

Quest Australian Equities Managed Portfolio Investment Mandate



Investment Mandate issuer:
Mason Stevens Limited
ABN 91 141 447 207 AFSL 351578

Investment Sub-Adviser:
Quest Asset Partners Pty Limited
(Quest), ACN 109 448 802, AFSL 279207

Date Issued: March 2025

Mason Stevens has appointed Ashfords Wealth Quest Asset Partners Pty Limited (Quest), ACN 109 448 802, AFSL 279207, as the Investment Sub-Adviser on the Managed Portfolios outline in this Investment Mandate.



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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 Quest Asset Partners Pty Limited (Quest), ACN 109 448 802, AFSL 279207, as Investment Sub-Adviser on the 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 Managed 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 Managed Portfolios 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, Quest 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, Quest has control over that data and nor do they accept any responsibility for verifying or updating that data. Mason Stevens, Quest 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 Managed Portfolios.

Quest consent to statements in this document attributable to them or referring to them, and have not withdrawn their consent. Quest 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.

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1.1 About Quest

Quest was established in 2004 as a specialised, professional funds manager investing in Australian equities on behalf of wholesale institutional clients and individual investors. Quest has adopted the use of Separately Managed Accounts (SMAs) as an investment platform since 2004.

Quest is structured to align the interests of clients, investment staff and owners. The business is wholly owned by the investment team.

The Quest investment philosophy draws on the combined experience of the investment team and is captured in the following investment tenets:

- » Investment is more fulfilling when you own shares in high quality businesses
- » Wealth is built with patience and discipline
- » Even the best investors have only a few great ideas every year – invest because opportunity exists not because cash is available
- » Be prepared to learn from your mistakes.

This broad experience provides for a collaborative investment approach. Whilst each investment has a promoter/owner within the team, joint investigation and review is integral to the investment appraisal of each potential investment prior to and for the duration of the investment.

Quest has a particular focus on assessing underlying business quality. A key consideration is whether the business can earn returns above its cost of capital in a sustainable manner well into the future. We apply this qualitative screen to all investment candidates to derive a score for business attractiveness. We then apply a standardised approach to assess valuation. The best opportunities are then selected from those companies offering the most attractive combination of potential return for the level of risk accepted.

This balance between return and risk is taken into account when constructing the Quest Managed Portfolios. We use quantitative analysis to understand the overall risk characteristics of the portfolio with a particular focus on managing stock specific risk. We seek to understand and manage the risks associated with smaller companies especially those with less mature business models. We also aim to identify unintended risks within the portfolio which can arise from correlations amongst stocks and industries.

The Quest competitive advantage is the combination of investment focus, team skills and investment experience. Quest has a track record of outperformance of stated benchmarks since inception. Further information can be found at www.questap.com.au.

1.2 About the Investment Team

The Quest Investment Team is comprised of Michael Evans, Christopher Cahill, Troy Cairns and Swapan Pandya. Michael Evans and Chris Cahill have worked together for more than two decades. Michael began at AMP Capital Investors in 1990 and started Australia's second small cap dedicated portfolio management team at AMP in 1993. Chris became part of the team in 1994 and together they formed Quest in 2004. Troy joined Quest in 2007 and Swapan in 2014.

Collectively the Quest Team has many decades of investment management experience with much of it working as a team together.

MICHAEL EVANS **Director / Portfolio Manager**

Michael has built his career around analysing companies and identifying those factors that affect their profitability. This has been a fundamental element in his success in managing large investment portfolios, delivering consistent returns for investors.

Previously, Michael was Director of Australian Equities and Head of the Capital Team at AMP Capital Investors, where he worked for 14 years. During that time, Michael managed both large and small cap portfolios and was responsible for the construction and implementation of the group's disciplined investment philosophies.



CHRIS CAHILL**Director / Portfolio Manager**

Chris has extensive experience in all facets of investment management, having managed substantial small, mid and large cap client portfolios, following a successful career in stockbroking. Prior to founding Quest, Chris spent nine years at AMP covering a diverse range of market sectors. Chris was responsible for mid and small cap portfolios within the Capital team, establishing a strong reputation for fund performance.

Prior to that, Chris was an Institutional stockbroker with Burdett Buckridge and Young and Kleinwort Hattersley.

TROY CAIRNS**Director / Portfolio Manager**

Troy is a Director and Portfolio Manager at Quest Asset Partners. He has over 20 years' experience in Australian investment markets, being particularly active in mid and small cap industrials, technology stocks and the healthcare sector.

Troy joined Quest in 2007 and was formerly Director Equity Capital Markets at UBS and prior to that ABN AMRO Rothschild. He also advised listed companies on investor relations and transactions as Director at Channel Financial Communication. Troy originally qualified and practised as a Veterinary Surgeon.

