

Bethel Consulting Wholesale Investment Mandate



Issuer and MDA Provider

Mason Stevens Limited (MSL)
ABN 91 141 447 207, AFSL 351578

Investment Sub-Adviser

Mason Stevens Asset Management
Pty Limited (MSAM)
ABN 92 141 447 654

Date Issued: January 2025

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This document is branded for distribution to wholesale investors of Bethel Consulting Pty Ltd ABN 64 675 119 749 (Bethel Consulting).



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 its Corporate Authorised Representative (CAR 461312), Mason Stevens Asset Management Pty Limited (MSAM), as Investment Sub-Adviser on the 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 a portfolio as defined in this document.

This document is produced without consideration of the investment goals, needs or financial circumstances of any person who may read it. Before you invest you should 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, MSAM, Bethel Consulting, 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, MSAM or Bethel Consulting has control over that data and nor do they accept any responsibility for verifying or updating that data. Mason Stevens, Bethel Consulting, and MSAM 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 portfolios.

MSAM and Bethel Consulting consent to statements in this document attributable to them or referring to them, and have not withdrawn their consent. MSAM and Bethel Consulting 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 with Mason Stevens 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. 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.

Contact Details

Bethel Consulting Pty Ltd

Rialto, Level 50, 525 Collins Street
Melbourne Vic 3000

T: 03 9614 7888

E: admin@bethelconsulting.com.au

W: bethelconsulting.com.au

Mason Stevens Limited

Level 26, 420 George Street,
Sydney NSW 2000

T: 1300 988 878

E: wealth@masonstevens.com.au

W: masonstevens.com.au



1.1 Mason Stevens Asset Management

MSAM is the investment management arm of the Mason Stevens Group. MSAM was established to provide investors with the opportunity to access professionally managed investment strategies and funds that are typically reserved for institutions and professional investors.

MSAM works with a range of clients including financial advisers, financial intermediaries, family offices and selected wholesale investors in the delivery of tailored investment solutions.

MSAM's management team has many years of senior management and transactional experience in the banking, finance and investment sectors, spanning multiple business cycles and across a range of asset classes, combined with a track record of successfully managing their own wealth.

For information on the MSAM's investment management team, please visit <https://www.masonstevens.com.au/about-us/meet-theasset-management-team/>.

1.2 Bethel Consulting

Bethel Consulting is a firm dedicated to serving ultra-high net-worth clients and family offices. The directors of Bethel Consulting bring decades of unique experience for clients; with a specialisation in developing, fostering and growing Businesses and Family Offices in Australia.

Bethel Consulting combines deep expertise and cultural insight to help clients navigate the Australian landscape with confidence. Ensuring a personalised, discreet approach that prioritises each client's distinct needs and goals.

Working as a team with clients combining local expertise with global perspective, services include:

- » Asset Allocation
- » Investment Strategy
- » Private Equity
- » Direct Investment
- » Philanthropy
- » Business Advisory
- » Family Governance

We pride ourselves on being able to advise our clients across a range of disciplines and consider ourselves a "private office" for ultra-high-net-worth clients.



2.1 Investment process

The Managed Portfolio seeks to invest in a risk-adjusted portfolio of AUD-denominated fixed income securities unless stated otherwise. Account monies are invested as per the securities and weights as defined in the Managed Portfolio, with the Managed Portfolio reflecting the current investment views and strategies of the MSAM investment team.

While the primary investment strategy is to actively monitor, manage and reposition a portfolio of securities that meets the investment objectives over the suggested investment time frame, the MSAM investment team will act on shorter term market opportunities it has identified to maximise returns. The Investment Sub-Adviser will have full discretion over the timeframe of when monies are invested and will determine security selection based upon the following criteria:

- » Assessed quality of the underlying business, including appropriate ratio analysis
- » Sustainability of coupons or other distributions (if applicable)
- » Rating of the underlying issuer and rating of the specific issue (if any)
- » Balance sheet ranking (if applicable)
- » Liquidity of the particular issue
- » Duration of the particular issue, or
- » Historical volatility of the underlying securities.

In addition to in-house capabilities, the Investment Sub-Adviser will draw on a wide range of research sources.

This will include leading analysts from the major broking houses and investment banks, company briefings and meetings with company executives and independent specialist Australian and international market analysts.

Unless stated otherwise, all securities in the portfolio must have a minimum rating of investment grade or higher by a reputable rating agency at the time of purchase.

It is expected that the performance will be predominantly income in nature however capital gains (and losses) can also be made.

Please note the parameters described thereafter are not absolutely fixed at all times. The Investment Sub-Adviser targets these parameters but small variations may develop from time to time due to corporate actions, market share prices, index changes and delays in rebalancing due to the Investment Sub-Adviser minimising turnover of your investments. The timing of additional investments in your Managed Account may also lead to short-term different balances of cash and securities. Mason Stevens will give you reasonable notice of any significant change to these parameters. Unless otherwise defined in these portfolio parameters, given the nature of fixed income markets, the Investment Sub-Adviser will bring any breaches back within these defined parameters, on a best endeavours basis.



