Mason Stevens OCIO

International Equity Sector Review March 2024

This document is for dealer groups and wholesale or sophisticated clients only.

International Equity Sector Review

Introduction

The Mason Stevens OCIO international equity sector review was completed in March 2024. This was a focused review of who we believe to be the best managers in market across the international equity asset class. This review has in turn informed decisions around managers on the Mason Stevens High Conviction List (HCL). This document details our thoughts on this asset class, the process and outcomes of the review, and summaries of each of the managers.

The subsectors that are covered in the international equity asset class review include:

- **Value** – managers that seek alpha by investing in companies that are typically cheaper than the market average in terms of traditional metrics such a P/Es, Price to Book, and Dividend Yield.
- **Growth** – managers that seek alpha by investing in companies that are typically growing their earnings faster than the market. A subset of this is Growth at a Reasonable Price (GARP), which adds a stronger valuation discipline in the short-medium term.
- **Core** – managers that exhibit neither strong value nor growth characteristics, typically have lower tracking error, and deliver most of their alpha from idiosyncratic stock risk.
- **Quality** – managers that prioritise high quality characteristics above other characteristics. These may include high ROEs, high ROIC, and low debt.
- **Income** – managers that seek to deliver a higher level of income than the benchmark. This may come in the form of higher dividends or in option premiums.
- **Extension** – managers that take both long and short positions but provide a beta 1 like exposure. Typically 130 long and 30 short.
- **Responsible and sustainable investing** – managers with a greater ESG focus in terms of how they invest. We classify managers that typically invest in a relatively benchmark aware way but with strong ESG integration as responsible investing. Those managers that have a heavy focus on sustainability in their philosophy and process, and as a result have high tracking error, benchmark unaware portfolios, are typically classified as sustainable investing.
- **Emerging markets** – managers that have an explicit focus on emerging market equities.
- **Small caps** – managers that have an explicit focus on small or small to mid-cap companies.

Sector commentary

How do you like your Alpha?

Do you expect Alpha from your international equity portfolio? If so, where is it coming from?

The first of these questions is an important one to ask as a baseline, especially in an increasingly concentrated market, where the US constitutes about 70% of global equities, and within the S&P500 the Magnificent 7 stocks (Amazon, Apple, Google, Meta, Microsoft, NVIDIA and Tesla) make up about 30% of the US market. Given this concentration and the level of analyst coverage of both this market and these stocks, it could be argued to be a highly efficient market where passive investing works best.

This dovetails into one of the well documented challenges with active management, which is to actually generate alpha. The majority of active managers do not outperform their benchmarks over time. Historically, this was to a large degree to be expected given fund managers constituted the majority of any given asset class. In such a scenario, mathematically there would inevitably be a significant percentage of active managers who underperformed the market before fees, and an even greater percentage after fees. This point however, has really been highlighted with the huge growth in passive investing, which has offered lower fees and the ability to beat the majority of active managers after fees.

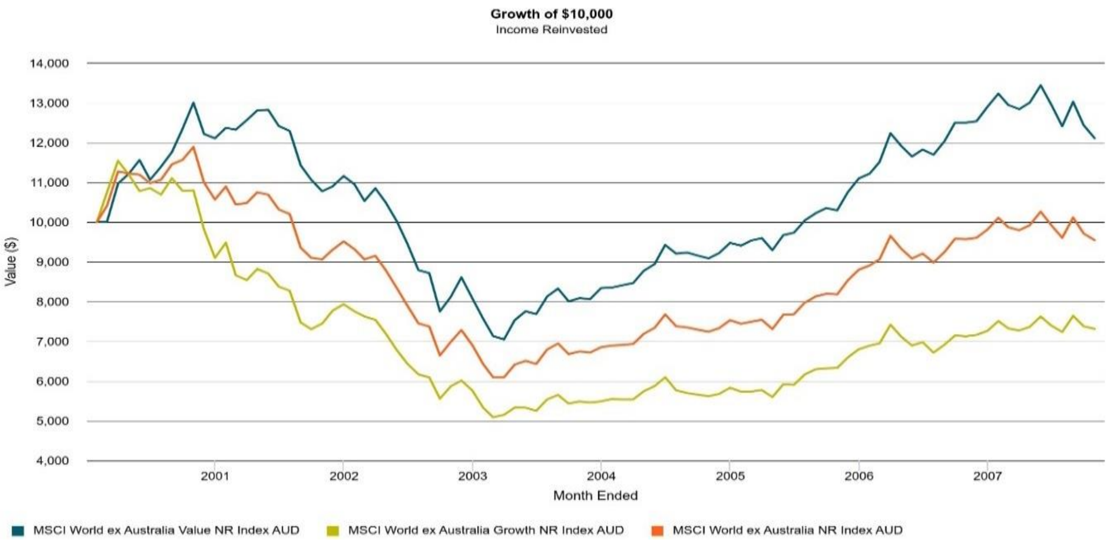
At Mason Stevens we believe there is alpha to be found via active management, but that it requires a highly focused approach in identifying the managers that have and will continue to generate excess returns. This focused approach is effectively likely to represent the top quintile of managers over the long-term. We have a process that through both quantitative and qualitative analysis, we believe more consistently identifies active managers who outperform and/or meet their investment objectives. At the same time we always retain the flexibility to allocate to more passive solutions where we lack conviction in actively managed options available in any given segment or style.

If there is an ability to identify managers with genuine investment skill, the question then becomes ‘where do you expect your alpha to come from?’.

Geography, industry sector, factor (value, growth etc.), thematics and individual stock selection are all sources of potential alpha. In terms of these sources, how consistent, how repeatable, and how many are achievable in one portfolio are all questions that need to be asked when assessing a manager, and when determining what you expect from your international equity portfolio.

