

Cutcher & Neale Managed Portfolio Disclosure Document



Managed Portfolio Disclosure Document
issuer:

Diversa Trustees Limited (Trustee)
ABN 49 006 421638, AFSL 235153,
RSE Licence No L0000635,
in its capacity as Trustee of
Mason Stevens Super (Fund),
an APRA-regulated fund
ABN 34 422 545 198

Date Issued: March 2025

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Mason Stevens Asset Management Pty
Ltd ABN 92 141 447 654 (MSAM) as the
investment manager of the Fund has
appointed Cutcher & Neale Financial
Services Pty Ltd ABN 22 160 682 879
as the Investment Sub-Advisor.



Important Information

This document contains important information about the Cutcher & Neale Managed Portfolios and is incorporated by reference into the Mason Stevens Super Product Disclosure Statement (PDS). It should be read in conjunction with the Mason Stevens Super Additional Information Guide. These documents are available from your financial adviser or masonstevens.com.au/super

As at the date of issue the information contained in this document and the PDS is correct under superannuation laws and regulations which may change from time to time. In the event of a material change to information in this document or the PDS the Trustee will notify existing members either via the website or in writing within the time frames required by law. Updated information is available online at masonstevens.com.au/super

The information contained in this document and the associated PDS is general information only and has been prepared without taking into consideration your investment objectives, circumstances, or your personal financial situation or needs. This document is not intended to be and should not be construed in any way as investment, legal, taxation or financial advice. Before acting on the information in this document you should consider seeking financial advice tailored to your own objectives, circumstances, financial situation and needs.

The Trustee may change the terms and conditions of the Fund as permitted under the Trust Deed. The Trustee may also add, change or close any investment choice or insurance option and this may include making changes to asset allocations, benchmarks and investment strategies without prior notice to you.

The Trustee is required to disclose certain Trustee and Fund information and documentation on its website (diversa.com.au/trustee), including but not limited to the trust deed, the PDS, the most recent annual report and the names of each material outsourced service provider to the Fund.

All 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. An investment in the Fund is neither a deposit nor liability of Mason Stevens Group of companies, Mason Stevens or the Trustee or any of their associated entities. Fund members and their financial advisers can access account and investment information, as well as make transactions through Mason Stevens' secure online portal. Mason Stevens Asset Management (MSAM) is the investment manager of the Fund. Mason Stevens Limited ABN 91 141 447 207 AFSL 351578 is the Sponsor and Promoter of the Fund, and also the custodian of all Fund assets and has appointed Citibank N.A. New York and Citigroup Pty Limited as primary sub-custodian. FNZ Australia Limited ABN 67 138 819 119 (Administrator) is the administrator of the Fund.

Contact Details

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About the Investment Options

Cutcher & Neale Defensive Investment Option

Feature	Description	
Name	Cutcher & Neale Defensive Investment Option	
Investment sub-advisor	Cutcher & Neale	
Inception date	March 2024	
Investment objective	The Investment Sub-Adviser will aim to achieve a rate of return in excess of the Morningstar Australia Conservative Target Allocation Index through income and a small amount of capital growth with low levels of volatility over a period of 2 years or more, net of fees and costs.	
Investment strategy and approach	Investment portfolio split is 80% defensive assets and 20% growth assets. High exposure to fixed interest securities, but also some exposure to equity. The investment strategy has a bias towards capital preservation, and this may result in the portfolio, at times, having a higher allocation to cash than the stated target allocation.	
Holding Limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).	
Benchmark	Morningstar Australia Conservative Target Allocation Index	
Asset allocation	Allocation Range	Target Weight
Australian Shares	0% - 22%	7%
International Shares	0% - 23%	8%
Fixed Income	63% - 93%	78%
Alternatives	0% - 10%	5%
Cash	2% - 17%	2%
Investment universe	Managed funds, Australian listed securities, ETFs, Listed Managed Funds, LICs, LITs, hybrids securities and SMAs	
Minimum suggested timeframe	2 - 4 years	
Minimum initial investment \$	\$70,000	
Minimum additional investment \$	\$10,000	
Minimum redemption \$	\$10,000	
Rebalance frequency	Sub-Adviser discretion	
Asset Allocation Fee	0.55%	
Indirect Cost Ratio (ICR)	0.37%	
Performance fee	Nil	
SRM	3	
	The estimated likelihood of a negative annual return is one to less than two years in 20 years. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all forms of investment risk. Please refer to the Mason Stevens Additional Investment Guide for more information about the standard risk measure.	