SWAPAN PANDYA**Investment Analyst**

Swapan has experience analysing and valuing a broad variety of businesses and joined Quest in 2014 after a career as a broking analyst. Prior to joining Quest, Swapan was an Equity Research Analyst at BBY Ltd for six years. During this time he covered a range of sectors including small industrials, mining, banking/diversified financials and equity strategy. Prior to this, Swapan held various roles within Australian equities at CommSec.



2.1 The Managed Portfolios

The following pages contain descriptions for each of the Managed Portfolios that are available through this Investment Mandate.

Your financial adviser may also tailor a portfolio for you using these Managed Portfolios. Each Managed Portfolio is managed in accordance with an agreement between the Investment Sub-Adviser and the MDA Provider.

With advice from your financial adviser you may choose to invest in the following Managed Portfolios:

- » Quest Australian Equities Concentrated Portfolio - Wholesale
- » Quest Australian Equities Concentrated Portfolio - Retail
- » Quest Australian Equities Ex-20 Managed Portfolio -Wholesale
- » Quest Australian Equities Ex-20 Managed Portfolio -Retail



2.2 Managed portfolios

Quest Australian Equities Concentrated Portfolio - Wholesale

Managed portfolio objective

The Quest Australian Equities Concentrated Portfolio – Wholesale (Managed Portfolio) aims to outperform the S&P/ASX 300 Accumulation Index (the “Benchmark”) by 4% pa (gross of fees), irrespective of market direction.

Given the Managed Portfolio is expected to display a bias towards “broad cap” stocks, at any given time a portion of the underlying capital is expected to be allocated to companies with small capitalisations.

This Managed Portfolio is only available to wholesale investors.

Investment strategy

The Managed Portfolio is a concentrated and relatively benchmark unaware Managed Portfolio that will typically display a “broad cap” bias.

Additionally, the Managed Portfolio does have the ability to allocate up to 100% to cash, albeit this ability is only expected to be utilised in a period of extreme market dislocation.

Portfolio management

The Managed Portfolio is managed by Michael Evans, Chris Cahill and Troy Cairns (Portfolio Managers) and Swapan Pandya (Investment Analyst).

The investments held in this portfolio will reflect the analysis done by the broader Quest investment team and in many cases there will be common investments across the various portfolios managed by Quest.

Investment process

The Investment Sub-Adviser’s investment process considers the following business quality assessment, valuation and portfolio construction factors:

- » The ability to understand the business value chain;
- » Commitment to continually review the quality ranking and valuation assumptions of each business;
- » Access and the capacity to interview management;
- » Willingness to pay for and undertake travel to differentiate business knowledge, including finding similar business models in other markets and whether the same or different competitive positions exist in the value chain;
- » A Discounted Cash Flow template to facilitate peer review and sensitivity analysis;
- » A team nimble enough to undertake detailed peer review of business valuation;
- » A dedicated focus on Environmental, Social and Governance (ESG) issues and
- » Over 20 years of experience.



Portfolio Parameters

Feature	Description
Name	Quest Australian Equities Concentrated Portfolio - Wholesale
Investment Sub-Adviser	Quest Asset Partners
Investment universe	Shares, preference shares, listed equity and property trusts, convertible preference shares, rights and notes listed (or likely to be listed) on the Australian Securities Exchange (ASX).
Benchmark	S&P/ASX 300 Accumulation Index
Investment objective	Aims to outperform the S&P/ASX 300 Accumulation Index + 4% pa (gross of fees)
Minimum number of investments	20
Maximum number of investments	35
Minimum cash weighting	2%
Maximum cash weighting	100%
Maximum equity weighting	98%
Maximum individual security weighting	15%
Rebalancing	Investment Sub-Adviser discretion
Minimum initial investment	\$250,000
Minimum additional investment	\$50,000
Minimum withdrawal	\$50,000
Suggested investment timeframe	3 - 5 years
Investment Manager fee	0.70% p.a.
Performance fee	16.5% p.a. The percentage Performance Fee is payable on the amount of outperformance of the Benchmark and is subject to a high-water mark. This fee is calculated half yearly and charged to your Managed Account. Refer to the Additional explanation of fees and costs section in the Mason Stevens Global Investment Services Guide for further information.
Indirect Cost Ratio	Nil
Domestic equity transaction fee	0.275%, no minimum per transaction.



Quest Australian Equities Concentrated Portfolio - Retail

Managed portfolio objective

The Quest Australian Equities Concentrated Portfolio – Retail (Managed Portfolio) aims to outperform the S&P/ASX 300 Accumulation Index (the “Benchmark”) by 4% pa (gross of fees), irrespective of market direction.