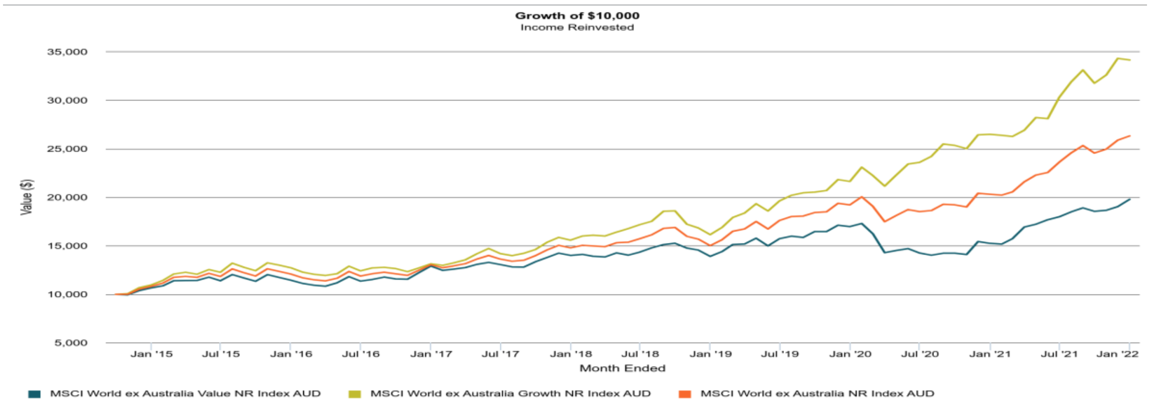
Historically, a large degree of focus when considering global equities managers has been on exposure to specific factors. This may for example be represented by an investment philosophy or style that favours value or growth. We can use these two factors to explore some of the opportunities and risks here. The below charts look at three distinct periods and the performance of the value and growth indices in these eras.

Chart 1: Value Significantly Outperforms Growth Between the Dotcom Bubble and the GFC



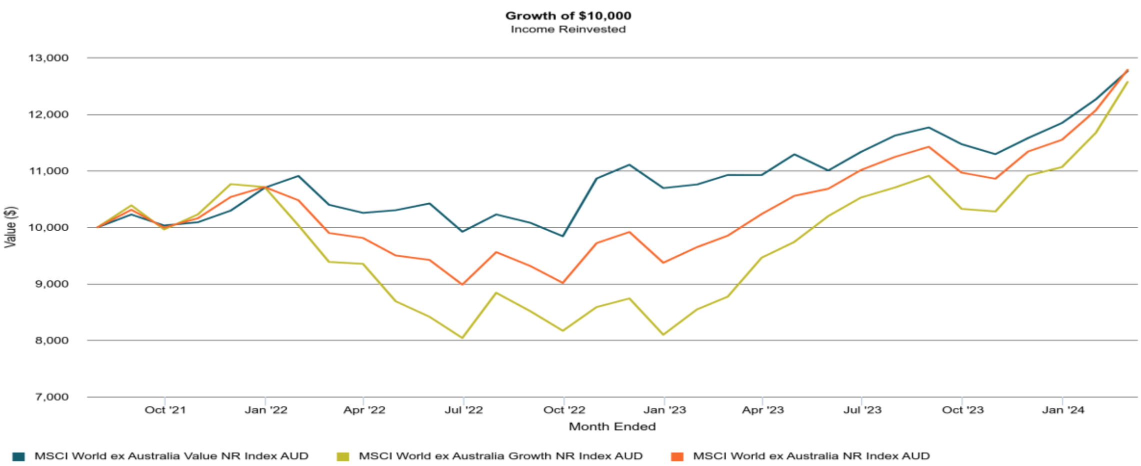
Source: Lonsec

Chart 2: Growth Significantly Outperforms Value in The Era of QE And Ultra Low Interest Rates



Source: Lonsec

Chart 3: Value and Growth Share the Prize in the Last Two and a Half Years



Source: Lonsec

As can be seen from the above, allocating to these styles requires a degree of skill in terms of understanding the market regime you are in, the direction of inflation and interest rates, and therefore how you might allocate. A set and forget approach towards value or growth may result in a decade long period of underperformance.

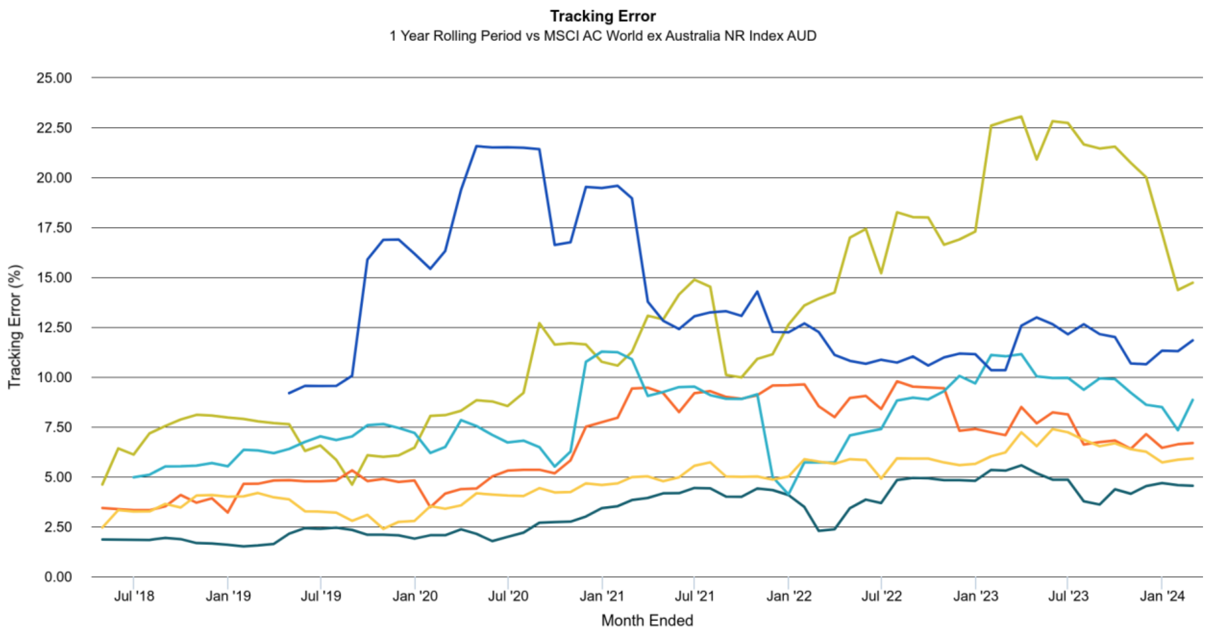
If you do have a view, philosophy, or approach on the particular types of factors you want exposure to, or perhaps a manager that will take meaningful sector and geography positions, then there are relevant managers on our HCL. This includes high quality managers with long term track records of alpha generation, and importantly have the requisite fundamentals in place to continue generating excess returns.