Cutcher & Neale Conservative Investment Option

Feature	Description												
Name	Cutcher & Neale Conservative Investment Option												
Investment sub-advisor	Cutcher & Neale												
Inception date	March 2024												
Investment objective	The Investment Sub-Adviser will aim to achieve a rate of return in excess of the Morningstar Australia Moderate Target Allocation Index through income and a small amount of capital growth with low levels of volatility over a period of 3 years or more, net of fees and costs.												
Investment strategy and approach	Investment portfolio split is 60% defensive assets and 40% growth assets. High exposure to fixed interest securities, but also some exposure to equity. The investment strategy has a bias towards capital preservation, and this may result in the portfolio, at times, having a higher allocation to cash than the stated target allocation.												
Holding Limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).												
Benchmark	Morningstar Australia Moderate Target Allocation Index												
Asset allocation	<table> <tr> <th>Allocation Range</th><th>Target Weight</th></tr> <tr> <td>Australian Shares</td><td>3% - 33%</td></tr> <tr> <td>International Shares</td><td>2% - 32%</td></tr> <tr> <td>Fixed Income</td><td>43% - 73%</td></tr> <tr> <td>Alternatives</td><td>0% - 10%</td></tr> <tr> <td>Cash</td><td>2% - 17%</td></tr> </table>	Allocation Range	Target Weight	Australian Shares	3% - 33%	International Shares	2% - 32%	Fixed Income	43% - 73%	Alternatives	0% - 10%	Cash	2% - 17%
Allocation Range	Target Weight												
Australian Shares	3% - 33%												
International Shares	2% - 32%												
Fixed Income	43% - 73%												
Alternatives	0% - 10%												
Cash	2% - 17%												
Investment universe	Managed funds, Australian listed securities, ETFs, Listed Managed Funds, LICs, LITs, hybrids securities and SMAs												
Minimum suggested timeframe	3 - 5 years												
Minimum initial investment \$	\$50,000												
Minimum additional investment \$	\$10,000												
Minimum redemption \$	\$10,000												
Rebalance frequency	Sub-Adviser discretion												
Asset Allocation Fee	0.55%												
Indirect Cost Ratio (ICR)	0.29%												
Performance fee	Nil												
SRM	<p>3</p> <p>The estimated likelihood of a negative annual return is one to less than two years in 20 years. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all forms of investment risk. Please refer to the Mason Stevens Additional Investment Guide for more information about the standard risk measure.</p>												



Cutcher & Neale Balanced Investment Option

Feature	Description	
Name	Cutcher & Neale Balanced Investment Option	
Investment sub-advisor	Cutcher & Neale	
Inception date	March 2024	
Investment objective	The Investment Sub-Adviser will aim to achieve a rate of return in excess of the Morningstar Australia Balanced Target Allocation Index with moderate levels of volatility over a period of 5 years or more, net of fees and costs.	
Investment strategy and approach	Investment portfolio split is 40% defensive assets and 60% growth assets. Slightly higher exposure to equity than to fixed interest securities. The investment strategy has a bias towards capital preservation, and this may result in the portfolio, at times, having a higher allocation to cash than the stated target allocation.	
Holding Limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).	
Benchmark	Morningstar Australia Balanced Target Allocation Index	
Asset allocation	Allocation Range	Target Weight
Australian Shares	15% - 45%	30%
International Shares	10% - 40%	25%
Fixed Income	23% - 53%	38%
Alternatives	0% - 10%	5%
Cash	2% - 17%	2%
Investment universe	Managed funds, Australian listed securities, ETFs, Listed Managed Funds, LICs, LITs, hybrids securities and SMAs	
Minimum suggested timeframe	5 - 7 years	
Minimum initial investment \$	\$50,000	
Minimum additional investment \$	\$10,000	
Minimum redemption \$	\$10,000	
Rebalance frequency	Sub-Adviser discretion	
Asset Allocation Fee	0.55%	
Indirect Cost Ratio (ICR)	0.22%	
Performance fee	Nil	
SRM	<p>4</p> <p>The estimated likelihood of a negative return is two to less than three years in 20 years. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all forms of investment risk. Please refer to the Mason Stevens Investment Guide for more information about the standard risk measure.</p>	



