

Investment Partners Managed Portfolios Issue date: September 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 Investment Partners Pty Ltd ACN 153 990 697. Investment Partners is a Corporate Authorised Representative of BLicensed Pty Ltd, ABN 34 085 532 252 AFSL 318930, 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 Investment Partners 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

INVESTMENT PARTNERS GLOBAL EQUITIES PORTFOLIO			
Investment manager	Investment Partners 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.		
Portfolio Manager	GuardCap		
Inception date	May 2020		
Holding limit	Up to 50% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).		
Investment objective	To outperform the MSCI All Country World Index Net Total Return (AUD) over rolling 5 year periods.		
Investment strategy and approach	The Portfolio Manager is a bottom-up stock investor that aims to give exposure to a concentrated portfolio of stocks each of which is assessed to have significantly better and more sustainable growth and quality characteristics than the market average, but which are not overhauled at the time of purchase. The portfolio seeks to deliver absolute returns over the long term (five to ten years). The Managed Portfolio invests in a selection of companies within the MSCI World Index that have been identified by the portfolio manager as having under-recognised growth potential.		
Designed for	The portfolio is designed for investors with an investment horizon of five or more years, who are seeking both long term capital growth and some income from a concentrated portfolio of global equities.		
Benchmark Return	MSCI All Country World Index Net Total Return (AUD)		
Indicative number of securities	15-30		
Asset allocation¹	Asset class	Target weight %	Allocation range %
	International equity	95	75-97
	Cash ²	5	3-25
Investment universe	Global listed securities and cash		
Maximum single security or fund weighting	10%		
Minimum suggested timeframe	5+ years		

INVESTMENT PARTNERS GLOBAL EQUITIES PORTFOLIO (cont)

Minimum initial investment	\$75,000
Minimum additional investment	\$25,000
Minimum redemption amount	\$25,000
Derivative restrictions	The investment manager does not use derivatives directly. Underlying managed funds may utilise derivatives.
Investment manager fee	1.44% p.a.
Indirect cost ratio	Nil
Performance fee	22% The investment Performance Fee is payable on the amount of outperformance of the benchmark and is subject to a high-water mark. This fee is calculated half yearly and charged to your Managed Account. Refer to the Additional explanation of fees and costs section in the Mason Stevens Global Investment Services Guide for further information.
Standard risk measure	6 - High The estimated likelihood of a negative return is 4 to less than 6 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 Super 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.

INVESTMENT PARTNERS AUSTRALIAN EQUITIES PORTFOLIO

Investment manager	Investment Partners 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	May 2020		
Holding limit	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).		
Investment objective	To outperform the S&P/ASX 200 TR Index over rolling 7-year periods.		
Investment strategy and approach	The investment strategy involves selecting high quality companies and buying and holding them for the long term. Companies are evaluated through a proprietary stock selection process which aims to deliver a more stable and reliable after-tax return for the traditional long-term investor in Australian shares. Additionally, the portfolio is diversified by company, sector and earnings source to reduce risk.		
Designed for	The portfolio is designed for investors who: <ul style="list-style-type: none"> • Are primarily seeking a capital growth from a portfolio of Australian stocks; and • Are seeking some income via dividends and franking credits. 		
Benchmark return	S&P/ASX200 TR Index		
Indicative number of securities	15-35		
Asset allocation¹	Asset class	Target weight %	Allocation range %
	Australian equity	90	50-98
	Cash ²	10	2-50
Investment universe	Securities primarily selected from the S&P/ASX 200 Index (a small number of investments may also be chosen from the S&P/ASX All Ordinaries Index - limited to 30% of total portfolio value) and cash. The portfolio does not invest in derivatives.		
Maximum single security or fund weighting	10%		
Minimum suggested timeframe	7+ years		

INVESTMENT PARTNERS AUSTRALIAN EQUITIES PORTFOLIO (cont)

Minimum initial investment \$20,000

Minimum additional investment \$15,000

Minimum redemption amount \$15,000

Derivative restrictions The investment manager does not use derivatives directly. Underlying managed funds may utilise derivatives.