Given the Managed Portfolio is expected to display a bias towards “broad cap” stocks, at any given time a portion of the underlying capital is expected to be allocated to companies with small capitalisations.

NB: The Quest Australian Equities Concentrated Portfolio – Retail, follows the same Managed portfolio objective and investment strategy of the Quest Australian Equities Concentrated Portfolio – Wholesale. The difference between the two is the minimum initial investment amounts.

Investment strategy

The Managed Portfolio is a concentrated and relatively benchmark unaware Managed Portfolio that will typically display a “broad cap” bias.

Additionally the Managed Portfolio does have the ability to allocate up to 100% to cash, albeit this ability is only expected to be utilised in a period of extreme market dislocation.

Portfolio management

The Managed Portfolio is managed by Michael Evans, Chris Cahill and Troy Cairns (Portfolio Managers) and Swapan Pandya (Investment Analyst).

The investments held in this portfolio will reflect the analysis done by the broader Quest investment team and in many cases there will be common investments across the various portfolios managed by Quest.

Investment process

The Investment Sub-Adviser’s investment process considers the following business quality assessment, valuation and portfolio construction factors;

- » The ability to understand the business value chain;
- » Commitment to continually review the quality ranking and valuation assumptions of each business;
- » Access and the capacity to interview management;
- » Willingness to pay for and undertake travel to differentiate business knowledge, including finding similar business models in other markets and whether the same or different competitive positions exist in the value chain;
- » A Discounted Cash Flow template to facilitate peer review and sensitivity analysis;
- » A team nimble enough to undertake detailed peer review of business valuation;
- » A dedicated focus on Environmental, Social and Governance (ESG) issues and
- » Over 20 years of experience.



Portfolio Parameters

Feature	Description
Name	Quest Australian Equities Concentrated Portfolio - Retail
Investment Sub-Adviser	Quest Asset Partners
Investment universe	Shares, preference shares, listed equity and property trusts, convertible preference shares, rights and notes listed (or likely to be listed) on the Australian Securities Exchange (ASX).
Benchmark	S&P/ASX 300 Accumulation Index
Investment objective	Aims to outperform the S&P/ASX 300 Accumulation Index + 4% pa (gross of fees)
Minimum number of investments	20
Maximum number of investments	35
Minimum cash weighting	2%
Maximum cash weighting	100%
Maximum equity weighting	98%
Maximum individual security weighting	15%
Rebalancing	Investment Sub-Adviser discretion
Minimum initial investment	\$50,000
Minimum additional investment	\$25,000
Minimum withdrawal	\$25,000
Suggested investment timeframe	3 - 5 years
Investment Manager fee	0.70% p.a.
Performance fee	16.5% p.a. The percentage Performance Fee is payable on the amount of outperformance of the Benchmark and is subject to a high-water mark. This fee is calculated half yearly and charged to your Managed Account. Refer to the Additional explanation of fees and costs section in the Mason Stevens Global Investment Services Guide for further information.
Indirect Cost Ratio	Nil
Domestic equity transaction fee	0.275%, no minimum per transaction.



Quest Australian Equities Ex-20 Portfolio - Wholesale

Managed portfolio objective

The Quest Australian Equities ex-20 Managed Portfolio - Wholesale (the Managed Portfolio) aims to outperform the S&P/ASX 300 Accumulation Index excluding that part of the return generated by stocks within the S&P/ASX 20 Index (gross of fees), irrespective of market direction.

This Managed Portfolio is only available to wholesale investors.

Investment strategy

The Managed Portfolio is a relatively benchmark unaware concentrated portfolio of between 20 and 40 companies that are primarily selected from outside the 20 largest securities in the S&P/ASX 300 index. The Managed Portfolio uses Quest's proven investment process and utilises its experience investing in smaller companies. The Managed Portfolio can be expected to have significant exposure to mid and small capitalised companies.

Portfolio management

The Managed Portfolio is managed by Troy Cairns (Portfolio Manager) and Swapan Pandya (Investment Analyst).

The investments held in this portfolio will reflect the analysis done by the broader Quest investment team and in many cases there will be common investments across the various portfolios managed by Quest.

Investment process

The Investment Sub-Adviser's investment process considers the following business quality assessment, valuation and portfolio construction factors;

- » The ability to understand the business value chain;
- » Commitment to continually review the quality ranking and valuation assumptions of each business;
- » Access and the capacity to interview management;
- » Willingness to pay for and undertake travel to differentiate business knowledge, including finding similar business models in other markets and whether the same or different competitive positions exist in the value chain;
- » A Discounted Cash Flow template to facilitate peer review and sensitivity analysis;
- » A team nimble enough to undertake detailed peer review of business valuation;
- » A dedicated focus on Environmental, Social and Governance (ESG) issues and
- » Over 20 years of experience.