Cutcher & Neale Growth Investment Option

Feature	Description	
Name	Cutcher & Neale Growth Investment Option	
Investment sub-advisor	Cutcher & Neale	
Inception date	March 2024	
Investment objective	The Investment Sub-Adviser will aim to achieve a rate of return in excess of the Morningstar Australia Growth Target Allocation Index over a period of 5 years or more, net of fees and costs. The Investment Option may exhibit higher levels of short term volatility.	
Investment strategy and approach	Investment portfolio split is 20% defensive assets and 80% growth assets. The portfolio has a high exposure to equities to provide long term capital growth. Small defensive exposure may slightly reduce the short term volatility. The investment strategy has a bias towards capital preservation, and this may result in the portfolio, at times, having a higher allocation to cash than the stated target allocation.	
Holding Limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).	
Benchmark	Morningstar Australia Growth Target Allocation Index	
Asset allocation	Allocation Range	Target Weight
Australian Shares	27% - 57%	42%
International Shares	18% - 48%	33%
Fixed Income	3% - 33%	18%
Alternatives	0% - 10%	5%
Cash	2% - 17%	2%
Investment universe	Managed funds, Australian listed securities, ETFs, Listed Managed Funds, LICs, LITs, hybrids securities and SMAs	
Minimum suggested timeframe	7+ years	
Minimum initial investment \$	\$50,000	
Minimum additional investment \$	\$10,000	
Minimum redemption \$	\$10,000	
Rebalance frequency	Sub-Adviser discretion	
Asset Allocation Fee	0.55%	
Indirect Cost Ratio (ICR)	0.14%	
Performance fee	Nil	
SRM	<p>6</p> <p>The estimated likelihood of a negative return is four to less than six years in 20 years. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all forms of investment risk. Please refer to the Mason Stevens Investment Guide for more information about the standard risk measure.</p>	



Cutcher & Neale High Growth Investment Option

Feature	Description	
Name	Cutcher & Neale Growth Investment Option	
Investment sub-advisor	Cutcher & Neale	
Inception date	March 2024	
Investment objective	The Investment Sub-Adviser will aim to achieve a rate of return in excess of the Morningstar Australia Aggressive Target Allocation Index over a period of 7 years or more, net of fees and costs. The Investment Option may exhibit high levels of short term volatility, and will generally have very low, or zero exposure to defensive asset classes.	
Investment strategy and approach	Investment portfolio split is 2% defensive assets and 98% growth assets. The portfolio has no exposure to defensive assets and is likely to produce minimal income. The investment strategy has a bias towards capital preservation, and this may result in the portfolio, at times, having a higher allocation to cash than the stated target allocation.	
Holding Limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).	
Benchmark	Morningstar Australia Aggressive Target Allocation Index	
Asset allocation	Allocation Range	Target Weight
Australian Shares	30% - 60%	45%
International Shares	33% - 63%	48%
Fixed Income	0% - 13%	0%
Alternatives	0% - 10%	5%
Cash	2% - 17%	2%
Investment universe	Managed funds, Australian listed securities, ETFs, Listed Managed Funds, LICs, LITs, hybrids securities and SMAs	
Minimum suggested timeframe	7+ years	
Minimum initial investment \$	\$50,000	
Minimum additional investment \$	\$10,000	
Minimum redemption \$	\$10,000	
Rebalance frequency	Sub-Adviser discretion	
Asset Allocation Fee	0.55%	
Indirect Cost Ratio (ICR)	0.08%	
Performance fee	Nil	
SRM	<p>7</p> <p>The estimated likelihood of a negative annual return is six or greater in 20 years. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all forms of investment risk. Please refer to the Mason Stevens Additional Investment Guide for more information about the standard risk measure..</p>	

