

HLB Wollongong Adaptive Core 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: September 2022

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Prerequisite Capital Management ABN 27 141 060 933, a Corporate Authorised Representative (CAR 439909) of First Mutual Pty Ltd ABN 42 154 012 085 AFSL 423710 (First Mutual), is appointed as the Investment Sub-Adviser of the portfolio, and HLB Wealth Management (Wollongong) Pty Ltd ABN 93 156 051 964 AFSL 418747 (HLB Wollongong) is the distributor of the portfolio.

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Important Information

This document contains important information about the HLB Wollongong Adaptive Core Managed Portfolio 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 and the Mason Stevens Super Investment 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 National Australia Bank Limited ABN 12 004 044 937, AFSL 230686 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 manager

Prerequisite Capital Management

Prerequisite was established in early 2013, with the aim to offer a conservative investment mandate that was adaptive to different investment markets and seasons with no derivatives, margin lending or illiquid assets.

Prerequisite works with a range of clients including financial advisers, financial intermediaries and family offices in the delivery of tailored investment solutions.

Prerequisite's management team has many years of funds management experience across both large institutions and smaller boutiques, spanning multiple business cycles and across a range of asset classes, combined with a track record of successfully managing their own wealth.

Managed Portfolio Objective

The principal objective of the HLB Wollongong Adaptive Core Managed Portfolio is to generate attractive and consistent returns with a focus on capital preservation.

The target return of the portfolio is to achieve a return that exceeds the Consumer Price Index by 3%, with a suggested investment time frame of five years. It is a portfolio consisting of listed securities, bonds and ETFs.

Investment Strategy

The Managed Portfolio seeks to invest in a portfolio of highly liquid securities, which will predominately be through ETFs. However, from time to time the portfolio will hold bonds and certain stocks that fit Prerequisite's investment philosophy. Account monies are invested as per the securities and weighting parameters as described for the Managed Portfolio, with the Managed Portfolio reflecting the current investment views and strategies of the Prerequisite investment team.

The investment process begins with a neutral allocation across four broad asset classes; equities, fixed income, precious metals/commodities, and cash. Prerequisite will then apply a dynamic overlay, with dynamic tilts driven by macroeconomic factors and technical analysis.

Once the weightings to each asset class have been determined via the dynamic asset allocation process, Prerequisite will begin the stock selection process to identify suitable investments that fit. The stock selection process is driven by fundamental bottom up research.

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.



About the managed portfolios

Feature	Description																								
Name	HLB Wollongong Adaptive Core Managed Portfolio																								
Investment Sub-Adviser	Prerequisite Capital Management																								
Investment universe	Australian and international listed securities and exchange traded funds (ETF), and bonds listed on developed market stock exchanges.																								
Benchmark	CPI + 3%																								
Holding limit	Up to 50% of your account.																								
Management fee	1.00% p.a.																								
Performance fee	Nil																								
Indirect Cost Ratio (ICR)	0.10%																								
Indicative number of securities	4 - 50																								
Minimum cash weighting	2%																								
Maximum cash weighting	40%																								
Maximum individual security weighting¹	12%																								
Currency	AUD																								
Asset Allocation	<table border="1"> <thead> <tr> <th>Allocation</th> <th>Range</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>8% - 50%</td> <td>10%</td> </tr> <tr> <td>International Shares</td> <td>8% - 50%</td> <td>25%</td> </tr> <tr> <td>Australian Fixed Income</td> <td>8% - 45%</td> <td>12.5%</td> </tr> <tr> <td>International Fixed Income</td> <td>8% - 45%</td> <td>12.5%</td> </tr> <tr> <td>Property</td> <td>0% - 40%</td> <td>0%</td> </tr> <tr> <td>Alternatives</td> <td>0% - 30%</td> <td>10%</td> </tr> <tr> <td>Cash (minimum 2% cash)²</td> <td>2% - 40%</td> <td>30%</td> </tr> </tbody> </table>	Allocation	Range	Target	Australian Shares	8% - 50%	10%	International Shares	8% - 50%	25%	Australian Fixed Income	8% - 45%	12.5%	International Fixed Income	8% - 45%	12.5%	Property	0% - 40%	0%	Alternatives	0% - 30%	10%	Cash (minimum 2% cash) ²	2% - 40%	30%
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Cash (minimum 2% cash) ²	2% - 40%	30%																							
Rebalancing	Investment Sub-Adviser discretion																								
Minimum initial investment	\$50,000																								
Minimum additional investment	\$25,000																								
Minimum withdrawal	\$10,000																								
Suggested investment timeframe	Five years																								
Standard Risk Measure	<p>4 - Medium</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 form of investment risk. Please refer to the Mason Stevens investment guide for more information about the standard risk measure.</p>																								

1. For fixed income securities, the portfolio may exceed the maximum individual security weighting of 12% and have an exposure to up to 20% in any individual fixed income security.
2. A cash management rate will apply to the cash account portion you hold in the managed portfolio. Please refer to the Mason Stevens Super Investment Guide for further information.