Investment manager fee 1.00% p.a.

Indirect cost ratio Nil

Performance fee Nil

Standard risk measure 6 - High

The estimated likelihood of a negative return is 4 to less than 6 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 Super 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.

INVESTMENT PARTNERS HIGH GROWTH AUSTRALIAN EQUITIES PORTFOLIO

Investment manager	Investment Partners		
	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	May 2020		
Holding limit	Up to 50% of your portfolio (other than the minimum cash requirement).		
Investment objective	To outperform the All Ordinaries (TR) Index over rolling seven-year periods before fees.		
Investment strategy and approach	<p>Investment Partners investment strategy involves selecting high quality companies and buying and holding them for the long term. Companies are evaluated through a proprietary stock selection process which aims to deliver a more stable and reliable after-tax return for the traditional long term investor in Australian shares.</p> <p>The portfolio aims to deliver a return superior to the Australian Equities Managed Portfolio over the medium to long term through the selection of securities with higher risk/reward characteristics and with potentially higher volatility in the short to medium term.</p>		
Designed for	<p>The Investment Partners High Growth Australian Equities Portfolio is designed for investors who:</p> <ul style="list-style-type: none"> • Are primarily seeking above average capital growth from a portfolio of Australian stocks; and • Have a higher tolerance to investment risk.. 		
Benchmark return	S&P/ASX All Ordinaries (TR) Index		
Indicative number of securities	15-35		
Asset allocation¹	Asset class	Target weight %	Allocation range %
	Australian equity	90	50-98
	Cash ²	10	2-50
Investment universe	The portfolio comprises securities selected from the All Ordinaries Index and cash. The portfolio does not invest in derivatives.		
Minimum single security weight	2%		
Maximum single security or fund weighting	10%		
Minimum suggested timeframe	7+ years		

INVESTMENT PARTNERS HIGH GROWTH AUSTRALIAN EQUITIES PORTFOLIO (cont)

Minimum initial investment \$20,000

Minimum additional investment \$15,000

Minimum redemption amount \$15,000

Derivative restrictions The investment manager does not use derivatives directly. Underlying managed funds may utilise derivatives.

Investment manager fee 1.00% p.a.

Indirect cost ratio Nil

Performance fee 22%

The investment Performance Fee is payable on the amount of the outperformance of the benchmark and is subject to a high water mark. This fee is calculated half yearly and charged to your Managed Account. Refer to the Additional Explanation of Fees and Costs section in the Masons Stevens Global Investment Services Guide for further information.

Standard risk measure 6 - High

The estimated likelihood of a negative return is 4 to less than 6 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 Super 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.

INVESTMENT PARTNERS YIELD PORTFOLIO

Investment manager	Investment Partners 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	May 2020		
Holding limit	Up to 100% of your portfolio (other than the minimum cash requirement)		
Investment objective	To achieve an income return 1% above the RBA cash rate. The portfolio also aims to exhibit lower capital volatility than a standard Australian Equity Portfolio.		
Investment strategy and approach	Fundamental analysis and valuation of listed income securities with a focus on listed “hybrid” securities and other listed high yield securities with lower risk.		
Designed for	The Investment Partners Yield Portfolio is designed for investors seeking a strategy of capital preservation and income through the selection of high quality, income generating investments.		
Benchmark return	RBA cash rate +1% p.a.		
Indicative number of securities	5-20		
Asset allocation¹	Asset class	Target weight %	Allocation range %
	Australian fixed income	90	60-98
	Cash ²	10	2-40
Investment universe	Listed securities (with a focus on income yield) including bonds, hybrid securities, floating rate notes, listed managed funds, exchange traded funds and cash. The portfolio also has the ability to invest in unlisted bonds. The portfolio does not invest in derivatives.		
Maximum single security or fund weighting	20%		
Minimum suggested timeframe	5-7+ years		

INVESTMENT PARTNERS YIELD PORTFOLIO (cont)

Minimum initial investment \$20,000

Minimum additional investment \$10,000

Minimum redemption amount \$10,000

Derivative restrictions The investment manager does not use derivatives directly. Underlying managed funds may utilise derivatives.