Cutcher & Neale Australian Shares Managed Portfolio

Feature	Description						
Name	Cutcher & Neale Australian Shares Managed Portfolio						
Investment sub-adviser	Cutcher & Neale						
Inception date	July 2019						
Holding limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).						
Investment objective	The investment objective is to provide clients with medium and long term investment returns via exposure to investments listed mainly within the S&P/ASX 200.						
Investment strategy and approach	<p>The investment strategy is to invest in companies that will enable it to generate consistent dividend income and associated franking credits, with some capital growth over time. The investment strategy is not guided by or bound by the index weightings of the broader benchmark indices, but does take into consideration an appropriate balance of weightings between various investment sectors.</p> <p>The strategy will be active to the extent that investments will be reviewed regularly and the composition will be scrutinised to ensure that it is well placed to achieve its goal. The annual portfolio turnover will be dependent on market conditions and the performance of individual stocks within the portfolio. The investment methodology will be guided by a selection of available broker research, relevant technical analysis, and other stock-specific and macroeconomic news and data.</p>						
Benchmark	S&P/ASX 200 Accumulation Index						
Minimum number of securities	5						
Maximum number of securities	35						
Asset Allocation	<table> <tr> <th>Allocation Range</th><th>Target Weight</th></tr> <tr> <td>Australian Shares</td><td>50% - 98%</td></tr> <tr> <td>Cash</td><td>2% - 50%</td></tr> </table>	Allocation Range	Target Weight	Australian Shares	50% - 98%	Cash	2% - 50%
Allocation Range	Target Weight						
Australian Shares	50% - 98%						
Cash	2% - 50%						
Investment universe	ASX listed securities. The portfolio may, to a lesser extent, utilise ETFs, Managed Funds, Listed Managed Funds, cash.						
Maximum single security or fund weighting	20%						
Minimum suggested timeframe	5 year+						
Minimum initial investment \$	\$25,000						
Minimum additional investment \$	\$25,000						
Minimum redemption \$	\$25,000						
Rebalance frequency	Investment Sub-Adviser discretion						
Investment Management Fee	1.10%						
Indirect Cost Ratio (ICR)	Nil						
Performance fee	Nil						
Standard Risk Measure (SRM)	<p>6</p> <p>The estimated likelihood of a negative annual return is four to less than six years in 20 years. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all forms of investment risk. Please refer to the Mason Stevens Additional Investment Guide for more information about the standard risk measure.</p>						

Cutcher & Neale International Shares Managed Portfolio

Feature	Description						
Name	Cutcher & Neale International Shares Managed Portfolio						
Investment sub-adviser	Cutcher & Neale						
Inception date	July 2019						
Holding limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).						
Investment objective	The investment objective is to provide clients with exposure to international markets.						
Investment strategy and approach	The investment strategy is to invest primarily in a mix of international shares, and to a lesser extent indices (via ETFs listed on the ASX or other major stock exchanges). The portfolio may also include managed funds in exceptional circumstances. The portfolio will seek to provide a concentrated geographic or thematic exposure, as well as obtain direct exposure to a number of listed international shares that either have a compelling longer term growth story, or provide shorter term strategic opportunities.						
Benchmark	MSCI World Ex Australia NR AUD Index						
Minimum number of securities	5						
Maximum number of securities	35						
Asset Allocation	<table> <tr> <th>Allocation Range</th><th>Target Weight</th></tr> <tr> <td>International Shares</td><td>50% - 98%</td></tr> <tr> <td>Cash</td><td>2% - 50%</td></tr> </table>	Allocation Range	Target Weight	International Shares	50% - 98%	Cash	2% - 50%
Allocation Range	Target Weight						
International Shares	50% - 98%						
Cash	2% - 50%						
Investment universe	Internationally listed securities. The portfolio may, to a lesser extent, utilise ETFs, Managed Funds, Listed Managed Funds, cash.						
Maximum single security or fund weighting	20%						
Minimum suggested timeframe	5+ years						
Minimum initial investment \$	\$50,000						
Minimum additional investment \$	\$25,000						
Minimum redemption \$	\$25,000						
Rebalance frequency	Investment Sub-Adviser discretion						
Investment Management Fee	1.10%						
Indirect Cost Ratio (ICR)	0.03%						
Performance fee	Nil						
Standard Risk Measure (SRM)	<p>6 – High</p> <p>The estimated likelihood of a negative annual return is four to less than six years in 20 years. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all forms of investment risk. Please refer to the Mason Stevens Additional Investment Guide for more information about the standard risk measure.</p>						