Understanding, however, how these different approaches perform in different parts of the cycle and in different regimes is critical in better understanding when your alpha is likely to be generated, and just as importantly periods where you may underperform.

An alternative to this may be to seek out a core manager. Core managers by definition tend not to have any significant style biases, and importantly also don't tend to take any meaningful country or sector bets. The best core managers generate consistent alpha predominantly via stock selection – effectively picking the best stocks within a given sector/geography.

The below chart looks at the tracking error[1], or the difference in performance vs the MSCI World, of a range of HCL managers. All have a particular style or factor focus, with the exception of the dark green line, which is one of our preferred core managers.

Chart 4: Core Manager Tracking Error vs Factor Influenced Managers



Source: Lonsec

As can be seen, the core manager's tracking error is typically between 2.50%-5% on any given rolling 12 month basis. What this means it is unlikely to significantly underperform or outperform the market. The benefit of this type of strategy, if they can deliver alpha over time, is that you will get something that's always reasonably close to the benchmark return and therefore adds a degree of predictability for your overall

[1] Tracking error is measured as the standard deviation or volatility of excess returns versus a benchmark over time.

portfolio. If you're understandably struggling to come to a strong view as to whether Magnificent 7 stocks truly represent a structural and productivity change in market, or instead are a bubble similar to the Dotcom bubble in the late 90s, then a core manager may be a sensible allocation in removing that question as a decision point and just focusing on delivering the benchmark return plus some alpha.

The downside of course is that you will largely own the market from a sector and geographical perspective and also track closely to the market during a large drawdown. This will differ from a higher tracking error manager who may be able to provide some meaningful downside protection in such an environment.

Alpha in Global Small Caps?

Unlike Australian small caps, where meaningful alpha is the norm, global small caps have been far more challenged in this regard historically. In the Australian market it's not unreasonable to expect a team of 3-4 analysts to wear a lot of boot polish travelling around the country and doing deep, fundamental, company analysis, and from this effort develop insight and an information edge that results in alpha generation. In global small caps this clearly becomes a far greater logistical challenge. Even if a manager just focuses on the US there is a far greater number of stocks for a typically sized small cap team to cover. Obviously if you add other geographies this adds workload and complexity.

The past couple of years however, has seen a strong growth in global small cap managers with a meaningful alpha track record available in market. There are likely two main drivers of that. The first is a number of managers have pushed up into the SMID index – which includes mid-caps alongside smaller companies. This has enabled managers to focus more on well established, great companies that are relatively easier to do research and due diligence on, while at the same time still being small enough that they do not have the level of market coverage to make this space especially efficient i.e. alpha is readily available.

The second piece has been managers coming to market with a greater emphasis on quantitative analysis, for the majority if not all of their investment process. This in effect removes many of the workload and logistical challenges as mentioned in global small caps, while still looking to exploit market inefficiencies that are available.

The result of this is that there are reasonable handful of global small cap managers available now with reasonable track records of alpha generation. Our process has identified two standout managers in that regard.

Scope of Review

There are approximately 350 international equity managed funds available in the local market along with 150 ETFs. Our review process seeks to identify the best in market managers across this broad universe.

Initial Screen

In conducting a review of each asset class, the Mason Stevens process starts with a quantitative screen. Managers within each asset class and sub-asset class are reviewed in terms of performance and ratios within relevant peer groups. For global equities this is done as follows:

- Breakdown the asset class into smaller peer groups – value, core, growth, quality, income, small cap, extension, emerging markets, and social and responsible Investing.
- Consider performance and alpha within peer groups over all timeframes but with a particular focus on 3, 5 and 7 years, which are timeframes that align to managers own stated objectives.
- Look at asset class relevant performance and risk statistics e.g. information ratio, sharpe ratio, tracking error, batting average, active share, turnover, active return and correlation.
- ESG screen – use of Morningstar Sustainalytics to understand exposures and identify any poor performers in this space.
- Cost comparisons – look at total cost ratios in comparison with peers.

This screening process is designed to refine the list of managers under consideration to those where the data is strongly supportive of the manager having a level of investment skill in either alpha generation and/or risk minimisation. Morningstar Direct and Jacobi Analytics are the two main systems used for the quantitative screen.

External Research House Screen

Mason Stevens will review external research house ratings for the asset class as well. This provides a qualitative check on the quant screen process, helping to identify managers for selection or de-selection that a quant screen in isolation may not. The major external research houses provide broad market coverage, detailed qualitative and operational research. Their output is a ratings methodology that clearly identifies their highly rated managers e.g. recommended and highly recommended. This effectively provides us with an expert second opinion, as well as a cross check against the quantitative screen.

Finally, we will on occasion review strategies that meet neither that quantitative or qualitative screening process, due to their newness in market, but where there is evidence of a compelling capability.

Through the quantitative and qualitative process outlined above, there were 40 strategies placed on a short list for detailed due diligence for the international equity review.

Manager Due Diligence

Managers that passed both the quantitative and qualitative screen were engaged to complete a due diligence questionnaire (DDQ). This questionnaire is a detailed set of questions that covers key areas of consideration including more objective and data related areas as well as some open-ended questions. We also request key documents such as the Product Disclosure Statement (PDS)/Investment Memorandum (IM), investment recommendation samples, and the Financial Services Council (FSC) Questionnaire.

