

Quarterly performance report

31 December 2019

Mason Stevens Concentrated Global Equity Managed Portfolio

The Mason Stevens Concentrated Global Equity Managed Portfolio is offered via a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

Performance as at 31 December 2019¹

	1 mth(%)	3 mths (%)	1 year (%)	Since incep (%pa)
Portfolio	0.08	4.82	30.84	16.83
Benchmark	-0.82	4.29	28.02	14.02
+/- Return	0.90	0.53	2.82	2.81

Top five holdings %

CASH	Cash	7.25
BABA	Alibaba Group	6.64
GOOG	Alphabet Inc	6.56
LMT	Lockheed Martin Corp	6.17
SMSN	Samsung Electronics Co	6.08

Market and portfolio review

Happy New Year.

The brutal end to the 2018 calendar year seems completely forgotten, as equity markets 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 election result, although it has been a horrible summer for so many affected by the bushfire crisis.

The portfolio exceeded the target return over 2019, a very pleasing outcome given the market strength.

Throughout the year, we reduced some overweight positions and introduced some new holdings. The addition of US Defence stocks earlier in the year proved particularly positive as Lockheed Martin, Northrop Grumman and Raytheon all rallied strongly. In addition, long term holdings in Facebook, Alibaba and Alphabet had substantial price appreciation over the year, and Tencent holdings bounced back after a difficult 2018.

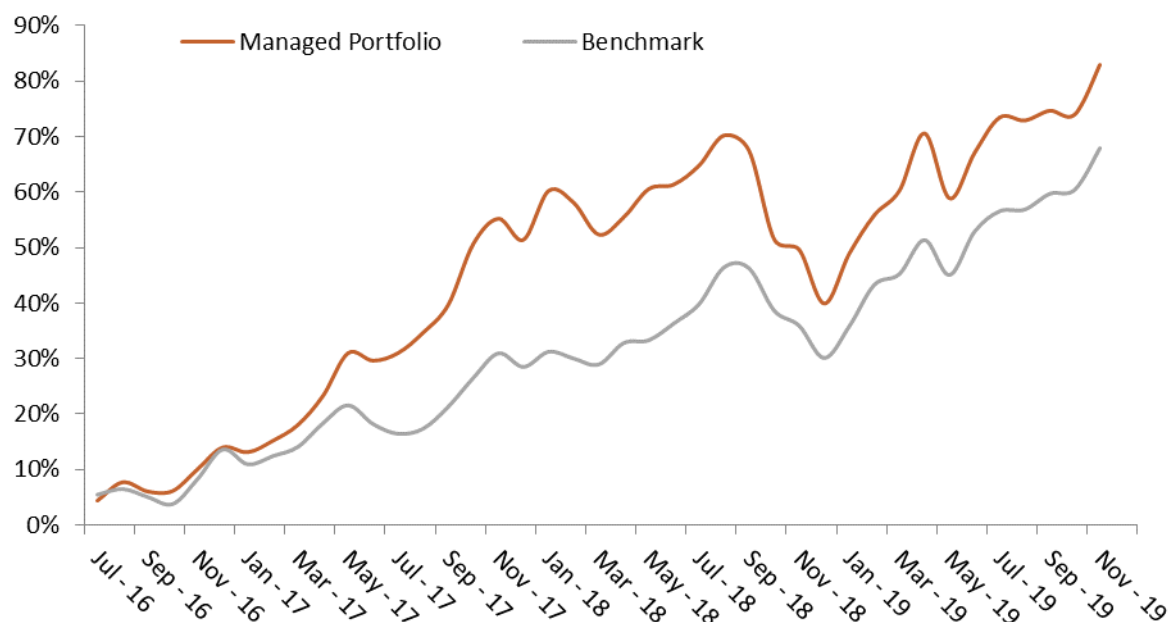
As market conditions change and company-specific issues arise, portfolio changes will continue to be reviewed and adjusted.

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

Chris Alcott - Investment Manager

¹ The Managed Portfolio Benchmark is the MSCI® World Net Total Return Index (\$A). Returns are calculated net of management, performance, administration/custody and transaction fees, but excluding any adviser fees from the Managed Portfolio's inception date of 10 February 2016, and assumes reinvestment of all income (but not franking credits). Returns are based on the theoretical performance of a portfolio which implemented the Managed Portfolio from the inception date based on simplifying assumptions and stock weightings. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, contributions and withdrawals, fees and any customisations. Past performance is not a reliable indicator of future performance and may not be achieved in the future. Each client should also take into account their own taxation situations. All information provided in this Report is correct as at the date of this Report.

Cumulative performance since incep¹



Investment objective & strategy

The Managed Portfolio aims to outperform the MSCI® World Net Total Return Index (\$A) on a rolling 3-year basis after fees and expenses by investing in an actively managed portfolio of direct global equities. Direct equities can be denominated in any currency.

The Managed Portfolio will generally form part of the international equity component of an investor's investment portfolio and may be suitable for investors seeking to generate returns through investing in international equities over at least a 3-year period.

The underlying investments are selected for inclusion in the Managed Portfolio based on their risk-adjusted return opportunity. To create a balance of risk, return and, to a certain extent, liquidity in the portfolio, the Program Adviser will use the following investment criteria as part of the risk management process:

- Maximum exposure to any single security is limited to 15% of the assets of the portfolio, and
- Cash can be up to 15% of the value of the portfolio.

Key features & details

Investment universe	Securities listed on global stock exchanges and cash.
Investment objective	Aims to outperform the MSCI World Net Total Return Index (\$A) on a rolling 3-year basis (after fees)
Benchmark	MSCI® World Net Total Return Index (\$A)
Number of investments	10-20 securities
Max individual security weighting	15%
Min investment amount	A\$50,000
Suggested timeframe	3-5 years +

Portfolio management

The Managed Portfolio is managed by Mason Stevens Asset Management Pty Limited (MSAM) as the Program Adviser. MSAM is part of the Mason Stevens group of companies.

Investment decisions are governed by an Investment Committee that ensures the appropriate discipline and rigour is applied to the investment process.

Investment team

Chris Alcott

Portfolio Manager, Managing Director – Investment Solutions

Other members of the team include: Vincent Hua, Chief Investment Officer; Aaron Rayner, Head of Dealing; Darren Letts, Dealer; Roman Gerber, SMA Manager.

About Mason Stevens

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for advisers and their clients. Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting

More information

Further information about the Portfolio, including fees and costs, is outlined in the Mason Stevens Concentrated Global Equity Managed Portfolio.

Contact

Investors

Please speak
to your adviser

Advisers

T 1300 988 878

E info@masonstevens.com.au

W masonstevens.com.au