

B. Moses Asset Management Managed Account Service Investment Mandate



Issuer:
Mason Stevens Limited
ABN 91 141 447 207 AFSL 351578

Investment Sub-Adviser:
B. Moses Asset Management Pty Ltd
ABN 40 648 254 755 CAR 1291994

Date Issued: March 2024

Contents

About the relevant parties	2
Investment philosophy and process	4
Portfolio parameters	5
Risks of investing.....	9

Contact Details

Mason Stevens Limited
GPO Box 5003
Sydney NSW 2001
T: 1300 988 878
E: wealth@masonstevens.com.au
W: masonstevens.com.au

B. Moses Asset Management
Level 33, 264 George St
Sydney NSW 2000
T: 1300 463 031
W: bmoses.com.au/

Mason Stevens has appointed B. Moses Asset Management Pty Ltd ABN 40 648 254 755 CAR 1291994 as Investment Sub-Adviser on the Investment Options outlined in this Investment Mandate. B. Moses Asset Management Pty Ltd is a Corporate Authorised Representative (CAR) of B. Moses Investment Services Pty Limited ABN 31 156 147 223 AFSL 421290.

B. MOSES ASSET MANAGEMENT

Important Information

This Investment Mandate is issued by Mason Stevens Limited ABN 91 141 447 207 AFSL 351578 (Mason Stevens) as the Managed Discretionary Account (MDA) Provider of the MDA Service. Mason Stevens has appointed B. Moses Asset Management Pty Ltd (BMAM) ABN 40 648 254 755 CAR 1291994, as Investment Sub-Adviser Managed Portfolios outlined in this document.

In this document, **MDA** refers to a Managed Account provided by Mason Stevens which follows the investment strategy and parameters of the portfolios as defined in the Investment Guide section of this document.

This document is produced without consideration of the investment goals, needs or financial circumstances of any person who may read it. If you are a retail investor, you must obtain personal advice from a licensed financial adviser on whether a particular portfolio is appropriate for you given your personal goals, needs and financial circumstances.

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, BMAM and their respective directors, officers, employees, subcontractors and associates do not assure or guarantee the capital value of your investments will be maintained, or the investment performance of any investments acquired through this MDA Service.

Where there are references to data provided by third parties, none of Mason Stevens, nor BMAM has control over that data and nor do they accept any responsibility for verifying or updating that data. Mason Stevens, BMAM and their respective directors, officers, employees and associates may from time to time hold interests in investments of, or earn fees and other benefits from, corporations or investment vehicles which may be held in your portfolio.

BMAM consent to statements in this document attributable to them or referring to them, and have not withdrawn their consent. BMAM have confirmed the statements attributable to them or referring to them are not misleading or deceptive at the time of issue.

All amounts in this document are in Australian dollars and all fees are inclusive of GST net the effect of any reduced input tax credits. This document should be read in conjunction with the Mason Stevens Financial Services Guide (**FSG**), the Mason Stevens Global Investment Service Guide (**Guide**) including the Mason Stevens MDA Service Terms (which together form the Investment Mandate).

The FSG contains information on Mason Stevens and the MDA Service and is available at masonstevens.com.au/fsg. This document is incorporated by reference into the Guide which contains important information on the fees and costs you pay when you establish an account and use the MDA Service. It also contains information on how to operate your account and how to contribute into your account once it is opened as well as the risks of investing. It is available at masonstevens.com.au/investorguide. If you are unable to access the online information, your adviser or Mason Stevens can provide the information free of charge.



1.1 About BMAM

BMAM is a diversified Australian asset management group that provides a wealth management offering incorporating active model portfolio services, investment management, capital raising, and full-service stockbroking.

1.2 Investment Committee

BMAM is responsible for advising the MDA Provider on the management and performance of the portfolios available for investment through this Investment Mandate.

The role of the BMAM Investment Committee is to:

- » assess performance and forecasts for domestic and global investment markets
- » assess political, economic and demographic influences on domestic and global investment markets
- » provide guidance on asset allocation and timing of changes to asset allocations in the Investment Options
- » provide guidance on selected investments within the Managed Portfolios, and
- » provide guidance on perceived investment risks and actions seeking to address these investment risks.

The establishment and management of the portfolios are supervised by an experienced Investment Committee comprising the members listed below.

Ari Ben Moses - CEO

Ari B. Moses is the Chief Executive Officer of B. Moses Holdings, the parent entity for B. Moses Securities and B. Moses Asset Management. Ari has vast experience in financial services, wealth management, and capital advisory and holds multiple qualifications across these industries.

