United Advisory Managed Account Service Investment Mandate

MASON STEVENS

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

Investment Sub-Adviser:
United Advisory Pty Ltd
ABN 32 640 281 867 CAR 1282036

Date Issued: June 2024

Contents

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UNITED ADVISORY

Mason Stevens has appointed United Advisory Pty Ltd ABN 32 640 281 867 CAR 1282036 as Investment Sub-Adviser on the Investment Options outlined in this Investment Mandate. United Advisory Pty Ltd is a Corporate Authorised Representative of United Advice Pty Ltd ABN 46 641 317 035 AFSL 523332.

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 United Advisory Pty Ltd (United Advisory) ABN 32 640 281 867 CAR 1282036, 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, United Advisory 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 United Advisory has control over that data and nor do they accept any responsibility for verifying or updating that data. Mason Stevens, United Advisory 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.

United Advisory consent to statements in this document attributable to them or referring to them, and have not withdrawn their consent.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

United Advisory is a full service advisory business that provides services across, financial planning, business advice, accounting and law.

1.2 Investment Committee

United Advisory 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 United Advisory 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.

Pim John van Gestel

Pim has in excess of 30 years' experience in investment markets. Prior to establishing United Advisory, Pim was one of the founding shareholders of Oxygen Financial Service, a boutique advisory company partnered with the Switzer Group.

Whilst at Oxygen, Pim was a Senior Financial Adviser and Chief Investment Officer and was responsible for the management of their client's portfolios. Pim also sat on the Switzer groups investment committee. Pim now chairs the investment committee for United Advisory.

Pim commenced his career in investment markets as a stockbroker, then transitioning to Financial Planning in 2008, with a focus on client outcomes. Pim is committed to ensuring that United Advisory clients have access to a broad suite of innovative and transparent investment solutions that cater for an extensive range of investor needs and objectives.

Jacqueline Fernley – external member

Jacqueline is considered one of the most well-regarded investment professionals in the Australian market,

with over 25 year's' experience of leading teams and developing products within the financial services sector. She is a highly experienced investor, knowledgeable across the full breadth of industry sectors both domestically and internationally, resulting in a vast frame of reference of business strategies across multiple sectors.

As Mason Steven's Chief Investment Officer (CIO), she leads our asset management specialists, and plays a crucial role in developing our client coverage models leveraging her deep understanding of financial markets across a breadth of asset classes, strategic asset allocation and strategy implementation.

Prior to joining Mason Stevens in 2022, Jacqueline has previous held roles such as Head of Equities at JB Were, Australian Equity Portfolio Manager at CFS, Head of Research at Wilson HTM, and Portfolio Manager and Head of Research at Magellan. She is also intimately involved in mentoring and supporting women in the financial services industry, ESG and contemporary slavery issues, regularly presenting to investment committees, boards and management on the topic.

Jacqueline has a Bachelor of Commerce/Law degree, is a holder of the Chartered Financial Analyst (CFA) designation and is a graduate of the Australian Institute of Company Directors (GAICD).

David Bassanese – external member

David is responsible for developing economic insights and portfolio construction strategies for adviser and retail clients. Prior to BetaShares, David was an economic columnist for The Australian Financial Review (AFR) for over a decade. Prior to the AFR, David spent several years in the financial markets as a senior economist and interest rate strategist at Bankers Trust and Macquarie Bank. He started his career as a Commonwealth Treasury official, after which he spent three years as a research economist at the Organisation for Economic Cooperation and Development (OECD) in Paris, France. David is the author of Australia's most comprehensive book on the local ETF market. He graduated with First Class Honours from the University of Adelaide, and a Master in Public Policy from the J.F. Kennedy School of Government at Harvard University.

Investment philosophy and process 2

2.1 Investment Process

The portfolios are constructed with a focus on capturing risk-adjusted returns through diverse asset allocation principles, granting the investor broad access to markets whilst also providing sufficient risk controls and uncorrelated exposures to limit overall market risk. The objective of the Portfolio is to provide a highly diverse, actively managed exposure to global markets at a low cost.

The philosophy of the portfolio is underpinned by placing a value on actively managed, strategic placement in global asset classes with forward-looking sector views. This allows advisers access to intelligently constructed and highly liquid portfolios, backed by the expertise of global ETF managers, or high fees eroding long-term performance.

The Strategic Asset allocation is driven by United Advisory's macroeconomic views over a 3-5 year time frame, including; historical and projected asset class returns in current market conditions, expected market volatility for classes and sub-sectors, United Advisory's views on economic outlook for geographies and structural risk within each market sector.