Review of this DDQ led to either proceeding with a meeting with the manager or being screened out. Manager meetings are always a multi meeting process with the aim to gain clarity in the following five areas:

- **Objective and philosophy** – What are they trying to achieve and what is the approach they are taking to achieve that? What is the manager's underlying investment philosophy? What's the evidence that this approach works and why do they think they have an information edge vs peers?
- **Organisation and people** – who is the fund manager, portfolio manager and analysts? How experienced are they? How stable has the team been? How well aligned are the team to the end objective of the fund?
- **Investment process** – is idea generation, security selection, portfolio construction and risk management coherent and does it tie back to the objective? We look for critical thinking and a clear view on what their competitive advantage is.
- **Fees** – are the fees competitive within the peer group and are any performance fees aligned to the interests of investors? Do they inhibit the stated objective?
- **Performance** – assessment of performance against objective and against peers, referencing back to quantitative screen process.

Research Process

In going through this research process, the managers were scored against their peers using the following scale across the five areas mentioned previously of philosophy, people, process, price, and performance. The scoring outcome is defined in Table 1.

Table 1: Mason Stevens Manager Selection Rating Process

Individual Component Ratings	Explanation
1	Poor
2	Below average/below peers
3	Investment Grade/In line with peers
4	Recommended/ahead of peers
5	Highly Recommended/significantly ahead of peers
Numerical Scores	**Qualitative Score**
0-2	Sell
2.25 – 2.75	Below average/reduce
3 – 3.5	Investment Grade/Hold
3.75 – 4.25	Recommended/buy
4.5+	Highly Recommended/buy

Source: Mason Stevens OCIO

This scoring process provides a discipline in testing overall impressions, and potentially highlights where more work needs to be done before landing on a final score.

Further information on the Mason Stevens OCIO Managed Fund and ETF Selection Process can be found here.

Review Outcomes

Our scoring noted above drives the outcomes, and typically the top two scoring managers in any given style are the managers added to the HCL. If an insufficient number of active managers meet at least the Recommended score, then that is when we may defer to a rules based or even market cap ETF to fill the style or sub asset class. The outcome from the review was to add the following managers to the Mason Stevens HCL as per Table 2.

Table 2: International Equity funds on the HCL

Product Name	Style/ Segment	Fee discount available for Mason Stevens OCIO Clients?	Available Structures	Retail/ Wholesale
Aoris International	Quality/Growth	Yes	Fund/ Managed Account	Retail
Arrowstreet Global Equity Fund	Core	Yes	Fund	Retail
Arrowstreet Global Small Companies Fund	Small Caps	Yes	Fund	Retail
Barrow Hanley Global Share	Value	Yes	Fund/ETF	Retail
Betashares Global Quality Leaders ETF	Quality/Growth	No	ETF	Retail
EAM Global Small Companies Fund	Small Caps	Yes	Fund	Retail
ECP Global Growth Fund	Growth	Yes	Fund	Wholesale
Epoch Global Equity Shareholder Yield Fund Uhgd	Income	Yes	Fund	Retail
Generation Wholesale Global Share	Responsible Investing	Yes	Fund	Retail
GQG Global Equity Fund	GARP	Yes	Fund	Retail
GQG Partners Emerging Markets Equity Fund - A Class	Emerging Markets	Yes	Fund	Retail
Hyperion Global Growth Companies	Growth	No	Fund/ETF	Retail
IFP Global Franchise Fund II	Quality	Yes	Fund	Retail
Ironbark Royal London Core Global Fund	Core	No	Fund	Retail
Janus Henderson Global Research Growth	GARP	Yes	Fund	Retail
JP Morgan Enhanced Index Equity Active ETF	Core	No	ETF	Retail
Talaria Global Equity	Income	No	Fund/ETF	Retail
Vanguard Global Value Active ETF	Value	No	ETF	Retail
Vinva International Equity Extension Fund	Extension	Yes	Fund	Retail
Warakirri Global Emerging Markets Fund	Emerging Markets	Yes	Fund	Retail

Source: Mason Stevens OCIO

Manager Performance

Below we have performance and volatility numbers for the international equity managers on the HCL. The area that stands out at present is divergence between growth and value over one year, driven by the outsized returns of the Magnificent 7. We would expect this to moderate over the medium term and present greater alpha opportunities across different styles. Where two versions of a fund appear in Table 3, we have included the discounted share class version of the fund our clients have access to, as well as the original fund, which typically has the longer track record.

Table 3: Performance and volatility as at 29 February 2024 for international equity funds on the HCL