Cutcher & Neale Fixed Income Managed Portfolio

Feature	Description	
Name	Cutcher & Neale Fixed Income Managed Portfolio	
Investment sub-adviser	Cutcher & Neale	
Inception date	March 2019	
Holding limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).	
Investment objective	<p>The portfolio will invest in direct fixed income securities, managed funds and cash.</p> <p>The portfolio will seek to generate returns primarily from interest and coupon payments, along with a small amount of capital growth. The portfolio is designed to exhibit low levels of volatility over time.</p>	
Investment strategy and approach	The strategy of the Managed Portfolio is to extract enhanced income or distribution returns by investing in high quality and mostly liquid fixed income investments.	
Benchmark	RBA cash rate	
Minimum number of securities	5	
Maximum number of securities	20	
Asset Allocation	Allocation Range	Target Weight
Australian Fixed Income	0% - 98%	75%
International Fixed Income	0% - 98%	23%
Cash	2% - 50%	2%
Investment universe	Direct investments in Australian and international fixed income securities, asset backed securities, corporate bonds, and hybrid securities. The portfolio may, to a lesser extent, utilise ETFs, Managed Funds, Listed Managed Funds, and cash.	
Maximum single security or fund weighting	20%	
Minimum suggested timeframe	3+ years	
Minimum initial investment \$	\$25,000	
Minimum additional investment \$	\$25,000	
Minimum redemption \$	\$25,000	
Rebalance frequency	Investment Sub-Adviser discretion	
Investment Management Fee¹	0.55%	
Indirect Cost Ratio (ICR)	0.04%	
Performance fee	Nil	
Standard Risk Measure (SRM)	<p>3 – Low to Medium</p> <p>The estimated likelihood of a negative annual return is one to less than two years in 20 years. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all forms of investment risk. Please refer to the Mason Stevens Additional Investment Guide for more information about the standard risk measure.</p>	

1. Of the total management fee, 0.10% pa of the fee will be retained by the MDA Provider for services related to the investment management activities on each of the Investment Options.



Cutcher & Neale Positive Impact Managed Portfolio

Feature	Description																		
Name	Cutcher & Neale Positive Impact Managed Portfolio																		
Investment sub-adviser	Cutcher & Neale																		
Inception date	June 2021																		
Holding limit	Up to 100% of your portfolio (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).																		
Investment objective	The portfolio will invest in a range of growth and income assets. The primary exposure will be to growth assets, and as such is designed with the aim of delivering long term capital growth over time, with a relatively small amount of income. The portfolio may exhibit medium to high levels of volatility over time																		
Investment strategy and approach	<p>The investment strategy aims to deliver positive investment returns for investors, through investing in the equity and debt of companies exclusively dedicated to providing solutions to global sustainability challenges and have a positive impact on the sustainable future of our planet.</p> <p>The portfolio primarily invests in the equity and debt of quality listed companies demonstrating a track record of social responsibility, supported by sustainable future earnings.</p> <p>The portfolio is designed to capture opportunities both domestically and across the globe with a strict ethical and socially responsible screen. Failure to meet the strict ethical and socially responsible screen will result in the security not forming part of the portfolio.</p>																		
Benchmark	MSCI World Accumulation Index (net) (AUD)																		
Minimum number of securities	5																		
Maximum number of securities	35																		
Asset Allocation	<table> <tr> <th>Allocation Range</th><th>Target Weight</th></tr> <tr> <td>Australian Shares</td><td>0% - 50%</td></tr> <tr> <td>International Shares</td><td>0% - 90%</td></tr> <tr> <td>Australian Fixed Income</td><td>0% - 20%</td></tr> <tr> <td>International Fixed Income</td><td>0% - 20%</td></tr> <tr> <td>Property</td><td>0% - 20%</td></tr> <tr> <td>Infrastructure</td><td>0% - 20%</td></tr> <tr> <td>Alternatives</td><td>0% - 20%</td></tr> <tr> <td>Cash</td><td>2% - 50%</td></tr> </table>	Allocation Range	Target Weight	Australian Shares	0% - 50%	International Shares	0% - 90%	Australian Fixed Income	0% - 20%	International Fixed Income	0% - 20%	Property	0% - 20%	Infrastructure	0% - 20%	Alternatives	0% - 20%	Cash	2% - 50%
Allocation Range	Target Weight																		
Australian Shares	0% - 50%																		
International Shares	0% - 90%																		
Australian Fixed Income	0% - 20%																		
International Fixed Income	0% - 20%																		
Property	0% - 20%																		
Infrastructure	0% - 20%																		
Alternatives	0% - 20%																		
Cash	2% - 50%																		
Investment universe	Securities listed on the S&P/ASX, listed and unlisted managed funds, exchange traded funds (ETFs), internationally listed shares, fixed income securities and cash																		
Maximum single security or fund weighting	20%																		
Minimum suggested timeframe	5 years+																		
Minimum initial investment \$	\$25,000																		
Minimum additional investment \$	\$25,000																		
Minimum redemption \$	\$25,000																		

