

Zebra Financial Services Managed Account Service Investment Mandate



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

Investment Sub-Adviser:
Zebra Financial Services Pty Ltd ABN 90
627 270 277 AFSL 512864

Date Issued: October 2024

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Mason Stevens has appointed Zebra Financial Services Pty Ltd ABN 90 627 270 277 AFSL 512864 as Investment Sub-Adviser on the Investment Options outlined in this Investment Mandate.



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 Zebra Financial Services Pty Ltd ABN 90 627 270 277 AFSL 512864, as Investment Sub-Adviser on the Investment Options 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 Investment Options 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 Investment Options 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, ZFS 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 ZFS has control over that data and nor do they accept any responsibility for verifying or updating that data. Mason Stevens, ZFS 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 Investment Options.

ZFS consent to statements in this document attributable to them or referring to them, and have not withdrawn their consent. ZFS 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 Zebra Financial Services

ZFS was established in 2019. ZFS offer a wider range of services tailored to our clients' unique situation. ZFS has a mission and that is to deliver better outcomes for clients through a broader range of advice and services, in order to help write the next chapter in their lives.

1.2 About Quilla Consulting

Quilla Consulting (Quilla) is a specialised asset consultant that partners with advice firms to provide investment solutions. Quilla was established in 2014 and began by offering consulting services to institutional clients.

1.3 Investment Committee

ZFS is responsible for advising the MDA Provider on the management and performance of the Investment Options available for investment through the Investment Mandate.

The Investment Committee's purpose is to:

- » assess the performance and forecasts of domestic and global investment markets;
- » assess political, economic and demographic influences on domestic and global investment markets;
- » provide guidance on selected investments, asset classes and/or investment managers within the Investment Options; and
- » provide guidance on perceived investment risks and actions seeking to address these investment risks. The establishment and management of the Investment Options are supervised by an experienced Investment Committee comprising the following members:

Toby Lewis – Chairperson

Toby is a Director of Harbour Reach Investment Consulting, a company he founded in 2018.

Toby spent the early part of his career in institutional funds management in London. Prior to relocating to Australia in 2010, he held roles in research and portfolio management at SG Global Private Banking and HSBC Private Wealth Managers.

In Australia, he worked in research for Standard & Poor's and UBS Wealth Management, before heading Research and Advisory for Citibank Wealth Management. He was mostly recently Chief Investment Officer of ASX-listed licensee, Centrepont Alliance, before launching Harbour Reach.

Toby holds a Bachelor of Laws honours degree and a Maitrise, both in English and French law, from the Universities of London and Paris respectively. He also holds a Master's degree in Financial Economics from the University of London. He is a CFA charterholder, a certified Financial Risk Manager, and a graduate member of the Australian Institute of Company Directors. Toby is also currently a member of the Sydney CFA Society's Member Education Committee..

Andy Hills

Now based in Sydney, Andy started in the industry in 1984 in the UK and brings over 25 years of local and friendly expertise as a financial planner in Sydney, Darwin and Queensland. He has considerable knowledge in the areas of life, income protection and disability insurances and can also offer specialist advice in superannuation, personal investment and all other areas of financial planning. Andy began his career as a life agent for Pearl Assurance in the UK and after immigrating to Australia took up an agency with Colonial and developed himself into a Financial Adviser. Andy has worked hard to build and maintain an established client base, and is dedicated to developing long-term customer relationships.

Sharon Hills

Sharon has over 25 years' experience in the Financial Planning industry and has spent considerable time in many financial planning practices. Sharon is a Principal of Zebra Financial Services and is dedicated to developing long term industry and client relationships for her advisers. Sharon is very passionate about ensuring that her representatives and their clients are treated with the utmost respect who they can count on when they need help and assistance in their lives.

Damien Grimes

Having joined the UK Financial Services industry in July 1987, Damien became a fully qualified Financial Adviser in 1998. He went on to advise clients for Wealth Management company J Rothschild's Assurance before establishing his own UK financial planning practice in 2002.

Damian migrated to Australia in September 2008 and has been active in the Australian financial planning industry for over 12 years.