Fund	1 Month	3 Months	1 Year	1 Year Volatility	3 Years p.a.	3 Year Volatility p.a.	5 Years p.a.	5 Year Volatility p.a.	7 Years p.a.	7 Year Volatility p.a.
Global Core										
Arrowstreet Global Equity Fund	6.47	13.10	31.53	7.97	15.70	10.66	15.38	10.90	15.09	10.55
Arrowstreet Global Equity No.2 Class I	6.50	13.25	32.15	7.96						
BetaShares Global Quality Leaders ETF	6.95	15.77	39.69	11.24	15.38	15.11	15.74	13.31		
IFP Global Franchise Fund II	5.48	13.09	24.38	10.84	13.26	11.43				
IFP Global Franchise Fund II (Wholsl) W	5.51	13.18	24.74	10.83	13.44	11.41				
Ironbark Royal London Core Glb Sh AUnh	6.54	13.94	33.32	9.30						
JPMorgan Global Rsrch Enh Eqt Actv ETF	6.21	13.15	31.54	9.40						
Vinva Intl Equity Alpha Extension C	6.53	14.60	34.75	10.34						
Benchmark 1: MSCI World Ex Australia NR AUD	5.92	12.74	29.79	9.28	15.19	12.16	13.75	12.12	13.53	11.48
Global Value										
Vanguard Global Value Equity Active ETF	3.38	11.25	16.98	12.50	16.98	14.41	10.78	18.40		
Barrow Hanley Global Share A	3.85	6.98	13.23	7.69	12.69	9.61	11.61	11.64	12.29	11.10
Barrow Hanley Global Share S	3.87	7.06	13.66	7.69						
Benchmark 1: MSCI World Ex Australia Value NR USD	4.07	10.23	16.82	8.29	14.47	10.81	9.30	12.44	9.39	11.47
Global Growth										
Aoris International Fund A	6.79	15.78	37.14	11.33	23.33	16.64	17.33	15.65		
Generation Global Share	7.40	14.94	28.51	14.21	9.93	15.27	12.10	15.24	14.28	13.94
GQG Partners Global Equity Fund	12.12	24.00	49.11	13.35	23.15	13.04	18.47	11.68		
GQG Partners Global Equity Z	12.12	24.03	49.33	13.34	23.40	13.05				
Hyperion Global Growth Companies B	11.24	16.73	62.69	19.65	9.83	24.97	17.72	21.73	20.08	19.54
Janus Henderson Global Rsrch Gr	7.81	16.94	43.84	12.63	16.06	15.60	17.01	14.41	16.83	13.48
Benchmark 1: MSCI World Ex Australia Growth NR USD	7.70	15.17	43.31	12.88	15.12	16.61	17.47	14.75	17.15	13.89
Global Emerging Markets										
Warakirri Global Emerging Markets	3.92	4.72	12.04	10.06	1.10	12.04				
GQG Partners Emerging Markets Equity	7.09	19.42	47.66	9.44	8.02	12.15	12.59	11.43		
GQG Partners Emerging Markets Equity Z	7.11	19.48	47.87	9.45	8.29	12.15				

Benchmark 1: MSCI EM NR AUD	6.35	5.70	12.61	10.18	-0.73	11.97	3.71	12.13	6.21	11.56
Global Small Caps										
Arrowstreet Global Small Coms No.2 I	7.36	16.61								
EAM Global Small Companies Fund	9.83	16.99								
Benchmark 1: MSCI World Ex AUS Small Cap NR AUD	5.01	12.26	12.74	12.61	6.73	12.82	8.90	14.72	9.74	14.02
Global Low Volatility										
Talaria Global Equity	-1.14	2.33	12.07	5.83	13.20	6.10	9.50	7.94	9.39	7.74
Benchmark 1: MSCI World ex Aus Min Vol (AUD) NR LCL	1.26	5.11	10.61	8.91	6.63	11.97	6.22	12.62	6.70	11.53
Global Dividend Yield										
Epoch Gbl Eq Shldr Yld Uhgd B	3.57	9.50	15.19	7.59	14.16	10.19				
Epoch Gbl Eq Shldr Yld Fd Uhgd	3.56	9.43	14.87	7.59	13.82	10.18	8.21	11.13	8.37	10.54
Benchmark 1: MSCI World High Dividend Yield NR USD	2.36	7.64	15.28	7.61	13.24	9.94	8.55	10.18	9.24	9.71

Source: Morningstar

Past performance is not a reliable indicator of future performance.

Manager Summaries

Aoris International Fund

	Aoris International Fund
Summary	A concentrated, fundamental portfolio of 10-15 stocks with a focus on quality.
Objective	Aims to deliver 8-12% p.a net of fees over the market cycle.
People	Led by founder and CIO, Stephen Arnold, who has over 30 years experience and has been running this strategy for over a decade. Arnold is supported by Co-PM Alfred Tadros and further team of 4 analysts.
Processes	» Key focus on quality of the business – quantitative screen excludes sectors such as banks, resources, utilities and telcos. ROIC greater than 8% p.a., leverage less than 2.5 x net debt to EBITDA - Universe of circa 250 stocks » Further consideration of market share gain, organic growth, geographic and customer breadth results in an approved list of circa 65 stocks – 15 stocks in the portfolio, and 25 each on an A list (portfolio ready) and a B list (additional work required). » Valuations considered as multiple on trailing cash earnings – fair value typically around 20 X Free cash flow yield » Discount to fair value drives the position in the portfolio with a hard limit of 10% per stock
Fees*	1.50% p.a. (20bps rebate results in an effective cost of 1.30% p.a.)

Source: Mason Stevens OCIO

Arrowstreet Global Equity Fund

	Arrowstreet Global Equity Fund
Summary	Quantitative diversified portfolio of 200-800 stocks that seeks to generate alpha from value, quality, and momentum signals.
Objective	Outperform the MSCI AC World by 3% p.a. gross of fees on a rolling 3-5-year basis.
People	Large team of 28 of which 12 are dedicated researchers. Led by CIO Peter Rathjens, who co-founded the firm and has been there for 24 years.
Processes	» Employs a range of proprietary signals across valuation, momentum, quality, catalysts, extreme sentiment and high frequency » Research focus is on relevant but less obvious information e.g. look at indirect information across sector, country, and basket and how it influences a given stock price. Most signals typically provide around a 6-week forecast on stock prices » Control the portfolio for any significant sector or factor exposures so that it is core in style over time.
Fees**	0.75% p.a. (Managed Account Fee Class)

Source: Mason Stevens OCIO

Arrowstreet Global Small Companies Fund

	Arrowstreet Global Small Companies Fund
Summary	Quantitative diversified portfolio of 200-400 small cap stocks that seeks to generate alpha from value, quality, and momentum signals.
Objective	Outperform the MSCI AC World Small Cap ex Aus Index by 4% p.a. gross of fees on a rolling 5-year basis.
People	Large team of 28 of which 12 are dedicated researchers. Led by CIO Peter Rathjens, who co-founded the firm and has been there for 24 years.
Processes	» Employs a range of proprietary signals across valuation, momentum, quality, catalysts, extreme sentiment, and high frequency – efficiency and liquidity also modelled for small caps stocks. » Research focus is on relevant but less obvious information e.g. look at indirect information across sector, country, and basket and how it influences a given stock price. Most signals typically provide around a 6 week forecast on stock prices. » Control the portfolio for any significant sector or factor exposures so that it is core in style over time.
Fees**	0.95% p.a. (Managed Account Fee Class).