Ari started his career as a Financial Adviser and has extensive financial services and wealth management experience working with retail and wholesale clients.

Brett Westbrook – Investment Committee Chairperson

Brett Westbrook is the Chairman and Head of Investment Committee. Brett has worked in the financial services sector since 1978. He spent the first 15 years of his career at National Mutual Life (now AXA) in several roles in its investments and superannuation divisions.

In 1995 Brett was appointed the CEO of the TWU Superannuation Fund and after approximately five years in this role moved to another larger Industry Fund based financial services business - FuturePlus Financial Services (which included responsibility for the LGSS and EISS industry schemes). He left FuturePlus in late 2006. Since 2007, Brett has been involved in several boutique financial services businesses in the asset consulting, financial planning, and fund management sectors. In 2014 Brett founded WealthO2 and sold his stake in this business in May 2019. In late 2019 Brett and Richard Norgard formed Jigsaw Capital No.2.

Mark Elzayed – Portfolio Manager

Mark has over 12 years commercial and financial experience having held senior positions in several corporations such as company directorship, accountancy, and financial services.

Mark has worked extensively abroad in China, which includes having worked in and founded several businesses, executing company strategy and analysing consumer behaviour and trends. At B. Moses Securities, Mark is responsible for the analysis of select financial instruments and portfolio construction across the Growth, Income, Mining and ETF portfolios. Mark coordinated with senior management and oversaw the wealth management division in excess of \$100 million across difficult market cycles, implementing strategies in consideration of macroeconomic, consumer, technological and international factors. Mark has a double degree in Applied Finance and Professional Accounting and is based in Sydney.

Hersh Oberoi – Portfolio Manager

Hersh has over 10 years in the Global wealth management and trading industry with demonstrated investment-related research and associated tasks across several asset classes. Hersh has held the senior positions in portfolio management, financial remediation, financial planning and trading positions with globally recognized banks and Big 4 consultancies. He has always had keen interest in financial markets with strong background knowledge of key financial concepts. Experienced in providing fund analysis, risk strategies, and market transaction executions for all financial markets. Highly developed financial analysis skills for accounting, analytical reports, and risk management.

Academically Hersh has an MBA in Applied Finance and Investments, Diploma in financial planning, bachelor's in finance and investments and has a Diploma for an Executive program for algorithmic trading and portfolio management.

OJ Mongjaay – Portfolio Manager

Orngdar Mongjaay (Oj) has over 22 years of experience within the financial industry. OJ has worked with Macquarie Bank and Bendigo Bank managing Investment lending before moving into wholesale and Institutional broking and Commsec. Having run multi-asset models for Institutions via MDA structures OJ brings his expertise in Derivatives to offer both Tactical and Strategic asset allocation for the investment management team.

Peter Leodaritis – Head of Research & Investment Officer

Peter is recognised as one of Australia's leading financial sector analysts and he is also acknowledged as creating Australia's first truly sizeable independent equities research firm - Aegis. Peter has over 30 years of financial services experience, including over 25 years in institutional equities.

Peter has significant experience as a Director of AFSL entities and he has previously held roles as:

- » Chief Investment Officer- Spitfire Corporation Limited
- » Founder & Responsible Manager - Mainstreet Investor Research
- » Founder, Chairman & Chief Executive Officer - Aegis Investment Research,
- » Head of Financial Services Research - Burdette, Buckeridge & Young (BBY) Limited
- » Banking Analyst, Director - Equities - BZW (Barclays de Zoete Wedd).

Members by invitation

BMAM may periodically invite qualified experts in various fields to have input into the committee or to be a temporary member of the Investment Committee on an invitational basis. These members may include:

- » Asset class specialists
- » Technical market analysts, and
- » Independent research providers.



Investment philosophy and process 2

2.1 Investment Philosophy

BMAM's investment philosophy is a combination of fundamental and quantitative investment strategies. This blends the best of both fundamental and quantitative investment techniques to produce a best of both worlds approach to investing.

By blending quantitative factor-based research with more traditional fundamental research, clients can benefit from two strategies to generate alpha. Specifically, the approach allows for human judgement to handle qualitative inputs and more subjective analysis, while automating processes that benefit from a more systematic approach, particularly those subject to human biases. In addition, typically the two approaches are most effective at different points in the cycle and on different investment time horizons, so combining them makes consistent alpha delivery more achievable.