Feature	Description
Rebalance frequency	Investment Sub-Adviser discretion
Investment Management Fee	1.10%
Indirect Cost Ratio (ICR)	0.02%
Performance fee	Nil
Standard Risk Measure (SRM)	<p>6 – High</p> <p>The estimated likelihood of a negative annual return is four to less than six years in 20 years. The standard risk measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all forms of investment risk. Please refer to the Mason Stevens Additional Investment Guide for more information about the standard risk measure.</p>



About Cutcher & Neale

Cutcher & Neale

Cutcher & Neale is an accounting and financial advisory firm established in 1953. Cutcher & Neale provide tax, accounting, audit, forensic accounting, business consulting and software services to a broad range of clients.

In 1994, Cutcher & Neale expanded into investment services including wealth management, and financial planning. This division is known as Cutcher & Neale Investment Services.

Since 1994, the Investment Services division has been operating direct investment portfolios for clients using a similar investment philosophy and style to the portfolios offered under this service.

Cutcher & Neale offers individually tailored advice for self-managed super funds, individuals, not-for-profits, families and corporate clients extending across a range of financial services and products.

Through its expertise in wealth management, financial planning, retirement planning and strategies, insurance products, securities and derivative strategies, it aims to provide its clients with a broad range of wealth management solutions.

Cutcher & Neale is able to draw on its broad reach of research and investment products to provide investment advice for individual investment needs, objectives and circumstances.

Investment Process

The Cutcher & Neale investment process incorporates a multi-step process in constructing and managing its investment portfolios. All decisions are taken within an investment committee where ideas are debated, discussed and documented.

Asset Allocation

Cutcher & Neale's initial focus is on the delivery of high quality asset allocation within which investment decisions are taken. Cutcher & Neale believe that this is a key determinant of portfolio performance over time.

Macroeconomic trend and analysis

Cutcher & Neale starts by identifying regions, sectors, and themes that appear attractive and offer compelling value or momentum. These may be driven by economic, demographic, political or strategic factors (among others), and are derived from a broad selection of research, data, and critical analysis on diverse and nuanced insight.

Stock identification

An intensive process that draws on available research and market options to identify the companies that are best placed to exploit these opportunities. Factors such as intrinsic valuation, dividend potential, financial metrics such as price to earnings ratios, and fit with a preferred thematic are taken into consideration.

Risk management

An overarching focus on protecting client investments remains at the heart of the Cutcher & Neale investment process. This involves actively managing exposures across sectors, themes and geographic regions, and the use of cash as a strategic tool. Whilst Cutcher & Neale actively track and measure index correlations and benchmarks, they are not bound by them.

Research metrics do not vary based on region, size or any other business parameter. Each element of the investment process is essential to understanding the underlying economics of the business. They do not subscribe to any external research however may review papers and reports available on Bloomberg following completion of their own research.