Source: Mason Stevens OCIO

Barrow Hanley Global Share Fund

	Barrow Hanley Global Share Fund
Summary	A benchmark unaware, fundamental value manager the invests in a portfolio of 50-70 stocks
Objective	Outperform the the MSCI World by 2% p.a. on rolling 5-year basis.
People	Barrow Hanley are highly experienced and cohesive team. The 3 PMs – Brad Kinkelaar, Cory Martin, and David Ganucheau – all have 30 years experience and at least 7 years at the firm. They are supported by a team of 30.
Processes	» Barrow Hanley have a long standing philosophy and approach – bottom-up stock research to identify companies trading at trough multiples, but with the ability to re-rate on earnings, margins, or capital efficiency. » Look to identify stocks trading at least a 30% discount to intrinsic value. » Key to this process, however, is also identifying companies with an asymmetric risk profile and minimal downside through different scenarios to avoid value traps. » At an overall portfolio level the manager ensures they maintain typically at least a 35% allocation to both quality value stocks and deep value stocks. While this is predominantly also driven by the bottom-up analysis it also ensures the strategy is more consistent through both risk-on and risk-off cycles.
Fees**	0.75% p.a. (Managed Account Share Class)

Source: Mason Stevens OCIO

BetaShares Global Quality Leaders ETF

	BetaShares Global Quality Leaders ETF
Summary	A diversified portfolio of 150 global stocks with strong quality characteristics.
Objective	The fund aims to track the Istoxx MUTB Global Ex Aus Quality Index before fees
People	Betashares are a leading ETF provider in Australia. Louis Crous is the CIO and has been with BetaShares for 14 years and is supported by a team of 7.
Processes	» The underlying index ranks stocks in terms of ROE, Financial Health (Total Debt divided by the sum of Equity and Debt), Cash Flow, and Business Stability (volatility of earnings). » A weighted score across these four metrics results in the top 150 stocks that make up the index. » Stock weights are capped at a maximum of 2%. » The manager full replicates this index.
Fees	0.35% p.a.

Source: Mason Stevens OCIO

EAM Global Small Companies Fund

	EAM Global Small Companies Fund
Summary	A blended quantitative and fundamental portfolio of typically 100-150 small cap stocks that seeks to generate alpha through an informed momentum approach.
Objective	Outperform the MSCI AC World Small Cap ex Aus Index by 4% p.a. gross of fees on a rolling 5-year basis.
People	This strategy is led by Travis Prentice, who co-founded the firm in 2007. He is supported by co-PMs Nick Dame and Adam Rubin. All 3 have been working together since 2017. They are supported by a broader team of 12.
Processes	» The philosophy and approach is focused on generating alpha via informed momentum. » Momentum as a factor has generated long term alpha in equity markets – informed momentum refines this and includes trading volumes, price strength, estimate and earnings revisions – creates a list of stocks for review. » The fundamental research focuses on whether there is a fundamental reason for the price momentum – innovation, improved management, improving market etc. Approx only 10-15% of stocks from list are invested in. » Max of 2% per stock and country and sector weights limited to 20% of portfolio risk.
Fees*	0.98% p.a. (Rebate of 20bps gives an effective fee of 0.78% p.a.).

Source: Mason Stevens OCIO

ECP Global Growth Fund (Wholesale Only)

	ECP Global Growth Fund
Summary	A concentrated, fundamental portfolio of 30-45 stocks with a focus on revenue growth. Mid cap bias.
Objective	Outperform the MSCI World 2% p.a. over rolling 5 year cycles
People	A highly experienced team led by Manny Pohl and Jared Pohl, who co-founded the business in 2012, having left Hyperion. Overall investment team of 11.
Processes	» Key focus on quality of the business – screening in terms of Sales Growth, ROIC, ROE, and interest coverage results in a universe of circa 130 stocks. » Consistent and transparent internal investment process encourages team involvement across all stocks and ensures that valuation methodologies are consistently applied. » 18 factors are consistently considered when evaluating a company across industry, business model, competitive positioning, competitive advantage, ESG, management, and financial quality. » Companies are valued with a 10 year IRR, with industry averages applied after the 5th year. IRR drives initiation, weight and the sell discipline.
Fees**	0.60% p.a. (managed account share class)

Source: Mason Stevens OCIO

Epoch Global Equity Shareholder Yield Fund

	Epoch Global Equity Shareholder Yield Fund
Summary	A portfolio of 100 stocks with a focus on companies generating sustainable shareholder yield via dividends, buybacks, and debt reduction.
Objective	Targeting 9% p.a. over the cycle with a substantial portion coming from dividends.
People	Based in New York, this long standing strategy is led by Kera Van Halen and John Tobn, and supported by a broader team of 44.
Processes	» The manager targets a 9% p.a. return through the cycle via cash dividends (4.5%), buybacks and debt reduction (1.5%) and operating cash flow growth (3%). » Bottom-up stock research is focused on companies with strong free cash flow yield and a strong discipline in terms of capital allocation policy. » Portfolio construction limits stock positions to 2.5% and any sector to a maximum of 25%.
Fees**	0.85% p.a. (Managed Account Fee Class).