2.2 Investment Process

BMAM's investment process begins with the quantitative calculation of the expected long term returns on asset classes based on a reversion to long term average prices, margins, and growth rates. These returns are used as a reversion/target points to their asset allocation decisions. BMAM then attempt to identify value/pricing inconsistencies. Sectors, countries, commodities, or assets where the valuation indicators are inconsistent with prior historical figures and experience. Once identified, BMAM then look to identify the events/themes for pricing to normalize – again with the understanding that it may take several years to revert/normalize.

Once the SAA weights are determined by this process, BMAM will then factor in current economic themes to see theses weights require adjustment. BMAM will evaluate the upside potential from strategic positions vs the downside risk if our economic evaluation is incorrect. BMAM will then stress-test portfolio exposures (Value at risk, Conditional Value at Risk) to adverse events and monitor the possibility of those events.

The selection of domestic and global stocks is bottom up, and then top-down analytics is employed to the subsequent portfolios to ensure that the net portfolio weights are appropriate.



B. MOSES BALANCED PORTFOLIO

Name	B. Moses Balanced Portfolio	
Investment Sub-Advisor	B. Moses Asset Management	
Inception Date	August 2022	
Investment objective	Provide diversified exposure across asset classes to achieve a return in line with the benchmark.	
Investment Strategy and Approach	The investment process combines quantitative and qualitative criteria and analysis to identify asset classes, markets, securities and strategies which have a focus toward producing capital growth over and above income. The portfolio construction is based on macro-economic and thematic views of the investment manager.	
Benchmark Return	Morningstar Australia Moderate Target Allocation NR AUD Index	
Minimum number of securities	15	
Maximum number of securities	40	
Asset Allocation	Allocation Range	Target
Australian Equities	15% - 50%	46%
International Equities	2% - 30%	3%
Australian Fixed Income	10% - 35%	26%
International Fixed Income	0% - 25%	0%
Property	0% - 25%	5%
Infrastructure	0% - 25%	0%
Alternatives	0% - 30%	5%
Cash (minimum 2% cash)	2% - 30%	15%
Investment universe	Australian equity, ETFs, LICs, LITs, listed managed funds and cash.	
Maximum single security or fund weighting	20%	
Minimum suggested timeframe	3-5 years	
Minimum initial investment \$	\$50,000	
Minimum additional investment \$	\$10,000	
Minimum withdrawal	\$10,000	
Rebalance frequency	Sub-adviser discretion	
Investment manager fee	0.75%	
Indirect Cost Ratio	0.09%	
Performance fee	Nil	



B. MOSES HIGH CONVICTION GROWTH PORTFOLIO

Name	B. Moses High Conviction Growth Portfolio	
Investment Sub-Advisor	B. Moses Asset Management	
Inception Date	August 2022	
Investment objective	Provide regular and sustainable capital growth over the longer term (3–5 years) by investing in a diversified portfolio across various asset classes.	
Investment Strategy and Approach	The investment process combines quantitative and qualitative criteria and analysis to identify asset classes, markets, securities and strategies which have a focus toward producing capital growth over and above income. The portfolio construction is based on macro-economic and thematic views of the investment manager.	
Benchmark Return	Morningstar Australia Growth Target Allocation NR AUD Index	
Minimum number of securities	15	
Maximum number of securities	40	
Asset Allocation	Allocation Range	Target
Australian Equities	20% - 60%	57%
International Equities	10% - 50%	11%
Australian Fixed Income	0% - 15%	3%
International Fixed Income	0% - 10%	0%
Property	0% - 30%	3%
Infrastructure	0% - 30%	0%
Alternatives	0% - 30%	11%
Cash (minimum 2% cash)	2% - 30%	15%
Investment universe	Australian equity, ETFs, LICs, LITs, listed managed funds and cash.	
Maximum single security or fund weighting	20%	
Minimum suggested timeframe	3 years	
Minimum initial investment \$	\$50,000	
Minimum additional investment \$	\$10,000	
Minimum withdrawal	\$10,000	
Rebalance frequency	Sub-adviser discretion	
Investment manager fee	0.75%	
Indirect Cost Ratio	0.11%	
Performance fee	Nil	



