Savana Asset Management Managed Account Service Investment Mandate

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

Investment Sub-Adviser:
Savana Asset Management Pty Ltd
ABN 79 662 088 904
(CAR 1308949)

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Mason Stevens has appointed Savana Asset Management Pty Ltd (CAR 1308949) of Fat Prophets Pty Ltd (AFSL 229183), as Investment Sub-Adviser on the Managed Portfolios outlined in this Investment Mandate.

Important Information

This document has been issued by Mason Stevens Pty Limited ABN 91 141 447 207, AFSL 351578 (Mason Stevens). Mason Stevens is the Managed Discretionary Account (MDA) Provider of the MDA Service. Mason Stevens has appointed Savana Asset Management Pty Ltd ABN 79 662 088 904 CAR 1308949 of Fat Prophets Pty Ltd ABN 62 094 448 549 AFSL 229183 as Investment Sub-Adviser on the Managed Portfolios outlined in this Investment Mandate.

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, Savana Asset Management 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 Savana Asset Management has control over that data and nor do they accept any responsibility for verifying or updating that data. Mason Stevens, Savana Asset Management 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 portfolio. Savana Asset Management consent to statements in this document attributable to them or referring to them, and have not withdrawn their consent. Savana Asset Management 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.

About the relevant parties 1

1.1 About Savana Asset Management

Savana Asset Management Pty Ltd is an Australian boutique investment manager founded in 2022. Savana focuses on technology-driven, systematic investment strategies delivered through managed portfolios and active ETFs.

1.2 Investment committee

Evan Metcalf
Evan Metcalf is Executive Director of Savana Asset Management. Alongside this role, Evan runs Axio ETF Consulting, providing independent strategic advice to asset managers on ETF product development and implementation.

Prior to that, Evan spent over 10 years at Global X ETFs Australia, including time as Co-Head of Portfolio Management, Head of Product and Chief Executive Officer. Before getting involved in ETFs, Evan spent 15 years in equity and FX derivative structuring roles at Credit Suisse in London as well as at ANZ and Westpac.

Evan is a CFA charter holder, holds a Masters in Financial Mathematics from King's College London, and a Bachelor of Commerce (Finance) and Bachelor of Science (Mathematics) from UNSW.

Samuel Atkinson
Samuel has investment experience spanning both debt and equity capital markets globally. Prior to joining Savana, Samuel worked at Credeq (formerly Assetinsure) across the Sydney and London offices within the Financial Risk Products team, specialising in the use of credit insurance to transfer risk on institutional leveraged loan transactions.

At Savana, Samuel maintains a deep understanding of both the philosophical foundations and algorithmic architecture underpinning the firm's investment strategy.

Samuel holds a Bachelor of Commerce (Economics & Finance) from the University of Melbourne, graduating with Distinction / Upper Second Class Honours in his Finance major.

Stephen Duchesne
Stephen was previously a career financial markets specialist focusing on the quantitative applications of structured financial derivatives across debt, equity, and commodity asset classes. Most recently, Stephen was Managing Director and Head of Australasian Debt Markets & Derivatives at Merrill Lynch in Sydney, where he also served on the local Executive Board and the boards of a number of Merrill's local domestic entities.

He has run his own valuation-based listed equity fund for over 20 years under his own AFSL. During this time he managed a c$300m securitization equity portfolio for a listed Australia company, and served for a number of years as a director on the board of a Barclays Bank owned investment management company. He is currently a member of the Asset Allocation Committee for a leading Australian asset consultant, and has been involved as a founder in a number of financial service technology start-ups.

Stephen has a Bachelor of Science in Pure Mathematics from the University of Sydney and a Master of Applied Finance from Macquarie University, where he was awarded the University prize In Topics in Portfolio Management, and served on its Advisory Board for a number of years.

2.1. Investment philosophy

Savana's investment philosophy is grounded in the belief that financial markets operate as a Complex Adaptive System, where prices are generally efficient due to the aggregation of diverse and independent market participants, but periodically exhibit systematic inefficiencies.

Savana's core insight is that mispricings are rare but persistent, identifiable, and exploitable.