Source: Mason Stevens OCIO

Generation Wholesale Global Share

	Generation Wholesale Global Share
Summary	A concentrated, fundamental portfolio of 30-60 stocks with strong focus on sustainability.
Objective	Aims to outperform the MSCI World Ex Aus by 3% gross of fees on a rolling 3 year basis
People	Founded by Al Gore and David Blood in 2004, the team has expanded to 26. This strategy is managed by Mark Ferguson and Miguel Nogales, who have both been with Generation for 19 years.
Processes	» Sustainability is a key focus throughout. No separate ESG team but instead embedded throughout the process. » Investment Process starts with Industry Roadmaps, which examines how industries will be impacted by sustainability issues – identification of winners and losers, and therefore stocks to do more research on. » Stock research focused on Business Quality and Management Quality – assessment on these two factors are scored out of 5, and need to be 4 on both to be considered for portfolio inclusion. » Valuations vary by analysts and industry but with a consistent discount rate and a focus on 5 years valuations. » Maximum stock position of 10%.
Fees*	1.22% p.a. (20bps rebate means effective fee of 1.02% p.a) + 20% performance fee above benchmark

Source: Mason Stevens OCIO

GQG Emerging Markets Fund

	GQG Emerging Markets Fund
Summary	A fundamental 50-80 stock Emerging Market portfolio with a focus on earnings and a quality/growth bias.
Objective	Outperform the the MSCI EM by 2-3% p.a. net of fees over the cycle.
People	Team of 21 led by Rajiv Jain, who founded the firm 6 years ago. Formally CIO at Vontobel. Majority owned by employees. Analysts include former investigative journalists.
Processes	» Focus on quality through both the initial screening process using traditional metrics – ROE, ROA, low debt. » Then focus on a more qualitative, forward-looking assessment of the company's future and business model strength. » Consistent DCF process used by all analysts with 5 year forecasts. Discount of 33% typically required to be considered for portfolio inclusion. » Portfolio Construction is bottom-up but there is a max 20% overweight per country and minimum 5 GICS sectors.
Fees**	0.86% p.a. (managed account fee class).

Source: Mason Stevens OCIO

GQG Global Equity Fund

	GQG Global Equity Fund
Summary	A fundamental 40-60 Global Equity portfolio with a focus on earnings and a quality/growth bias.
Objective	Outperform the the MSCI ACWI by 2-3% p.a. net of fees over the cycle.
People	Team of 21 led by Rajiv Jain, who founded the firm 6 years ago. Formally CIO at Vontobel. Majority owned by employees. Analysts include former investigative journalists.
Processes	» Focus on quality through both the initial screening process using traditional metrics – ROE, ROA, low debt. » Then focus on a more qualitative, forward-looking assessment of the company's future and business model strength. » Consistent DCF process used by all analysts with 5 year forecasts. Discount of 33% typically required to be considered for portfolio inclusion. » Portfolio Construction is bottom-up but there is a max 20% overweight per country and minimum 5 GICS sectors.
Fees**	0.65% p.a. (managed account fee class).

Source: Mason Stevens OCIO

Hyperion Global Growth Companies

	Hyperion Global Growth Companies
Summary	A concentrated, fundamental portfolio of 15-30 stocks with a focus on revenue growth. High tracking error.
Objective	Outperform the MSCI World 3% p.a. over rolling 5 year cycles
People	A highly experienced and cohesive team at the PM level, led by Mark Arnold who has over 30 years experience and co-founded the business. 14 investment professionals in total.
Processes	» Key focus on quality of the business – capital light businesses with strong moats – high ROEs greater than 15%, sales growth greater than 6%, and interest cover less than 4 times. Results on a universe of circa 80 stocks. » Detailed bottom-up research of these companies seeks to confirm or otherwise the high quality of the business, from which the key focus is on forecasting revenue growth. » Companies are valued with a 10-year IRR, with a terminal value applied after the 5th year. » IRRs drives whether a company is in the portfolio and the relative weights. Maximum stock weights of 13%.
Fees	0.70% p.a. + performance fee of 20% of return in excess of the benchmark after fees and any underperformance

Source: Mason Stevens OCIO

IFP Global Franchise Fund II

	IFP Global Franchise Fund II
Summary	A concentrated, quality focused portfolio of 25-30 stocks with a focus on valuation.
Objective	Aims to outperform the MSCI World Ex Aus over the market cycle.
People	A cohesive, experienced and well aligned team are led by 4 partners – Michael Allison, Jason Vowles, Karim Ladha, and Richard Crosthwaite. All 4 partners have been with IFP for at least 9 years. Supported by 4 analysts.
Processes	» Key focus on high quality businesses with an attractive valuation. » Quality research focus on companies with high returns on capital employed, high gross margins and low financial risk. The additional more qualitative assessment focused on whether the company truly has a dominant intangible asset. 160 companies in their universe. » Free cash flow yield is the primary valuation metric and this drives portfolio initiation and weights. » A maximum of 10% per stock and 25% in any industry.
Fees**	0.95% p.a. – managed account share class

Source: Mason Stevens OCIO

Ironbark Royal London Core Global Fund

	Ironbark Royal London Core Global Fund
Summary	Core diversified portfolio of 200 stocks with low tracking error to the MSCI world.
Objective	Outperform the the MSCI World by 1-1.25% p.a. net of fees on a rolling 5-year basis
People	Team of 4 PMs led by Peter Rutter in a broader team of 9. The 4 PMs have been working together for the past 6 years.
Processes	» Starts with a Cash Flow ROI screen, and then an identification of stocks across the company life cycle focus - Growth, compounding, mature, turnaround. The manager is seeking to invest in the best companies across all life cycles » Detailed work done against a Wealth Creation Test – assess company against internal business factors (business model), external factors (structure and dynamics of the market and sector), and management (governance, capital allocation etc.). » DCF for valuation with a focus on net cash flow to shareholders. Stocks ranking well in terms of WCT and Valuation added to portfolio.
Fees	0.37% p.a. plus indirect costs (0.50% total cost).

Source: Mason Stevens OCIO

JP Morgan Enhanced Index Equity Active ETF

	JP Morgan Enhanced Index Equity Active ETF
Summary	A highly diversified core portfolio of 600-800 stocks with very low tracking error.
Objective	Outperform the MSCI World Ex Aus Index by 0.75% p.a. before fees.
People	A 7 person PM team led by Piera Elisa Grassi are supported by 90 JP Morgan analysts globally. The 4 PMs have been working together for the past 6 years.
Processes	» Bottom-up research from JP Morgan's analysts who seek to rank stocks in 4 quality buckets and then value those companies based on a 3-year view of normalised earnings – coverage of 2500 stocks. » The portfolio management team then look to optimise the portfolio based on quality and overweighting quintile 1 and 2 on valuation while underweighting quintiles 4 and 5. » The portfolio is tightly controlled with a targeted tracking error of 1%-1.25% - the portfolio is sector and region neutral.
Fees	0.30% p.a.