B. MOSES AUSTRALIAN INCOME PORTFOLIO

Name	B. Moses Australian Income Portfolio	
Investment Sub-Advisor	B. Moses Asset Management	
Inception Date	August 2022	
Investment objective	Generate income through a portfolio of high-quality and income-generating securities.	
Investment Strategy and Approach	The portfolio will focus on identifying stocks that are expected to have a higher dividend yield. It is expected that this is the primary means of generating income, with some income being generated from exposure to sovereign or corporate bonds.	
Benchmark Return	S&P/ASX 200 Accumulation Index	
Minimum number of securities	15	
Maximum number of securities	40	
Asset Allocation	Allocation Range	Target
Australian Equities	15% - 50%	49%
International Equities	0% - 30%	3%
Australian Fixed Income	10% - 35%	19%
International Fixed Income	0% - 20%	0%
Property	0% - 25%	10%
Infrastructure	0% - 25%	0%
Alternatives	0% - 30%	4%
Cash (minimum 2% cash)	2% - 30%	15%
Investment universe	Australian equity, ETFs, LICs, LITs, listed managed funds and cash.	
Maximum single security or fund weighting	20%	
Minimum suggested timeframe	3-5 years	
Minimum initial investment \$	\$50,000	
Minimum additional investment \$	\$10,000	
Minimum withdrawal	\$10,000	
Rebalance frequency	Sub-Adviser discretion	
Investment manager fee	0.75%	
Indirect Cost Ratio	0.16%	
Performance fee	Nil	



B. MOSES INTERNATIONAL ETF PORTFOLIO

Name	B. Moses International ETF Portfolio	
Investment Sub-Advisor	B. Moses Asset Management	
Inception Date	August 2022	
Investment objective	The portfolio is designed to measure the performance of developed market equities that, in the aggregate, have lower volatility characteristics relative to the broader global developed equity markets.	
Investment Strategy and Approach	The portfolio model seeks to achieve its objective by tracking the performance of the MSCI World Index while maintaining a lower level of volatility.	
Benchmark Return	MSCI World Index	
Minimum number of securities	5	
Maximum number of securities	25	
Asset Allocation	Allocation Range	Target
International Equities	80% - 98%	82%
Cash (minimum 2% cash)	2% - 20%	18%
Investment universe	ETFs, listed managed funds and cash.	
Maximum single security or fund weighting	30%	
Minimum suggested timeframe	3-5 years	
Minimum initial investment \$	\$50,000	
Minimum additional investment \$	\$10,000	
Minimum withdrawal	\$10,000	
Rebalance frequency	Sub-Adviser discretion	
Investment manager fee	0.75%	
Indirect Cost Ratio	0.29%	
Performance fee	Nil	



5.1 Investment Risks

Before you make an investment decision, it is important that you understand the risks that can affect your investment. You must be prepared for the risk that your investment does not meet your investment objectives or you lose money on your investment.

Specific investment risks apply to all investments that may have an effect on the value of your Managed Account. The risks of investing in the Investment Option or Managed Portfolio may include, but are not limited to, the following factors:

- » **Market risk** – Unexpected conditions (i.e. economic, technological or political) can have a negative impact on the returns of all investments within a particular market. General movements in local and international stock markets, prevailing and anticipated economic conditions, investor sentiment, interest rates and exchange rates could all affect the value of listed securities and the investment returns.
- » **Company or security specific risk** – Risks which could affect the value of a specific security, such as a fall in the profit performance of a company, may impact adversely on its share price and may also affect the interest rate it has to pay to borrow funds, which in turn, can affect the value of its debt securities.
- » **Currency risk** – If the Managed Portfolio(s) have investments in international assets that are unhedged, a rise in the Australian dollar relative to other currencies will negatively impact investment values and returns. Currency markets can be extremely volatile and are subject to a range of unpredictable forces. It is not the Investment Sub-Adviser's intention to hedge the foreign currency exposure of the Managed Portfolio arising from investments in overseas markets.
- » **Derivatives risk** – A derivative is a financial instrument which has characteristics derived from an underlying asset or index. Typically the derivatives are either cash settled or are realised by being closed out with a derivative of the opposite nature. Derivatives may be used by investment managers or managed funds to protect against changes in market value of existing investments, to simulate an investment position without purchasing or selling the underlying asset, to partially or substantially manage against various risks such as credit and interest rate risks or to gear an investment or a portfolio. The use of derivatives brings additional risks. These risks include the failure of the value of derivatives to move in line with the underlying asset, a derivative position may be costly to reverse, the parties/counterparties associated with the derivative contract do not fulfil their obligations, and derivatives may be impacted by market liquidity. Derivatives which are a leveraged investment can increase your potential losses and gains in relation to movements in the price of the underlying assets. Exchange traded derivatives, including the ETOs available for the Managed Portfolio, do not remove all of the general risks of derivatives, and may have their own risks. Before investing in any derivatives instrument you must fully understand and accept the risks involved.
- » **Sophisticated product risk** – The use of sophisticated financial products, such as derivatives including ETOs has the potential to cause losses that are large in proportion to the money invested in them. Such products may also have embedded leverage thereby potentially magnifying further losses. The cost of using such financial products may also reduce returns. The Managed Portfolio may also invest in the above products and their use has the potential to cause losses that are large in proportion to the money invested in them or even unlimited losses. Before investing in any derivatives instrument you must fully understand and accept the risks involved.
- » **Custody and margining risk** – Mason Stevens is custodian for derivatives held for all of its clients, including for accounts which do not include these Managed Portfolios. While Mason Stevens allocates derivatives to its clients in its records, as with other investment, the derivatives may be aggregated in the accounts of sub-custodians and clearing participants of exchanges. This can lead to derivative assets which are beneficially held for a client being available to meet the margin or other exchange obligations arising due to other derivatives held for Mason Stevens in the same account. This can expose a client's assets to being lost, due to meeting those other obligations (i.e., without any default by the client). It is important to note that Mason Stevens does not today permit the purchase or sale of any derivatives within any Managed Portfolio that could result in any margining risk or a requirement to post collateral.
- » **Interest rate risk** – Changes in interest rates can influence the value and returns of investment in the Managed Portfolio.
- » **Credit risk** – Any change in the market perception of the creditworthiness of a security or the credit rating of the issuer of the security may affect the security's value.
- » **Investment Sub-Adviser risk** – This is the risk that the Investment Sub-Adviser may not achieve their stated investment objectives or that changes in the investment team may impact on the performance of the Investment Sub-Adviser.
- » **Liquidity risk** – The risk that the Managed Portfolio may experience difficulty in realising its assets.

