Mason Stevens Wholesale Investment Grade Managed Portfolio

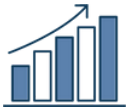
Objective

The Mason Stevens Wholesale Investment Grade Managed Portfolio invests in a portfolio of Australian Dollars (AUD) denominated fixed income securities that aims to achieve high risk adjusted returns, while delivering regular cash-flow streams via income from coupons.

Targets regular income, distributed as coupons are received. The strategy maximises capital gains, whilst minimising capital losses.

Access high-grade, liquid, fixed income securities with a minimum rating of investment grade or higher at the time of purchase.

Direct beneficial ownership of securities.



Flexible solution that allows for the rebalancing of the underlying investment weightings in the Managed Portfolio, acting as a cushion to changing market conditions.

Features

Investment objective	Aims to provide a return of RBA Cash + 2% p.a. (after fees)
Benchmark	RBA Cash Rate
Suggested investment timeframe	3-5 years +
Inception date	30 March 2016
Management fees and costs[1]	0.55% p.a.
Minimum Mason Stevens Wholesale Investment Grade Managed Portfolio	$20,000

A solution for investors seeking:

A risk managed approach to investment with regular income and capital preservation.

A defensive investment that can provide diversification benefits when complemented with equity strategies.

A cost effective fixed income solution that offers real (inflation adjusted) return.

A better return than can be achieved from term deposits with greater liquidity.

How are the portfolios managed?

Mason Stevens Asset Management is the Investment Manager and controls the asset allocation decisions.

Security selection is conducted using thorough bottom-up credit research coupled with a strong sense of relative value and timing.

Daily management and observation of market and portfolio exposure.

Quarterly Investment Committee to discuss economic outlook, sector views and risk management.

1 Calculated daily and paid monthly in arrears. This does not include underlying fees and costs of individual investments. For all fees and costs associated with the Managed Portfolios, please refer to the relevant disclosure documents.

Portfolio Parameters

Investment universe	AUD denominated fixed income securities, including: Bonds (corporate, bank & government), Subordinated Debt securities, Hybrids, Residential Mortgage-Backed Securities (RMBS), Asset Backed Securities (ABS), Floating Rate Notes (FRN), Cash ETFs, Cash Deposits and Term Deposits. Securities may be unlisted or listed on an exchange.		
Number of investments	5 - 25 (subject to Sub-Advisor discretion & market conditions)		
Minimum security rating	BBB-/Baa3 by a reputable rating agency		
Cash weighting range	1.5% - 100%		
Maximum individual security weighting	25%		
Maximum Major Australian Bank Additional Tier 1 Hybrid/Preferred Equity Weighting	30%		
Maximum subordinated bank Tier 2	50%	**Maximum REITs**	25%
Maximum Industrials	25%	**Maximum Energy**	25%
Maximum Banks	50%	**Maximum RMBS / ABS / Securitisation**	35%

Why invest in Fixed Income?

- **Predictability** – The regular income stream from fixed income investments can provide.
- **Diversification potential** – Fixed income performance varies compared to equity and other financial asset markets.
- **Income generator** – Fixed income returns can provide a regular flow of income, as cashflows are known in advance of investment.
- **Risk-adjusted return** – Investing in credit can provide a repeatable and sustainable source of value in fixed income markets. Historically, investment returns from good quality credit assets have more than compensated investors for the risk of loss.
- **Less volatility** – Historically, Australian fixed income exhibits less volatility than domestic equity and REITs.

What to be aware of

- Before you make an investment decision, it is important that you understand the risks that can affect your investment being able to meet its objective or retain value.
- The risks that may impact the Managed Portfolio include, but are not limited to factors such as, market risk, company or security specific risk, and currency risk.
- Please refer to the disclosure document for a full list of potential risks linked to the portfolio.

Meet the team

Leanne Taylor
Chief Investment Officer

Chris Alcott
Managing Director - Markets

Andrew Ash
Head of Manager Research

Thanh Nguyen
Fixed Income Analyst

wealth@masonstevens.com.au 1300 988 878 mason-stevens masonstevens.com.au

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