10	0-60
	Fixed interest	15	0-60
	Infrastructure	15	0-40
	Listed Property	20	0-35
	Alternatives	5	0-15
	Cash ²	5	2-30
Portfolio income	All income derived from this portfolio will be retained in the portfolio or distributed to your Self Directed Portfolio (SDP) at your discretion.		
Investment universe	Securities listed on the ASX and approved global exchanges, fixed income securities, REITS, hybrids, infrastructure securities, managed funds, managed portfolios and cash. If the Managed Portfolio invests in another Managed Portfolio, the portfolio will show the direct investment in individual securities contained in that Managed Portfolio.		

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.

TERRITORY MID-TERM INCOME MANAGED PORTFOLIO (RS) (cont)

Maximum single security or fund weighting	30%
Minimum suggested timeframe	6 years
Minimum initial investment	\$25,000
Minimum additional contribution	\$5,000
Minimum redemption amount	\$5,000
Derivative restrictions	The investment manager does not use derivatives directly. Underlying managed funds may utilise derivatives.
Investment manager fee	0.275% p.a. (inclusive of GST) of the balance in the Managed Portfolio.
Indirect cost ratio	The estimated ICR at the date of this Disclosure Document is 0.48% p.a., 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	20% of the outperformance of the portfolio above the Benchmark, being the Morningstar Aus Msec Growth TR AUD.
Standard risk measure	6 - High The estimated likelihood of a negative return is four to less than six years in 20 years. 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.

TERRITORY LONG-TERM MANAGED PORTFOLIO (RS)

Investment manager	Territory Funds Management The investment 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	September 2019		
Holding limit	Up to 100% of your account (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).		
Investment objective	To provide investors with a higher level of capital growth by investing in securities with a strong capital growth bias. The portfolio aims to outperform the Morningstar Aus Msec Aggressive TR AUD index (before fees) over a rolling three year period.		
Investment strategy and approach	In order to achieve this strategy, the portfolio may invest in Australian equities, global equities, fixed interest securities, infrastructure securities, private equity and property trusts, which may result in a higher capital growth and higher volatility portfolio.		
Designed for	This portfolio may be suitable for investors that seek a higher capital growth from their investments.		
Benchmark	Morningstar Aus Msec Aggressive TR AUD Index		
Indicative number of securities	30		
Asset Allocation¹	Asset class	Target weight %	Allocation range %
	Australian Equities	30	0-70
	International Equities	55	0-70
	Fixed interest	0	0-30
	Infrastructure	0	0-35
	Property	0	0-30
	Alternatives	10	0-25
	Cash ²	5	2-30
Portfolio income	All income derived from this portfolio will be retained in the portfolio or distributed to your Self Directed Portfolio (SDP) at your discretion.		
Investment universe	Securities listed on the ASX and approved global exchanges, fixed income securities, REITS, hybrids, infrastructure securities, managed funds, managed portfolios and cash. If the Managed Portfolio invests in another Managed Portfolio, the portfolio will show the direct investment in individual securities contained in that Managed Portfolio.		

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.

TERRITORY LONG-TERM MANAGED PORTFOLIO (RS) (cont)

Maximum single security or fund weighting 25%

Minimum suggested timeframe 15 years

Minimum initial investment \$25,000

Minimum additional contribution \$5,000

Minimum redemption amount \$5,000

Derivative restrictions The Investment Manager does not use derivatives directly. Underlying managed funds may utilise derivatives.

Investment manager fee 0.275% p.a. (inclusive of GST) of the balance in the Managed Portfolio.

Indirect cost ratio The estimated ICR at the date of this Disclosure Document is 0.64% p.a. 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 20% of the outperformance of the portfolio above the Benchmark, being the Morningstar Aus Msec Aggressive TR AUD.

Standard risk measure 6 - High

The estimated likelihood of a negative return is four to less than six in 20 years. 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.

About the investment manager

TERRITORY FUNDS MANAGEMENT

Territory Funds Management was founded in 2016 by Gareth Jakeman and Matthew Harrington. It is a part of the Praescius group of companies and is responsible for investment management activities. The business was formed to offer clients a bespoke and unique investment offering through separately managed accounts.

The founders of Territory Funds Management have a wealth of experience in the financial services industry managing assets and providing investment advice for both retail and institutional clients for over 20 years. Their key investment capabilities span across all asset classes in both domestic and global markets.

INVESTMENT PHILOSOPHY

Analysis includes both a quantitative and qualitative investment process, identifying companies that will be economic value creators that deliver or have the potential to deliver returns on capital employed well in excess of the cost of capital to the company.

Both internal and external research is conducted. Internal research includes potential interface with company management, review of publicly available information, financial modelling and industry analysis. External research comprises information from the research analysts of leading stockbrokers, independent analysts and international economic reviews.

The portfolio construction process itself begins with quantitative screening within the investment universe. Following the screening process, individual stock analysis is conducted and portfolios are constructed based on the goals of each mandate. Each portfolio will then be implemented and executed.

How does the investment manager manage risk?

The investment 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 investment 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 investment 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 investment 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 investment 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 investment 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.