United Advisory will also apply tactical tilts on a quarterly basis which will reflect United Advisory's macroeonomic views for the upcoming quarter.

Portfolio parameters 3

UNITED ADVISORY DEFENSIVE MANAGED PORTFOLIO

Portfolio Name	United Advisory Defensive Managed Portfolio	
Investment Sub-Advisor	United Advisory	
Inception Date	February 2023	
Investment objective	Focus on capital preservation and reducing downside risk.	
Investment Strategy and Approach	To achieve the stated investment objective through diversified exposure to a mix growth and defensive assets.	
Benchmark Return	RBA Cash Rate + 1%	
Minimum number of securities	5	
Maximum number of securities	20	
Asset Allocation	**Allocation range**	**Target**
Australian Fixed Income	60% - 98%	98%
International Fixed Income	0% - 40%	0%
Alternatives	0% - 20%	0%
Cash (minimum 2% cash)	2% - 30%	2%
Investment universe	ETFs, Listed Managed Funds, LITs, LICs, Cash	
Maximum single security or fund weighting	40%	
Minimum suggested timeframe	2 years+	
Minimum initial investment $	$25,000	
Minimum additional investment $	$10,000	
Minimum withdrawal	$10,000	
Rebalance frequency	Investment Sub-Advisor discretion	
Investment manager fee[1]	0.44%	
Indirect Cost Ratio	0.22%	
Performance fee	Nil	

1. Of the total investment manager fee, up to 0.22% pa of the fee will be retained by the MDA Provider for services related to the investment management activities on each of the portfolios.

UNITED ADVISORY GROWTH MANAGED PORTFOLIO

Portfolio Name	United Advisory Growth Managed Portfolio	
Investment Sub-Advisor	United Advisory	
Inception Date	February 2023	
Investment objective	Focus on capital preservation and reducing downside risk.	
Investment Strategy and Approach	To achieve the stated investment objective through diversified exposure to a mix growth and defensive assets.	
Benchmark Return	RBA Cash Rate + 2%	
Minimum number of securities	5	
Maximum number of securities	20	
Asset Allocation	**Allocation Range**	**Target**
Australian Equities	25% - 55%	40%
International Equities	20% - 50%	34%
Alternatives	0% - 20%	12%
Property	0% - 20%	6%
Infrastructure	0% - 20%	6%
Cash (minimum 2% cash)	2% - 30%	2%
Investment universe	ETFs, Listed Managed Funds, LITs, LICs, Cash	
Maximum single security or fund weighting	40%	
Minimum suggested timeframe	2 years+	
Minimum initial investment $	$25,000	
Minimum additional investment $	$10,000	
Minimum withdrawal	$10,000	
Rebalance frequency	Investment Sub-Advisor discretion	
Investment manager fee[1]	0.44%	
Indirect Cost Ratio	0.30%	
Performance fee	Nil	

1. Of the total investment manager fee, up to 0.22% pa of the fee will be retained by the MDA Provider for services related to the investment management activities on each of the portfolios.

UNITED ADVISORY GROWTH PLUS MANAGED PORTFOLIO

Portfolio Name	United Advisory Growth Plus Managed Portfolio	
Investment Sub-Advisor	United Advisory	
Inception Date	February 2023	
Investment objective	Focus on capital preservation and reducing downside risk.	
Investment Strategy and Approach	To achieve the stated investment objective through diversified exposure to a mix growth and defensive assets.	
Benchmark Return	RBA Cash Rate + 3.5%	
Minimum number of securities	5	
Maximum number of securities	20	
Asset Allocation	**Allocation Range**	**Target**
Australian Equities	30% - 60%	46%
International Equities	25% - 55%	40%
Alternatives	0% - 20%	6%
Property	0% - 20%	3%
Infrastructure	0% - 20%	3%
Cash (minimum 2% cash)	2% - 30%	2%
Investment universe	ETFs, Listed Managed Funds, LITs, LICs, Cash	
Maximum single security or fund weighting	40%	
Minimum suggested timeframe	2 years+	
Minimum initial investment $	$25,000	
Minimum additional investment $	$10,000	
Minimum withdrawal	$10,000	
Rebalance frequency	Investment Sub-Advisor discretion	
Investment manager fee[1]	0.44%	
Indirect Cost Ratio	0.30%	
Performance fee	Nil	

1. Of the total investment manager fee, up to 0.22% pa of the fee will be retained by the MDA Provider for services related to the investment management activities on each of the portfolios.

Risks of investing 4

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.