

Mason Stevens Concentrated Global Equity Managed Portfolio

Performance Report as at 30 June 2020



The Mason Stevens Concentrated Global Equity Managed Portfolio is offered via a Managed Discretionary Account (MDA).

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 Investment Sub-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.

Fund performance as at 30 June 2020¹

	1mth (%)	3 mths (%)	1yr (%)	3yr (%)	Annualised Since incep (%pa)
Portfolio	-0.24%	5.80%	9.77%	12.26%	14.83%
Benchmark	-1.06%	5.71%	4.65%	10.62%	11.31%
Excess Return	0.82%	0.09%	5.12%	1.63%	3.52%

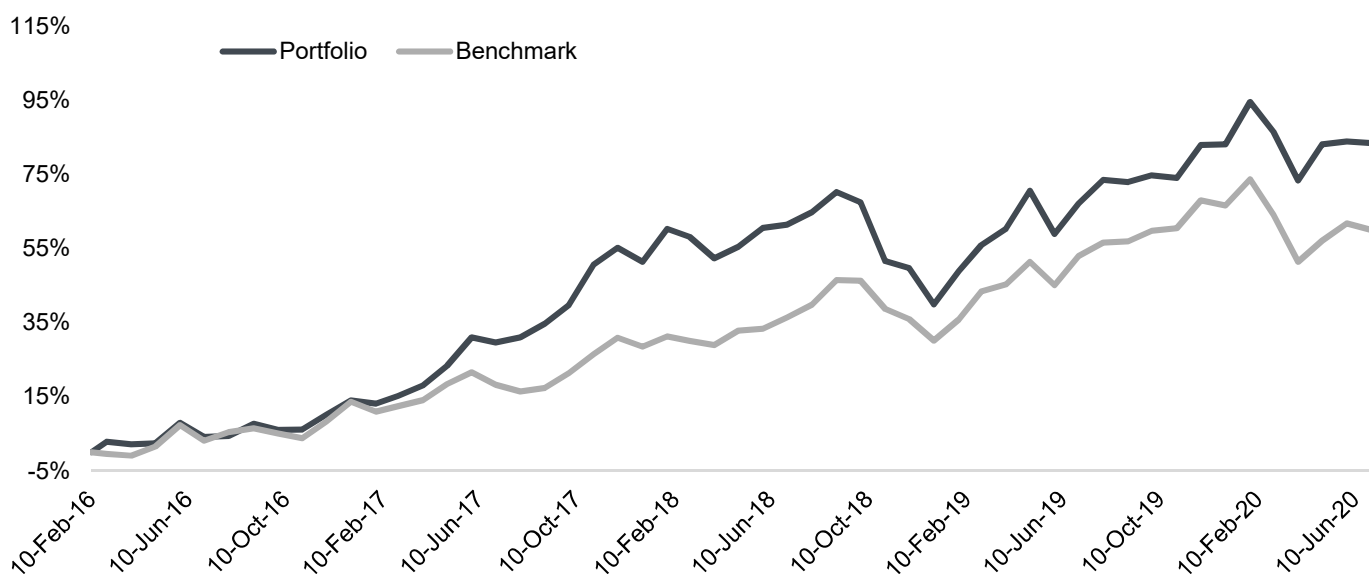
Top 5 Holdings

		%
GOOG	Alphabet Inc C	8.4%
BABA	Alibaba Group	7.8%
MA	Mastercard	7.3%
HD	Home Depot	6.9%
MSFT	Microsoft	6.7%

Past performance is not a reliable indicator of future performance.

The Managed Portfolio Benchmark is the MSCI® World Net Total Return Index (\$A). Portfolio 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. 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 but without independent verification.

Performance since inception



Portfolio and market returns

The last quarter has seen the economy and markets continue to grapple with the politically led health decision to close western economies.

The economy, and the markets in my view, are operating at three speeds, backwards (eg travel, property, energy, tourism, etc), neutral (eg industrials, pharmaceuticals), forwards (technology, some materials and manufacturing).

The stock indices in the US have recovered strongly off their lows, driven by the large technology stocks. However, many sectors and stocks continue to trade at or near March lows. The challenge when investing in equities is to assess each of these recent winners and losers in terms of their valuations. The multiples some technology stocks demand is quite eye watering, although momentum continues to push stock prices higher. In addition, the multiples on some of the weaker share prices look cheap, although you need to be cognisant of 'value traps'.

This dichotomy is evident on the current portfolio, with holdings such as Amazon, Microsoft, Tencent, Activision Blizzard, Ali Baba rallying strongly through the quarter, whilst the energy names continue to struggle.

The performance over the last year has been pleasing, particularly given the portfolio held close to its maximum cash weighting of 15% for most of the period. Volatility looks like it may continue into this new financial year as economies and markets grapple with the evolving health situation.

Key Features

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

Chris Alcott, 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

The Managed Portfolio is managed by Mason Stevens Asset Management Pty Limited (MSAM) as the Investment-Sub 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.

More information

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

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.

Contact

Investors please speak to your adviser

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