

Quarterly performance report

Mason Stevens Select Opportunities Fund

December 2019

Investment objective & strategy

The Mason Stevens Select Opportunities Fund targets returns in excess of 5.0% pa above the RBA cash rate (after fees and expenses) through an actively managed portfolio of domestic and international securities. It is for wholesale investors only.

Fund performance as at 31 December 2019¹

	1mth	3mths	6mths	1yr	Incep (Ann)	Inception (Cum)
	(%)	(%)	(%)	(%)	(%)	(%)
Fund return	-0.85	0.12	2.50	7.19	4.50	12.92
Benchmark return	0.06	0.19	0.44	1.17	1.39	3.89
Excess return	-0.92	-0.07	2.06	6.01	3.11	9.04

Pricing

NAV	1.0853
Entry price	1.0886
Exit price	1.0820

Past performance is not a reliable indicator of future performance and may not be achieved in the future.

¹ The Benchmark is the RBA cash rate. Returns are calculated using the exit price (including sell spread), net of fees, assuming reinvestment of distributions and excludes franking credits and are calculated from the Fund's inception date of 27/3/17. Individual returns will vary depending on date of initial investment.

Portfolio & market review

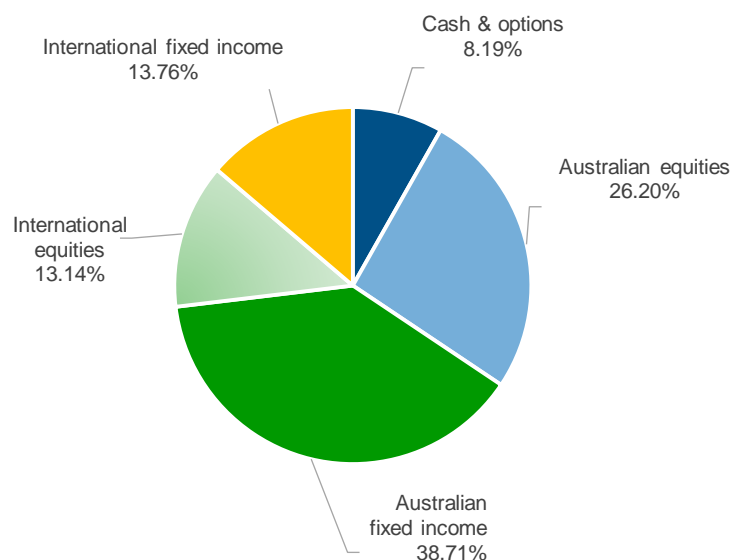
Happy New Year.

The brutal end to the 2018 calendar year seems completely forgotten, as equity markets in particular in calendar 2019 rallied strongly. The issues affecting markets in December 2018 largely abated throughout 2019, as Interest rate expectations reversed their trend aggressively, trade tensions eased and Brexit was finally given the green light. In Australia the markets on balance responded positively post the unexpected domestic election result, although it has been a horrible summer for so many affected by the bushfire crisis.

The fund exceeded the target return over 2019, although the December month was negative due largely to the rally in the AUD/USD cross rate. The AUD rallied 3.7% over the month of December, and, given circa 30% of the fund is invested in USD assets this had a circa -1% impact on performance

At the time of writing the AUD has fallen versus the USD, and the strength in many of the portfolio assets has seen a promising start to the new year.

Portfolio composition



In terms of some underlying holdings, exposure to US Defence stocks such as Lockheed Martin and Raytheon are proving positive at present, as well as CSL, RIO, Sydney Airport and Ali Baba. Many of the fixed income holdings have also benefited from current conditions. Buy and writes over some of the listed REITs have also worked well.

If current market conditions continue, there looks to be plenty of opportunity across the equity and fixed income markets. The view to hold USD assets without any hedge remains unchanged.

We hope to replicate or exceed the performance of calendar 2019, cognisant of managing volatility.

Thank you for your support and all the best for 2020!

Chris Alcott, Investment Manager

Top five holdings

- 1 Cash
- 2 REDS 2018-1 Mortgage Tranche E
- 3 BHP Billiton Limited
- 4 Grab Holding Inc
- 5 Xiaoju Kuaizhi (Didi)

Portfolio statistics

Equity holdings	27
Fixed income positions	34
Open option positions	14
Fixed income holdings – interest rate duration (yrs)	1.52

Key features

Minimum investment	A\$100,000
Additional minimum investment	A\$25,000
Suggested investment timeframe	3-5 yrs
Distributions	Annual

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