Our approach is built on the principles of Collective Intelligence, whereby:

- Aggregated, diverse signals produce more accurate estimates than individual judgements
- Market efficiency is strongest when diversity and independence are preserved
- Inefficiencies arise when these conditions deteriorate

2.2. Strategic Asset Allocation (SAA)

Savana does not employ a traditional Strategic Asset Allocation (SAA) framework. Instead:

- Strategy is single-asset-class focused
- Exposure is maintained consistently and fully invested within the defined universe
- There is no long-term allocation across asset classes (e.g. equities vs bonds)

The reasons behind this are:

- Returns are derived from security selection, not asset allocation
- The opportunity set exists within markets, not between them
- Attempting to allocate across asset classes introduces uncompensated forecasting risk

2.3. Security selection process and valuation technology

The investment universe consists of all companies listed in the given investment universe, subject to key filters defined by Savana. The filtering process ensures sufficient breadth to capture inefficiencies, and practical implementability at scale.

The valuation framework is fully technology-driven, leveraging a cloud-based data and computation architecture to generate signals at scale.
The system ingests market and fundamental data from external providers. Data is processed and transformed and multiple independent valuation models are applied across the investment universe, each analysing different dimensions of company fundamentals, pricing behaviour, and relative value. Each security is assigned a proprietary valuation score.
Final valuation scores are made available for portfolio construction and rebalancing processes. The system is fully automated, enabling coverage of thousands of securities with minimal manual intervention

2.4. Position selection and weighting

Positions are selected based on relative valuation attractiveness. Portfolios typically comprise 25 to 50 securities, reflecting a high-conviction approach.
Position selection is fully systematic (driven by proprietary model outputs), free from discretionary override (ensuring consistency and repeatability), and designed to maximise exposure to idiosyncratic returns (rather than broad market factors).
All positions are subject to a sanity check by the Investment Committee, focused on:

- Data integrity and accuracy
- Identification of potential anomalies (e.g. corporate actions, data errors)
- Screening for known frauds or structural risks not captured by the model

The Investment Committee does not override model decisions, but ensures the robustness and reliability of inputs underpinning portfolio construction.

At each rebalancing event, the portfolio is constructed on an equal-weight basis, with capital allocated evenly across all selected positions. This ensures consistent exposure across holding, and reinforces the purity of the selection signal, rather than introducing secondary weighting biases.
Following implementation, positions are not actively reweighted. Instead, the portfolio is allowed to drift naturally in response to market movements until the next scheduled rebalance.
At each subsequent rebalance, the portfolio is reset to equal weights, incorporating updated valuation signals and refreshed position selection. Portfolios are rebalanced on a bi-monthly basis.

5.2 Risk Management

Savana maintains a range of controls to manage key sources of risk within the portfolio. These controls are primarily embedded within the systematic investment process, rather than applied through discretionary intervention.

Risk is managed through:

- Natural diversification across securities and sectors
- Systematic rebalancing
- Implicit control via valuation discipline

Savana Australian Small Cap Portfolio

Feature	Description	
Investment Sub-Adviser	Savana Asset Management Pty Ltd	
Inception date	June 2026	
Investment objective	To outperform the S&P/ASX Small Ordinaries Index after fees over a medium to long term investment horizon.	
Investment strategy and approach	Savana uses a technology-driven investment approach based on collective intelligence science to exploit marker inefficiencies and identify overlooked, undervalued companies.	
Benchmark return	S&P/ASX Small Ordinaries Index	
Investment universe	Australian equities	
Minimum number of holdings	25	
Maximum number of holdings	50	
Asset allocation	**Allocation range**	**Target weight**
Australian shares	95% - 98%	98%
Cash (minimum 2%)	2% - 5%	2%
Maximum single holding weighting	6%	
Suggested investment timeframe	7+ years	
Minimum initial investment	$10,000	
Minimum additional investment	$10,000	
Minimum redemption	$10,000	
Rebalance frequency	Sub-Adviser discretion	
Investment management fee	1%	
Indirect Cost Ratio (ICR)	0%	
Performance fee	15% of performance above benchmark subject to high watermark on performance versus benchmark.	

Risk of investing

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 of the value of your Managed Portfolio. The risks of investing in the Managed Portfolios 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-Advisers intention to hedge the foreign currency exposure of the underlying assets arising from investments in overseas markets.

Other risks 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 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.