

Wealthmed Managed Portfolios

Issue date: August 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 Product Disclosure 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).

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 AZ Sestante Limited ABN 94 106 888 662 AFSL 284442 (AZ Sestante), 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 Wealthmed Managed Portfolios. 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

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 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

WEALTHMED DEFENSIVE MODEL PORTFOLIO

Investment objective

The Wealthmed Defensive Model Portfolio (the Model Portfolio) aims to earn a rate of return that exceeds the Consumer Price Index (CPI) by at least 2% pa over rolling 3-year periods (after the deduction of fees and before tax).

Investment strategy

The Model Portfolio aims to provide investors with a diversified portfolio of defensive assets that look to provide liquidity and capital preservation as part of a broader portfolio with low correlation to growth assets.

The Model Portfolio will invest predominantly in managed funds, exchange traded funds and Separately Managed Accounts (SMAs).

Portfolio Parameters

Feature	Description		
Name	Wealthmed Defensive Model Portfolio		
Investment Sub-adviser	AZ Sestante		
Investment universe	Exchange traded funds (ETFs), Australian managed funds, SMAs, Australian bonds, international bonds, alternative investments and cash		
Benchmark	CPI +2% pa		
Investment objective	To exceed the benchmark over rolling 3-year periods		
Management fee	0.11% pa		
Performance fee	Nil		
Indirect cost ratio (ICR)	The estimated ICR at the date of this Investment Guide is 0.595% 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.		
Minimum number of investments	3		
Maximum number of investments	6		
Minimum cash weighting	2%		
Maximum cash weighting	100%		
Maximum single security weighting	50%		
Rebalancing	Investment Sub-adviser discretion		
Asset Allocation ¹	Asset Class	Range	Target
	Fixed interest	0% to 98%	68%
	Alternatives	0% to 50%	30%
	Cash ²	2% to 100%	2%
	Total	100%	
Minimum initial investment	\$50,000		
Minimum additional investment	\$10,000		
Minimum withdrawal	\$10,000		
Suggested investment timeframe	3+ years		

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.

WEALTHMED AUSTRALIAN SHARES MODEL PORTFOLIO

Investment objective

The Wealthmed Australian Shares Model Portfolio (the Model Portfolio) aims to earn a rate of return that exceeds the S&P/ASX 300 Accumulation Index over a 5-year period (after the deduction of fees and before tax).

Investment strategy

The Model Portfolio aims to provide investors with long term capital growth and regular income through an investment in quality Australian shares.

AZ Sestante's investment approach is value driven with a clear focus on risk-adjusted returns. A focus on low turnover of stocks and an emphasis on tax effective dividends.

Portfolio Parameters

Feature	Description		
Name	Wealthmed Australian Shares Model Portfolio		
Investment Sub-adviser	AZ Sestante		
Investment universe	Australian shares and cash		
Benchmark	S&P/ ASX 300 Accumulation Index		
Investment objective	To exceed the benchmark over rolling 3-year periods		
Management fee	0.11% pa		
Performance fee	Nil		
Indirect cost ratio (ICR)	The estimated ICR at the date of this Investment Guide is 0.19% 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.		
Minimum number of investments	15		
Maximum number of investments	35		
Minimum cash weighting	2%		
Maximum cash weighting	10%		
Maximum single security weighting	25%		
Rebalancing	Investment Sub-adviser discretion		
Asset Allocation ¹	Asset Class	Range	Target
	Australian Equities	90% to 98%	98%
	Cash ²	2% to 10%	2%
	Total	100%	
Minimum initial investment	\$50,000		
Minimum additional investment	\$10,000		
Minimum withdrawal	\$10,000		
Suggested investment timeframe	5+ years		

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.

WEALTHMED INTERNATIONAL MODEL PORTFOLIO

Investment objective

The Wealthmed International Model Portfolio (the Model Portfolio) aims to earn a rate of return that exceeds the MSCI® World Ex-Australia Gross Dividend (AUD) Index over a 5-year investment period (after the deduction of fees and before tax).

Investment strategy

The Model Portfolio aims to provide investors exposure to international securities through a diversified portfolio

of international shares with a blend of both actively managed and index-based exposures.

AZ Sestante's approach to this asset class is to break down our desired exposure by region, including US, Europe, emerging markets and rest of the World. These are considered when blending the underlying international strategies. Using a holdings-based analysis or knowing the regional exposure of the underlying strategies, the managers are combined in such a way so that the desired regional weights are achieved.