2.2 Portfolio parameters

Bethel Consulting Wholesale Cash Enhanced Managed Portfolio

Feature	Description										
Investment Sub-Adviser	Mason Stevens Asset Management										
Inception date	June 2023										
Investment objective	Aims to provide a return of 0.40% to 0.65% p.a. above the Benchmark (after fees) over a rolling 1-3 year period										
Investment strategy and approach	The portfolio seeks to manage yield, credit, interest rate duration and credit spread duration risk in an optimal way to generate superior risk adjusted returns, that are in line with the investment objectives.										
Benchmark return	RBA Cash Rate										
Investment universe	Bonds (financial, government, corporates), Residential Mortgage-Backed Securities (RMBS), Asset Backed Securities (ABS), Floating Rate Notes (FRN), Major Bank T2 and Cash Deposits. Securities may be listed on an exchange or unlisted.										
Minimum number of holdings	5										
Maximum number of holdings	30										
Asset allocation	<table border="1"> <thead> <tr> <th>Allocation range</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Australian fixed income</td> <td>0% - 98%</td> </tr> <tr> <td>Cash (minimum 2% cash)</td> <td>2% - 100%</td> </tr> <tr> <td></td> <td>98%</td> </tr> <tr> <td></td> <td>2%</td> </tr> </tbody> </table>	Allocation range	Target	Australian fixed income	0% - 98%	Cash (minimum 2% cash)	2% - 100%		98%		2%
Allocation range	Target										
Australian fixed income	0% - 98%										
Cash (minimum 2% cash)	2% - 100%										
	98%										
	2%										
Maximum single holding weighting	25%										
Suggested investment timeframe	1-2 years										
Minimum initial investment	\$25,000										
Minimum additional investment	\$10,000										
Minimum redemption	\$10,000										
Rebalance frequency	Sub-Adviser discretion										
Investment manager fee	0.35%										
Indirect Cost Ratio	Nil										
Performance fee	Nil										



Bethel Consulting Wholesale Investment Grade Managed Portfolio

Feature	Description
Investment Sub-Adviser	Mason Stevens Asset Management
Inception date	June 2023
Investment objective	Aims to provide a return of RBA Cash + 2% p.a. (after fees)
Benchmark return	RBA Cash Rate
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.
Minimum number of holdings ¹	5 (subject to market conditions)
Maximum number of holdings	Investment Sub-Adviser discretion, however, the Managed Portfolio is unlikely to exceed 25 securities
Minimum cash weighting	1.5%
Maximum cash weighting	100%
Maximum individual holding weighting	25%
Maximum single issuer limit	15%
Minimum security rating	BBB-/Baa3 by a reputable rating agency
Maximum security rating BBB-equivalent	25%
Sub-investment grade holding limit ²	10%
Maximum Major Australian Bank Additional Tier 1 Hybrid/Preferred Equity Weighting	30%
Maximum subordinated bank Tier 2	50%
Maximum industrials	25%
Maximum banks	50%
Maximum REITs	25%
Maximum Energy	25%
Maximum RMBS / ABS / Securitisation	35%
Suggested investment timeframe	3-5 years+
Minimum initial investment	\$200,000
Minimum additional investment	\$100,000
Minimum redemption	\$100,000
Rebalance frequency	Investment Sub-Adviser discretion
Investment manager fee	0.55%
Transaction fees	Nil

1. The Investment Sub-Adviser, at its discretion, may from time to time elect to shift the investment portfolio to a higher weighting in cash to accommodate prevailing or expected negative market conditions. During these occasions, the "cash weighting" mandate requirements will supersede the "Minimum number of investments" mandate requirement.
2. Apart from a Major Australian Bank Additional Tier 1 Hybrid/Preferred Equity security, any new investment must initially have an investment grade weighting assigned to it by an external credit rating agency.



Bethel Consulting Wholesale Fixed Income Investment Portfolio

Feature	Description
Investment Sub-Adviser	Mason Stevens Asset Management
Inception date	September 2016
Investment objective	Aims to provide a return of RBA Cash + 3%p.a. (after fees)
Benchmark return	RBA Cash Rate
Investment universe	Bonds (corporate, financials, government), Subordinated Debt Securities, Hybrids, Residential Mortgage-Backed Securities (RMBS), Asset Backed Securities (ABS), Floating Rate Notes (FRN), Cash Deposits, Term Deposits, ETFs, Currency Derivatives for risk management purposes (including options, swaps, forwards, and currency ETFs). Securities may be listed on an exchange or unlisted, including repackaged securities, CLNs and CDSs. It may include overseas securities.
Minimum number of holdings ¹	5 (subject to market conditions)
Maximum number of holdings	Investment Sub-Adviser discretion, however, the Investment Option is unlikely to exceed 25 securities
Minimum cash weighting ²	1.5%
Maximum cash weighting	100%
Maximum single issuer limit	15%
Maximum BBB- equivalent	35%
Maximum sub-investment grade/ nonrated weighting ³	20%
Maximum industrials	25%
Maximum banks	50%
Maximum REITs	25%
Maximum Energy	25%
Maximum RMBS / ABS / repackaged securities weighting	20%
Maximum currency risk	15%
Suggested investment timeframe	3-5 years
Minimum initial investment	\$200,000
Minimum additional investment	\$100,000
Minimum redemption	\$100,000
Rebalance frequency	Investment Sub-Adviser discretion
Investment manager fee	0.77%
Transaction fees	Nil

1. The Investment Sub-Adviser, at its discretion, may from time to time elect to shift the investment portfolio to a higher weighting in cash to accommodate prevailing or expected negative market conditions. During these occasions, the "cash weighting" mandate requirements will supersede the "Minimum number of investments" mandate requirement.
2. At the discretion of the Investment Sub-Adviser, the minimum cash weighting may be increased to ensure the portfolio has sufficient cash to cover the settlement of margin calls arising from foreign currency hedging agreements.
3. Investment Grade refers to a security that has or is expected to have the equivalent to an investment grade credit rating by any of the following three rating agencies: Moody's, Fitch or S&P at the time of purchase.