- » **Time horizon risk** – There is no assurance that in any time period, particularly in the short term, a Managed Portfolio will achieve its investment objectives. Many of the underlying assets may be volatile particularly over the short term. The Managed Portfolio is suitable for long term investors and is not designed for short term investment.
- » **Income risk** – The level of income generated on the Managed Portfolio's investments can fall as well as rise and the tax status of such income can change.
- » **Asset risk** – Asset risk is the risk that a particular asset or asset class in which the Managed Portfolio invests may fall in value, which may have an impact on the value of the Managed Portfolio.
- » **Diversification/Concentration risk** – If your Managed Portfolio is concentrated into one investment or sector, a fall in that investment or sector may have a significant adverse effect on your total Managed Portfolio. Diversification is used as a strategy aimed at reducing the impact that volatility in one investment or sector will have on the performance of your overall Managed Portfolio. The Managed Portfolio will have a relatively higher concentration over time of listed securities but it is not possible to advise in advance the levels of concentration or diversification of issuers, types of investments or industry sectors..
- » **Inflation risk** – Your investment may not keep pace with inflation. Broadly, this could mean that prices may increase more than the value of your investments in the Managed Portfolio and if this risk eventuates, you would not be able to buy as much with the value of your investments in the future as you could now.
- » **Investment risk** – All investments have an inherent level of risk. The general expectation is that a high risk investment offers a higher expected return on investment. Investment risk may result in performance less than you expect or the loss of all of the capital invested or reduction in or no income and possible delays in repayment. Whilst it is the intention of the Investment Sub-Adviser to implement strategies designed to minimise potential losses, there can be no assurance that these strategies will be successful.
- » **Specific portfolio risk** – The Investment Sub-Adviser investment approach may result in a Managed Portfolio that differs substantially from an industry benchmark and hence the Managed Portfolio's investment returns may also differ substantially from industry benchmark returns.
- » **Third party risk** – The MDA Provider uses information and services provided by third parties such as sub-custodians and other service providers. Procedures are in place to address risks associated with outsourcing, such as having comprehensive service agreements with service providers. If a service provider advises of an error, it is corrected and if material, it will generally be communicated to you or your advisor (or both).
- » **Systems and technology risk** – The MDA Provider relies on the integrity and reliability of the Managed Portfolio trading and administration systems used to manage your managed account. To minimise potential risks, established systems operated by experienced system providers are used. The system providers must have back-up arrangements and business continuity plans. In the event that the systems fail there may be delays in processing transactions or in accessing your investment capital and investment returns may differ from those that would have been achieved.

Please note that the risks identified are not meant to be exhaustive as it is not possible to identify every risk factor associated with investing. The appropriate level of risk for you will depend on various factors including your age, investment timeframe, other investments you may hold, and your level of risk tolerance.

Investors who have concerns regarding any of the above risk factors, or any other applicable risks, are encouraged to contact their financial adviser.