Investment Strategy

Cutcher & Neale believe that a comprehensive investment strategy and robust asset allocation can assist with maximising the benefits and minimising the risk across client portfolios. This is a key part of achieving client's individual goals and objectives.

Wherever possible, client portfolios are constructed through direct access acquisition rather than through unitised structures such as managed funds. Not only can this be more cost effective, it also means clients know exactly how, why and where monies are invested. Cutcher & Neale's investment universe is open to other alternatives where circumstances prescribe, however transparency and liquidity are critical to their selection.

This transparency and liquidity is supported by a primary focus on large market capitalisation companies. Cutcher & Neale believes that it is critical that when providing investment solutions to a client, that this transparency also engenders confidence and reassurance. Cutcher & Neale achieves transparency by investing in large companies that are either household names or have products and solutions that a client can relate to. This is coupled with an emphasis on concentrated, high conviction, ad low turnover investment portfolios.

Cutcher & Neale have a structured approach to portfolio construction and security selection, which has been the basis of their investment management service for over 20 years.



This approach is built on the following principles:

- » Direct ownership of securities is highly preferred over unlisted structures
- » Strategic Asset Allocation is a key driver of portfolio performance and is subject to regular review
- » Long term, low turnover portfolios are preferred
- » Investments are made within the context of a structured investment committee and thematic based investment methodology to identify key technology, demographic and economic trends and position portfolios to capture opportunities that may arise from these themes.

Individual securities are assessed for intrinsic value, liquidity, ratio analysis including price to earnings ratio, plus current and future dividend potential. Analysis is conducted in-house and is supported by broker research and a network of third party relationships the group assesses. Securities are predominantly large cap stocks with small caps accessed as economic circumstances dictate.

As Cutcher & Neale is a self-licensed organisation they have the freedom to draw on research, opinions and data from a broad array of domestic and global providers. This flexibility and rigour behind the investment approach enhances the value in their client solution.

Education and communication are also very important, as Cutcher & Neale believes this empowers the client. But the challenge lies in striking the balance between meeting the client's appetite for knowledge versus overwhelming them with complex and confusing information. The key to finding this balance comes through asking questions and routinely checking in with what the client's needs and understandings are.

How the investment manager manages risk

The investment manager is unable to eliminate all investment risk, but does analyse, manage and aim to reduce the impact of risks by actively monitoring investment markets and portfolios and through the use of carefully considered investment guidelines.

Labour standards and environmental, social and ethical considerations

The Trustee does not take into account labour standards, environmental, social or ethical considerations when making the investments available. The approach in relation to any consideration of labour, environmental, social or ethical standards as part of the investment decision making process for the portfolio is left by the Trustee to the individual discretion of the investment manager. This investment strategy does not directly measure or incorporate labour, environmental, social or ethical standards as part of the investment decision-making process.

The investment manager is aware that these issues can influence social, business and investor outcomes. In certain circumstances they may consider these issues when making an investment decision. The investment manager's consideration of labour, environmental, social or ethical considerations are in its own right and not on behalf of the Trustee.

Execution of strategy

Mason Stevens Limited and its associated entities have been appointed by the Trustee to provide various services in relation to the Fund, including promoter, investment management and custody services. Mason Stevens and the Administrator are responsible for implementing the investment instructions of the investment manager by buying and selling assets, taking into consideration timing, trading costs (such as transaction fees and currency costs, if applicable) and the mandate of the portfolio. In certain circumstances Mason Stevens has the right to vary the managed portfolio. By investing in this managed portfolio, you instruct Mason Stevens and the Administrator to buy and sell assets on your behalf through the managed portfolio as advised by the investment manager.

Risks

Before you consider investing in this portfolio, it's important you understand the risks that can affect your investments. A summary of key risks is in the PDS.

See the 'Risks' section in the PDS. Please note this is not an exhaustive list of all the risks. The risks relevant to this portfolio reflect the underlying investments. For information about risks regarding your personal situation, please speak to your adviser.

Trade notifications

When the investment manager trades, or rebalances the portfolios, Mason Stevens (through the Service) may send you an advice notifying you of the trades being undertaken. This is called a trade notification. The rebalance and reallocation of managed portfolios may occur regularly and you may receive a trade notification each time a rebalance or reallocation occurs.