Source: Mason Stevens OCIO

Janus Henderson Global Research Growth

	Janus Henderson Global Research Growth
Summary	A diversified Growth portfolio of circa 100 stocks with low tracking error to the MSCI World Growth Index.
Objective	Outperform the MSCI World Ex Aus Index by 2% p.a. before fees on a rolling 3 year basis
People	A research and analyst driven portfolio organised into 7 Research sectors and supported by 35 analyst. A highly experienced team with oversight and portfolio management led by Matt Peron.
Processes	» The portfolio is deliberately sector and country neutral and seeks to generate the majority of its alpha from idiosyncratic stock risk. » Analysts within the research sector teams seek to identify the best stocks with a focus on innovation, capital discipline, earnings quality and sustainability. A research sectors top picks are reflected in the overall portfolio. » Cash Flow Return on Investment is a key metric. Different valuation methods used across different sectors. » Portfolio Management and construction is focused on risk management and remaining sector/country neutral.
Fees*	0.75% p.a. (rebate of 7.5 bps results in an effective fee of 0.675% p.a.)

Source: Mason Stevens OCIO

Talaria Global Equity Fund

	Talaria Global Equity Fund
Summary	A benchmark unaware global equity strategy aiming to deliver lower volatility and higher income.
Objective	To deliver superior risk adjusted returns than the MSCI World Ex Aus benchmark.
People	Investment team of 7 led by experienced CIOs, Chad Padowitz and Hugh Selby Smith.
Processes	» Quality filter reduces 1800 stock universe to 180 stocks for ranking and research. » Investment process focuses on company fundamentals (profitability, ROIC, governance), valuation (focus on free cashflow metrics) and market sentiment. Aiming for a portfolio of 25-40 stocks. » Implementation is via options reduces volatility and market beta while enhancing income » Any stock position is entered into via a sold put, which generates income for the fund and also sees them enter a stock at a discount to intrinsic value. Exiting of positions is also typically via selling a call, which generates income for the fund and sees them exist the stock at their target price.
Fees	1.28% p.a.

Source: Mason Stevens OCIO

Vanguard Global Value Equity Active ETF

	Vanguard Global Value Equity Active ETF
Summary	A rules-based ETF that seeks to capture the value premium via a diversified portfolio of approx. 1,200 stocks.
Objective	The fund aims to outperform the FTSE Developed All Cap index over the long term.
People	Vanguard is one of the world's leading ETF providers. John Ameriks leads the Quantitative Equity team, and is supported by a broad team of 30.
Processes	» The manager uses a quantitative model to construct a diversified, value focused portfolio. » There are 3 equal weighted signals that are used – Price to Book, Price to one year forward earnings, and Price to Cashflow across a universe of 6,500 stocks. » Stocks are then scored and weighted across these three factors that results in a targeted value portfolio of 1,200 stocks. » The key portfolio constraint is a maximum stock weight of 0.5%.
Fees	0.30% p.a.

Source: Mason Stevens OCIO

Vinva International Equity Extension Fund

	Vinva International Equity Extension Fund
Summary	A core, quantitative 130/30 long/short strategy that typically runs at around a market beta of 1.
Objective	Outperform the MSCI World Ex Australia Index by 2-3% p.a. net of fees on a rolling 3-year basis.
People	A longstanding, experienced, and stable team led by Morry Waked, Nick Burt, and Andrew Jackson, who co-founded the firm 14 year ago. Overall investment team of 14 with a strong quantitative research focus. $22 billion in FUM predominantly with institutions.
Processes	» The strategy seeks to deliver a high information ratio strategy via a highly diversified portfolio of small overweight and underweight positions across a portfolio over 400+ stocks. » These positions are driven by a quantitative process that consider circa 50 signals and seeks to forecast a stocks expected alpha over a multi period time frame – signals include valuation, management, earnings, flows, factors, industry and country. » Negative alpha views are held as underweights for sizeable stocks, while smaller sized stocks are held as shorts. » Proprietary systems drive the research and risk controls and provide excellent transparency and attribution.
Fees*	0.77% p.a. (A rebate of 0.12% so effective fee of 0.62% p.a.) + 15% performance fee with HWM

Source: Mason Stevens OCIO

Warakirri Global Emerging Markets Fund

	Warakirri Global Emerging Markets Fund
Summary	Concentrated, fundamental EM strategy that combines bottom-up stock selection with sovereign risk assessment.
Objective	Outperform the the MSCI EM Index by 3-5% p.a. gross of fees on a rolling 3 to 5 year basis.
People	A highly experience and cohesive team with 4 Portfolio Managers – Patrick Russel, Ross Cameron, Tom Pidgeon and Dougles Ayton, supported by another 3 analysts.
Processes	» Primary focus is to identify quality, ESG centric businesses that offer strong growth prospects and high rates of return on equity over the long term – target ROC > 20% and a minimum internal ESG score of 6 out of 10. » A key input is the sovereign risk analysis - determines a country risk factor or discount rate for each EM country. Includes both qualitative factors (corporate governance standards, securities legislation, investor protection etc.) and quantitative factors. » DCF Valuations from an approved list of up to 90 stocks utilising specific country and sector discount rates. » The 4 PMs each construct their own portfolio to produce an overall portfolio circa 35 stocks. The manager believes this is the optimal structure and importantly they are all incentivized on the fund's overall performance.
Fees*	0.98% p.a. (1.25% p.a. with a rebate of 27bps) plus a performance fee of 20% above Index with a HWM

Source: Mason Stevens OCIO

* Rebates are payable with respect to holdings in Managed Accounts only, exclusively for Mason Stevens OCIO clients. Some rebates may vary based on FUM hurdles negotiated with each product issuer.

**Managed account share classes are available for investment via Managed Accounts only, exclusively for Mason Stevens OCIO clients.