

## BondAdviser Income Plus Managed Portfolio

Issue date: December 2019

### 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 Product Distribution Statement (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](http://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 make transactions through the secure, online Mason Stevens investment service (Service).

#### INVESTMENT MANAGER

Mason Stevens Asset Management (MSAM) is the investment manager of the Fund. MSAM has sub contracted the activities of some of its investment functions to BondAdviser Pty Ltd (BondAdviser) ABN 31 164 148 467, AFSL 456783, 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 BondAdviser Income Plus Managed Portfolio. The information contained in this Disclosure Document is incorporated by reference into the Mason Stevens Super PDS, 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 insurance policies, managed funds or other Managed Portfolios. These documents are available from your financial adviser or [masonstevens.com.au/super](http://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](http://masonstevens.com.au/super)

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

### BONDADVISER INCOME PLUS MANAGED PORTFOLIO

<b>Investment manager</b>	BondAdviser  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.								
<b>Inception date</b>	December 2019								
<b>Holding limit</b>	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).								
<b>Investment objective</b>	The portfolio aims to outperform the RBA Cash Rate by 1.5% p.a. over the medium term of 3 years (before fees). It also aims to provide higher income returns than traditional cash investments.								
<b>Investment strategy and approach</b>	BondAdviser believes in active risk management and uses a combination of qualitative and quantitative analysis to identify risks and opportunities presented in debt and hybrid markets. BondAdviser also believe that the best way to achieve portfolio objectives is through transparent and in-depth security level research, diversification and a strict risk management approach.								
<b>Designed for</b>	Investors who want an alternative to term deposits while maintaining a core focus on capital stability, regular income and low volatility of returns.								
<b>Benchmark Return</b>	RBA Cash Rate + 1.5% p.a.								
<b>Indicative number of securities</b>	5-15								
<b>Asset allocation<sup>1</sup></b>	<table><thead><tr><th><b>Asset class</b></th><th><b>Allocation range %</b></th></tr></thead><tbody><tr><td>Australian fixed income</td><td>60-98</td></tr><tr><td>International fixed income</td><td>2-20</td></tr><tr><td>Cash<sup>2</sup></td><td>0-40</td></tr></tbody></table>	<b>Asset class</b>	<b>Allocation range %</b>	Australian fixed income	60-98	International fixed income	2-20	Cash <sup>2</sup>	0-40
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Australian fixed income	60-98								
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Cash <sup>2</sup>	0-40								
<b>Investment universe</b>	Authorised investments of the portfolio are limited to listed fixed income investments which can include Exchange Traded Funds (ETFs), hybrids, other Exchange Traded Products (ETPs) (e.g. Listed Investment Companies (LICs), Trusts (LITs), Exchange Traded Bonds) and cash.								
<b>Maximum single security or fund weighting</b>	40%								
<b>Minimum suggested timeframe</b>	3+ years								

## BONDADVISER INCOME PLUS MANAGED PORTFOLIO (cont)

<b>Minimum initial investment</b>	\$5,000
<b>Minimum additional investment</b>	\$5,000
<b>Derivative restrictions</b>	The investment manager does not use derivatives directly. Underlying managed funds may utilise derivatives.
<b>Investment manager fee</b>	0.275% p.a.
<b>Indirect cost ratio</b>	The estimated ICR at the date of this Disclosure Document is 0.10% pa, however changes to underlying investments will result in changes to the ICR. This fee may include a performance fee charged by the underlying investments.
<b>Performance fee</b>	Nil
<b>Standard risk measure</b>	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 forms 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.

## About the investment manager

### BONDADVISER

Formed in 2013/2014, BondAdviser is privately owned and provides research and information on fixed interest securities and the asset class to retail, intermediated and institutional clients.

### INVESTMENT PHILOSOPHY

The investment philosophy seeks to provide high conviction portfolios which exceed the portfolio objectives through interest rate cycles, while maintaining a risk first approach to capital preservation.

BondAdviser believes that using a combination of quantitative and qualitative analysis produces the best outcomes for clients. They also believe that the best way to achieve the portfolio objectives is through capital preservation. An overarching risk management strategy and discipline approach is followed.

BondAdviser is focused on a diversified, high conviction set of investments with either stable or improving credit outlooks. Although this is not a cash portfolio the focus is on assets which are readily transparent in terms of price and liquidity.

BondAdviser utilises established and transparent investment strategies to identify economic and investment trends while capitalising on relative value opportunities, with an aim of avoiding credit events. A suggested minimum investment timeframe of three years complements the expected investment cycle.

Risk management is a pillar of BondAdviser's investment philosophy and portfolio risk is assessed through a framework including a series of factor-based risk measures.

### INVESTMENT PROCESS

The investment strategy is focused on a diversified, high conviction set of investments with either stable or improving credit outlooks. Although this is not a cash portfolio the focus is on assets which are readily transparent in terms of price and liquidity.

The portfolio is typically used as a more defensive investment and therefore capital preservation is equally important as steady, more dependable income streams. A disciplined framework is used to analyse each sector (top down) and proposed investment (bottom up) to assess its risk.

The investment process aims to reduce the risk of the portfolio being adversely affected by unexpected credit events or downgrades in the underlying investments. The portfolio is not exposed to derivatives but is subject to operational risk through the types of investments/products held within the portfolio.

BondAdviser's risk management process is the systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk. BondAdviser's risk management plan, process and framework have been designed to meet industry standards.

All possible securities are put through BondAdviser's screening process in order to define the research universe.

BondAdviser begins their analysis by identifying the level of risk for the issuer of a security by analysing a range of qualitative and quantitative factors.

BondAdviser then analyses unique characteristics of the security itself via the offer document or prospectus.

A valuation is then calculated for the security to determine whether investors are being appropriately compensated for the level of risk associate with the product.

BondAdviser draws on their insights to assign a research recommendation - buy,hold or sell- to the security.

Finally, BondAdviser conducts ongoing monitoring of changing conditions to ensure their research recommendation remains valid.

### **How the investment manager manages 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, please speak to your adviser.

### **Trade confirmations**

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 confirmations'. The rebalance and reallocation of managed portfolios may occur regularly and you may receive a trade confirmations each time a rebalance or reallocation occurs.

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