Tracey Smylie

Tracey has been in the Financial Planning industry since 2006, following a move to Australia from the UK. She has gained experience and knowledge from working in the client services area and paraplanning and has been able to build and maintain close relationships with clients. Tracey enjoys researching financial strategies and options that suit her clients' needs to ensure they feel comfortable with their financial options.



2.1 The Investment Options

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

Your financial adviser may also tailor a Portfolio for you using these Investment Options. Each Investment Option 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 one or more of the following Managed Portfolios:

- » Zebra Conservative Portfolio
- » Zebra Moderate Portfolio
- » Zebra Balanced Portfolio
- » Zebra Growth Portfolio
- » Zebra High Growth Portfolion

2.2 Investment Process

Investment philosophy

The aim of portfolio design and construction is to provide controlled exposure to investment market premia consistent with the predetermined objectives. Risk management is integral to the investment process. Portfolios must be sufficiently diversified, avoiding large directional plays or concentrations of risk. It is also important to have regard to the interaction of exposures when measuring and managing risk. The Investment Committee prefers large numbers of small exposures with low correlations in order to generate superior risk-adjusted returns.

The Investment Committee believe excessive turnover, taxes, direct and indirect costs erode returns. Making changes to portfolios involves striking a balance between frictional costs and the benefits of returning risk exposures towards strategic allocations or the potential for enhanced returns. Ongoing monitoring of portfolio returns and exposures is an important part of the portfolio management process. All parameters will also be regularly reviewed to ensure consistency with investor objectives.

Portfolio construction

ZFS constructs a range of portfolios to suit the objectives, investment timeframes and investment profiles of individual investors. Those portfolios contain a blend of investments with the aim of reducing investment volatility by diversification across sectors, industries, geographic regions, countries and managers with investment styles suited to conditions prevailing at that time.

Before engaging an investment manager, ZFS's analysts undertake thorough due diligence, including personal interviews and assessment of the manager's research and financial resources, capability and experience of personnel, quality of its investment strategy and the consistency of its implementation.

The Investment Committee monitors Australian and global economic and market conditions and applies a dynamic approach to allocations to specific asset classes and investment selections within those classes. When the monitoring detects changes in conditions, ZFS may exit or reduce some positions to preserve past gains and move investment toward positions which, in ZFS's view, have higher probability for future returns.

ZFS selects managed funds, exchange traded funds (ETFs) and other investments suited to its investment objectives, based on independent external research to identify best of breed investment managers and investments in each investment category.



2.3 Portfolio Parameters

ZEBRA CONSERVATIVE

| Feature | Description |
|--|--|
| Portfolio Name | Zebra Conservative |
| Investment Sub-Advisor | Zebra Financial Services |
| Inception Date | August 2022 |
| Investment objective | To achieve a return above the benchmark return over the investment cycle. |
| Investment Strategy and Approach | To achieve the stated objective by selecting a mix of high quality investment managers through a rigorous investment research process. The process will involve ZFS seeking to gain an in-depth understanding of each investment manager it selects. |
| Benchmark Return | Morningstar Australia Conservative Target Allocation NR AUD Index |
| Minimum number of securities | 15 |
| Maximum number of securities | 35 |
| Asset allocation | Allocation range Target Weight |
| Australian Equities | 0% - 25% 5% |
| International Equities | 0% - 25% 5% |
| Australian Fixed Income | 0% - 60% 21.5% |
| International Fixed Income | 0% - 60% 23.5% |
| Property | 0% - 10% 4% |
| Infrastructure | 0% - 10% 6% |
| Alternatives | 0% - 15% 10% |
| Cash (minimum 2% cash) | 2% - 40% 25% |
| Investment universe | Managed funds, ETFs, listed managed funds, LICs, LITs and cash. |
| Maximum single security or fund weighting | 30% |
| Minimum suggested timeframe | 3 years |
| Minimum initial investment \$ | \$25,000 |
| Minimum additional investment \$ | \$10,000 |
| Minimum withdrawal | \$10,000 |
| Rebalance frequency | Sub-adviser discretion |
| Investment manager fee¹ | 0.165% |
| Indirect Cost Ratio | 0.56% |
| Performance fee | Nil |

1. The investment management fee of 0.165% will be paid in full to Quilla Consulting for services related to the investment management activities on each of the portfolios.