Portfolio Parameters

Feature	Description
Name	Quest Australian Equities Ex-20 Managed Portfolio - Wholesale
Investment Sub-Adviser	Quest Asset Partners
Investment universe	Shares, preference shares, listed equity and property trusts, convertible preference shares, rights and notes listed (or likely to be listed) on the Australian Securities Exchange (ASX).
Benchmark	S&P/ASX 300 Accumulation Index excluding the S&P/ASX 20 Index
Investment objective	Aims to outperform the S&P/ASX 300 Accumulation Index excluding that part of the return generated by stocks within the S&P/ASX 20 Index (gross of fees) pa
Minimum number of investments	20
Maximum number of investments	40
Minimum cash weighting	2%
Maximum cash weighting	25%
Maximum equity weighting	98%
Maximum individual security weighting	12%
Rebalancing	Investment Sub-Adviser discretion
Minimum initial investment	\$250,000
Minimum additional investment	\$50,000
Minimum withdrawal	\$50,000
Suggested investment timeframe	3 - 5 years
Investment Manager fee	0.80% p.a.
Performance fee	16.5% p.a. The percentage Performance Fee is payable on the amount of outperformance of the Benchmark and is subject to a high-water mark. This fee is calculated half yearly and charged to your Managed Account. Refer to the Additional explanation of fees and costs section in the Mason Stevens Global Investment Services Guide for further information.
Indirect Cost Ratio	Nil
Domestic equity transaction fee	0.275%, no minimum per transaction.



Quest Australian Equities Ex-20 Portfolio - Retail

Managed portfolio objective

The Quest Australian Equities ex-20 Managed Portfolio - Retail (the Managed Portfolio) aims to outperform the S&P/ASX 300 Accumulation Index excluding that part of the return generated by stocks within the S&P/ASX 20 Index (gross of fees), irrespective of market direction.

Investment strategy

The Managed Portfolio is a relatively benchmark unaware concentrated portfolio of between 20 and 40 companies that are primarily selected from outside the 20 largest securities in the S&P/ASX 300 index. The Managed Portfolio uses Quest's proven investment process and utilises its experience investing in smaller companies. The Managed Portfolio can be expected to have significant exposure to mid and small capitalised companies.

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The Investment Sub-Adviser's investment process considers the following business quality assessment, valuation and portfolio construction factors;

- » The ability to understand the business value chain;
- » Commitment to continually review the quality ranking and valuation assumptions of each business;
- » Access and the capacity to interview management;
- » Willingness to pay for and undertake travel to differentiate business knowledge, including finding similar business models in other markets and whether the same or different competitive positions exist in the value chain;
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- » Over 20 years of experience.



Portfolio Parameters

Feature	Description
Name	Quest Australian Equities Ex-20 Managed Portfolio - Retail
Investment Sub-Adviser	Quest Asset Partners
Investment universe	Shares, preference shares, listed equity and property trusts, convertible preference shares, rights and notes listed (or likely to be listed) on the Australian Securities Exchange (ASX).
Benchmark	S&P/ASX 300 Accumulation Index excluding the S&P/ASX 20 Index
Investment objective	Aims to outperform the S&P/ASX 300 Accumulation Index excluding that part of the return generated by stocks within the S&P/ASX 20 Index (gross of fees) pa
Minimum number of investments	20
Maximum number of investments	40
Minimum cash weighting	2%
Maximum cash weighting	25%
Maximum equity weighting	98%
Maximum individual security weighting	12%
Rebalancing	Investment Sub-Adviser discretion
Minimum initial investment	\$50,000
Minimum additional investment	\$25,000
Minimum withdrawal	\$25,000
Suggested investment timeframe	3 - 5 years
Investment Manager fee	0.80% p.a.
Performance fee	16.5% p.a. The percentage Performance Fee is payable on the amount of outperformance of the Benchmark and is subject to a high-water mark. This fee is calculated half yearly and charged to your Managed Account. Refer to the Additional explanation of fees and costs section in the Mason Stevens Global Investment Services Guide for further information.
Indirect Cost Ratio	Nil
Domestic equity transaction fee	0.275%, no minimum per transaction.



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 your money on your investment.

Specific risks apply to all investments that may have an effect on the value of your Managed Portfolio. The risks of investing in the MDA 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 investments in international assets 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 underlying assets arising from investments in overseas markets.

Other risk of investment include:

- » Interest rate risk - Changes in interest rates can influence the value of returns of investment in the Managed Portfolio.
- » Credit risk - Any change in the market perception of the credit worthiness of a security or the credit rating of the issues of the security may affect the security's value.
- » 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 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 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's 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 trading and administration systems used to managed 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.