Investment manager fee 0.57% p.a.

Indirect cost ratio Nil

Performance fee Nil

Standard risk measure 3 - Low to medium

The estimated likelihood of a negative annual return is 1 to less than 2 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 Super 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

INVESTMENT PARTNERS

Investment Partners is a privately owned research business established by professionals for their clients. The business started in 1993. Their core service is the provision of investment advice. Investment strategies are tailored to individual needs and the Portfolio Managers and Private Client Advisers consider individual investment objectives, risk profile, volatility tolerance, time horizon and financial objectives before making any recommendations.

Investment Partners (IP) is focused solely on investment management with the other Beresfords Group companies providing financial planning (Beresfords Financial Planning), SMSF administration (BSelfmanaged), insurance (BCovered) and lending advice (BFinanced).

The Investment Sub-Adviser has appointed GuardCap Asset Management Limited (GuardCap) as the Portfolio Manager to the Investment Partners Global Equities Portfolio. GuardCap is responsible for the management and investment decisions of the Investment Partners Global Equities Portfolio.

GuardCap is exempt from the requirement to hold an Australian Financial Services License under the Corporations Act 2001 in respect of the financial services described in this document. GuardCap is authorised and regulated by the UK Financial Conduct Authority under United Kingdom Laws.

GuardCap is a specialist investment company based in London, United Kingdom. GuardCap is focused solely on managing concentrated, bottom-up, global equities strategies constructed on an “index-agnostic” basis for investors. GuardCap is a wholly-owned subsidiary of Guardian Capital Group Limited, a Canadian group founded in 1962 and whose shares are quoted on the Toronto Stock Exchange. For further information on GuardCap please refer to guardcap.co.uk

INVESTMENT PHILOSOPHY

The investment methodology employed by Investment Partners seeks to identify high quality companies that are in a superior position to deliver more stable and reliable returns over the long term.

The priority for the research team is to be open to as many opportunities as possible so that we identify new trends and shifts in existing trends early. Ideas are sourced from external research houses, Bloomberg, inhouse quantitative analysis, and the internal Investment Partner’s research team.

The most compelling opportunities then go through a detailed internal evaluation process. We are looking for quality business that can earn a good return for our investors.

Included in the analysis is The Porter Model’s “five forces” analysis. This is a framework for analysing the level of competition within an industry and how a company is positioned within this competitive environment:

- Threat of new entrants
- Threat of substitutes
- Bargaining power of suppliers
- Bargaining power of buyers
- Industry rivalry

We also do a PEST analysis. PEST analysis (Political, Economic, Social and Technological) considers a framework of macro-environmental factors. It is a strategic tool for understanding market growth or decline, business position and direction for operations.

INVESTMENT STRATEGY AND PROCESS

Each Model Portfolio is updated following fundamental analysis and valuation of listed ASX equities. Securities are filtered based on certain quant filters. Final portfolio constituents are selected based on total portfolio risk and return considerations.

Core Investment Principles:

- IP applies these core principles when managing portfolios.

Quality:

- High quality businesses typically deliver more stable and predictable outcomes for investors. IP’s research effort is especially focused on the sustainability of the business model, balance sheet strength and management capability.

Net Return:

- While the gross return on assets is often the centre of attention, it is the net return that investors actually value. Net return is what’s left when all fees, expenses, taxes and inflation have been accounted for. For Investment Partners, as with their clients, net return is IP’s primary focus.

Conviction:

- Portfolios are constructed purely on the merits of each individual company. IP take high conviction positions in leading businesses that have delivered consistent returns over time.

IP’s investment strategy involves selecting high quality companies and buying and holding them for the long term. Companies are evaluated through a proprietary stock selection process which aims to deliver a more stable and reliable after-tax return for the traditional long-term investor in Australian shares. Additionally, the portfolio is diversified by company, sector and earnings source to reduce risk.

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.

Investment Partners

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