ZEBRA MODERATE

| Feature | Description |
|--|--|
| Portfolio Name | Zebra Moderate |
| Investment Sub-Advisor | Zebra Financial Services |
| Inception Date | August 2022 |
| Investment objective | To achieve a return above the benchmark return over the investment cycle. |
| Investment Strategy and Approach | To achieve the stated objective by selecting a mix of high quality investment managers through a rigorous investment research process. The process will involve ZFS seeking to gain an in-depth understanding of each investment manager it selects. |
| Benchmark Return | Morningstar Australia Moderate Target Allocation NR AUD Index |
| Minimum number of securities | 15 |
| Maximum number of securities | 35 |
| Asset allocation | Allocation range Target Weight |
| Australian Equities | 0% - 40% 10.5% |
| International Equities | 0% - 40% 10.5% |
| Australian Fixed Income | 0% - 50% 20.5% |
| International Fixed Income | 0% - 50% 19.5% |
| Property | 0% - 10% 6% |
| Infrastructure | 0% - 10% 8% |
| Alternatives | 0% - 20% 10% |
| Cash (minimum 2% cash) | 2% - 40% 15% |
| Investment universe | Managed funds, ETFs, listed managed funds, LICs, LITs and cash. |
| Maximum single security or fund weighting | 30% |
| Minimum suggested timeframe | 3 years |
| Minimum initial investment \$ | \$25,000 |
| Minimum additional investment \$ | \$10,000 |
| Minimum withdrawal | \$10,000 |
| Rebalance frequency | Sub-adviser discretion |
| Investment manager fee¹ | 0.165% |
| Indirect Cost Ratio | 0.70% |
| Performance fee | Nil |

1. The investment management fee of 0.165% will be paid in full to Quilla Consulting for services related to the investment management activities on each of the portfolios.



ZEBRA BALANCED

| Feature | Description |
|--|--|
| Portfolio Name | Zebra Balanced |
| Investment Sub-Advisor | Zebra Financial Services |
| Inception Date | August 2022 |
| Investment objective | To achieve a return above the benchmark return over the investment cycle. |
| Investment Strategy and Approach | To achieve the stated objective by selecting a mix of high quality investment managers through a rigorous investment research process. The process will involve ZFS seeking to gain an in-depth understanding of each investment manager it selects. |
| Benchmark Return | Morningstar Australia Balanced Target Allocation NR AUD Index |
| Minimum number of securities | 15 |
| Maximum number of securities | 35 |
| Asset allocation | Allocation range Target Weight |
| Australian Equities | 0% - 40% 15.5% |
| International Equities | 0% - 40% 15.5% |
| Australian Fixed Income | 0% - 40% 16.5% |
| International Fixed Income | 0% - 40% 15.5% |
| Property | 0% - 25% 6% |
| Infrastructure | 0% - 25% 8% |
| Alternatives | 0% - 25% 10% |
| Cash (minimum 2% cash) | 2% - 40% 13% |
| Investment universe | Managed funds, ETFs, listed managed funds, LICs, LITs and cash. |
| Maximum single security or fund weighting | 30% |
| Minimum suggested timeframe | 3 years |
| Minimum initial investment \$ | \$25,000 |
| Minimum additional investment \$ | \$10,000 |
| Minimum withdrawal | \$10,000 |
| Rebalance frequency | Sub-adviser discretion |
| Investment manager fee¹ | 0.165% |
| Indirect Cost Ratio | 0.74% |
| Performance fee | Nil |

1. The investment management fee of 0.165% will be paid in full to Quilla Consulting for services related to the investment management activities on each of the portfolios.