Portfolio Parameters

Feature	Description												
Name	Wealthmed International Model Portfolio												
Investment Sub-adviser	AZ Sestante												
Investment universe	Managed funds, ETFs, SMAs, international shares and cash												
Benchmark	MSCI® World Ex-Australia Net Dividend (AUD)												
Investment objective	To exceed the benchmark over rolling 5-year periods												
Management fee	0.11%pa												
Performance fee	Nil												
Indirect cost ratio (ICR)	The estimated ICR at the date of this Investment Guide is 0.40% 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.												
Minimum number of investments	20												
Maximum number of investments	35												
Minimum cash weighting	2%												
Maximum cash weighting	15%												
Maximum single security weighting	25%												
Rebalancing	Investment Sub-adviser discretion												
Asset Allocation¹	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>Range</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Australian Equities</td> <td>85% to 98%</td> <td>98%</td> </tr> <tr> <td>Cash²</td> <td>2% to 15%</td> <td>2%</td> </tr> <tr> <td>Total</td> <td>100%</td> <td></td> </tr> </tbody> </table>	Asset Class	Range	Target	Australian Equities	85% to 98%	98%	Cash ²	2% to 15%	2%	Total	100%	
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About the investment manager

AZ SESTANTE

AZ Sestante is part of the Azimut Holdings Group (Azimut), Italy's largest independent asset manager. Azimut offers investment funds to both retail and institutional clients in Europe, China, Singapore, Turkey and Brazil, managing approximately AUD\$4bn globally.

In Australia, AZ Sestante leverages the expertise of the Azimut investment team, a team comprising over 100 investment professionals spanning both the European and Asian continents. As a result, a broad range of asset classes and investments are covered by the team, ultimately allowing AZ Sestante clients the opportunity to invest in diverse strategies and opportunities globally.

WEALTHMED AUSTRALIA

Wealthmed Australia is a progressive financial services company, with a head office located on Queensland's Sunshine Coast. Wealthmed specialises in providing financial advice and accounting services to medical, dental and allied health professionals. Choosing to work with medical professionals at the start of their careers, the Wealthmed business has grown along with its' clients. Wealthmed are a multi-faceted business offering a range of solutions for its clients.

INVESTMENT PHILOSOPHY

AZ Sestante's investment philosophy aims to generate stable long term returns through high quality asset allocation. This is where AZ Sestante will deliver significant value and discipline to the process.

AZ Sestante believes that an efficiently constructed Strategic Asset Allocation combined with medium-term Tactical Asset Allocation or Dynamic Asset Allocation will add value through the investment cycle. The adoption of skilled active management has the ability to add value over and above the index in varying degrees in asset sectors. The effective use of passive portfolio management can result in cost efficient outcomes in certain circumstances. Investment selections are based on competitive peer group research ratings in order to select the best managers and achieve return objectives, managing risk through investment diversification.

INVESTMENT PROCESS

AZ Sestante adopts a 5-step investment process:

1. Portfolio objectives
Defines the risk and return objectives of each portfolio.
2. Strategic and tactical asset allocation
Assesses data across a 10 year period, 10 distinct asset classes, and 10 risk areas for each asset class to define a strategic asset allocation to match the portfolio objectives. Considers a larger set of data on the same basis across a 1 year period to provide a more current view and to define the tactical asset allocation.

The tactical asset allocation is tested against industry forecasts to add a forward-looking component to what, until this point, is merely historical data.
3. Manager research, selection and configuration
Each asset class is assessed to define the likely outperformance that can be achieved by using active strategies over passive index approaches. A decision is made on active or passive for each category. Passive index managers are selected based on cost, liquidity, and operational efficiency. Active managers are filtered using third party research and then selected based on adherence to stated investment objectives, stability, and overall portfolio success.
4. Portfolio Implementation
Execution of portfolio implementation tasks is communicated to the administrator, monitored and reconciled against the execution request in a live market environment.
5. Ongoing monitoring and due diligence
The data that drives the process is based on daily rolling figures. Given that the data is based on a ten year and a one year data set rapid or significant changes are unlikely. Data is analysed on a monthly basis and the portfolio is rebalanced to the ideal allocation quarterly, or sooner if required.

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 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.

AZ Sestante

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