ZEBRA GROWTH

| Feature | Description |
|--|--|
| Portfolio Name | Zebra Growth |
| Investment Sub-Advisor | Zebra Financial Services |
| Inception Date | August 2022 |
| Investment objective | To achieve a return above the benchmark return over the investment cycle. |
| Investment Strategy and Approach | To achieve the stated objective by selecting a mix of high quality investment managers through a rigorous investment research process. The process will involve ZFS seeking to gain an in-depth understanding of each investment manager it selects. |
| Benchmark Return | Morningstar Australia Growth Target Allocation NR AUD Index |
| Minimum number of securities | 15 |
| Maximum number of securities | 35 |
| Asset allocation | Allocation range Target Weight |
| Australian Equities | 0% - 50% 33.5% |
| International Equities | 0% - 55% 33.5% |
| Australian Fixed Income | 0% - 35% 3% |
| International Fixed Income | 0% - 10% 3% |
| Property | 0% -30% 4% |
| Infrastructure | 0% - 15% 8% |
| Alternatives | 0% - 25% 10% |
| Cash (minimum 2% cash) | 2% - 40% 5% |
| Investment universe | Managed funds, ETFs, listed managed funds, LICs, LITs and cash. |
| Maximum single security or fund weighting | 30% |
| Minimum suggested timeframe | 3 years |
| Minimum initial investment \$ | \$25,000 |
| Minimum additional investment \$ | \$10,000 |
| Minimum withdrawal | \$10,000 |
| Rebalance frequency | Sub-adviser discretion |
| Investment manager fee¹ | 0.165% |
| Indirect Cost Ratio | 0.88% |
| Performance fee | Nil |

1. The investment management fee of 0.165% will be paid in full to Quilla Consulting for services related to the investment management activities on each of the portfolios.



ZEBRA HIGH GROWTH

| Feature | Description |
|--|--|
| Portfolio Name | Zebra High Growth |
| Investment Sub-Advisor | Zebra Financial Services |
| Inception Date | August 2022 |
| Investment objective | To achieve a return above the benchmark return over the investment cycle. |
| Investment Strategy and Approach | To achieve the stated objective by selecting a mix of high quality investment managers through a rigorous investment research process. The process will involve ZFS seeking to gain an in-depth understanding of each investment manager it selects. |
| Benchmark Return | Morningstar Australia Aggressive Target Allocation NR AUD Index |
| Minimum number of securities | 15 |
| Maximum number of securities | 35 |
| Asset allocation | Allocation range Target Weight |
| Australian Equities | 0% - 60% 38% |
| International Equities | 0% - 60% 38% |
| Australian Fixed Income | 0% - 20% 0% |
| International Fixed Income | 0% - 10% 0% |
| Property | 0% - 17% 4% |
| Infrastructure | 0% - 17% 8% |
| Alternatives | 0% - 30% 10% |
| Cash (minimum 2% cash) | 2% - 40% 2% |
| Investment universe | Managed funds, ETFs, listed managed funds, LICs, LITs and cash. |
| Maximum single security or fund weighting | 30% |
| Minimum suggested timeframe | 3 years |
| Minimum initial investment \$ | \$25,000 |
| Minimum additional investment \$ | \$10,000 |
| Minimum withdrawal | \$10,000 |
| Rebalance frequency | Sub-adviser discretion |
| Investment manager fee¹ | 0.165% |
| Indirect Cost Ratio | 0.91% |
| Performance fee | Nil |

1. The investment management fee of 0.165% will be paid in full to Quilla Consulting for services related to the investment management activities on each of the portfolios.



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 MDA. The risks of investing by following the strategy and parameters of the Investment Option 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 Investment Option'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 Investment Option arising from investments in overseas markets.
- » Interest rate risk – Changes in interest rates can influence the value and returns of investment in the Investment Option.
- » 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 its 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 Investment Option may experience difficulty in realising its assets.
- » Time horizon risk – There is no assurance that in any time period, particularly in the short term, an Investment Option will achieve its investment objectives. Many of the underlying assets may be volatile particularly over the short term. The Investment Option is suitable for long term investors and is not designed for short term investment.
- » Income risk – The level of income generated on the Investment Option'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 Investment Option invests may fall in value, which may have an impact on the value of the Investment Option.
- » Diversification/Concentration risk – If your Investment Option is concentrated into one investment or sector, a fall in that investment or sector may have a significant adverse effect on your total MDA. 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 Investment Option. The Investment Option 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 following the Investment Option 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's investment approach may result in an Investment Option that differs substantially from an industry benchmark and hence your MDA which follows that Investment Option might have investment returns which also differ substantially from industry benchmark returns.
- » Third party risk – The MDA Provider uses information and services provided by third parties such as subcustodians 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 backup 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.