McQueen Financial Group 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: May 2024

Mason Stevens Asset Management Pty Ltd ABN 92 141 447 654 (MSAM) as the investment manager of the Fund has appointed McQueen Financial Group Pty ABN 93 092 816 085 CAR (000267498) Investment Sub Adviser for the Investment Options outlined in this Managed Portfolio Disclosure Document. McQueen Financial Group Pty Ltd have delegated portfolio management duties to Drummond Capital Partners Pty Ltd ABN 15 622 660 182 AFSL 534213 as the Portfolio Manager on the Investment Options outlined in this document.

Contents

Important Information 1

About the Investment Options 2

About the relevant parties 6

Important Information

This document contains important information about the McQueen Financial Group Investment Options 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

PORTFOLIO PARAMETERS
McQUEEN BALANCED INVESTMENT OPTION

Feature	Description	
Portfolio Name	McQueen Balanced Investment Option	
Investment Sub-Advisor	McQueen Financial Group	
Portfolio Manager	Drummond Capital Partners	
Inception Date	December 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	To deliver a return in line with the benchmark, after fees, over a rolling five year period with lower than benchmark drawdown.	
Investment Strategy and Approach	The portfolio is an actively managed diversified mix of defensive assets (such as cash and fixed interest) and growth assets (such as Australian and international shares, listed property and infrastructure). In general, the portfolio's long term average exposure will be around 50% defensive assets and around 50% in growth assets. However, the tactical asset allocation overlay adopted by Drummond allows for the deviation in long term average within +/- 10%.	
Benchmark Return	Morningstar Target Allocation Balanced Index	
Minimum number of securities	8	
Maximum number of securities	40	
Asset allocation	**Allocation range**	**Target Weight**
Australian Equities	5% - 30%	18%
International Equites	5% - 50%	28%
Australian Fixed Income	0% - 50%	20%
International Fixed Income	0% - 50%	25%
Alternatives	0% - 30%	6%
Property	0% - 20%	1%
Infrastructure	0% - 20%	0%
Cash (minimum 2% cash)	2% - 60%	2%
Investment universe	Managed Funds, ETFs, LICs, LITs, Listed Managed Funds, Australian listed securities, and cash.	
Maximum single security or fund weighting	30%	
Minimum suggested timeframe	5 years	
Minimum initial investment $	$25,000	
Minimum additional investment $	$10,000	
Minimum redemption $	$10,000	
Rebalance frequency	Sub-Adviser discretion	
Investment manager fee	0.187%	
Indirect Cost Ratio	0.511%	
Performance fee	Nil	
SRM	4 – Medium 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.	

McQUEEN GROWTH INVESTMENT OPTION

Feature	Description	
Portfolio Name	McQueen Growth Investment Option	
Investment Sub-Advisor	McQueen Financial Group	
Portfolio Manager	Drummond Capital Partners	
Inception Date	December 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	To deliver a return in line with the benchmark, after fees, over a rolling seven year period with lower than benchmark drawdown.	
Investment Strategy and Approach	The portfolio is an actively managed diversified mix of defensive assets (such as cash and fixed interest) and growth assets (such as Australian and international shares, listed property and infrastructure). In general, the portfolio's long term average exposure will be around 30% defensive assets and around 70% in growth assets. However, the tactical asset allocation overlay adopted by Drummond allows for the deviation in long term average within +/- 10%.	
Benchmark Return	Morningstar Target Allocation Growth Index	
Minimum number of securities	8	
Maximum number of securities	40	
Asset allocation	**Allocation range**	**Target Weight**
Australian Equities	10% - 40%	24%
International Equites	10% - 70%	36%
Australian Fixed Income	0% - 30%	12%
International Fixed Income	0% - 30%	16%
Alternatives	0% - 40%	6%
Property	0% - 25%	2%
Infrastructure	0% - 25%	2%
Cash (minimum 2% cash)	2% - 40%	2%
Investment universe	Managed Funds, ETFs, LICs, LITs, Listed Managed Funds, Australian listed securities, and cash.	
Maximum single security or fund weighting	30%	
Minimum suggested timeframe	7 years	
Minimum initial investment $	$25,000	
Minimum additional investment $	$10,000	
Minimum redemption $	$10,000	
Rebalance frequency	Sub-Adviser discretion	
Investment manager fee	0.187%	
Indirect Cost Ratio	0.56%	
Performance fee	Nil	
SRM	5 – Medium to High The estimated likelihood of a negative return is three to less than four 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.	

McQUEEN HIGH GROWTH INVESTMENT OPTION

Feature	Description	
Portfolio Name	McQueen High Growth Investment Option	
Investment Sub-Advisor	McQueen Financial Group	
Portfolio Manager	Drummond Capital Partners	
Inception Date	December 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	To deliver a return in line with the benchmark, after fees, over a rolling nine-year period with lower than benchmark drawdown.	
Investment Strategy and Approach	The portfolio is an actively managed diversified mix of defensive assets (such as cash and fixed interest) and growth assets (such as Australian and international shares, listed property and infrastructure). In general, the portfolio's long term average exposure will be around 10% defensive assets and around 90% in growth assets. However, the tactical asset allocation overlay adopted by Drummond allows for the deviation in long term average within +/- 10%.	
Benchmark Return	Morningstar Target Allocation Aggressive Index	
Minimum number of securities	8	
Maximum number of securities	40	
Asset allocation	**Allocation range**	**Target Weight**
Australian Equities	10% - 50%	29%
International Equites	10% - 80%	46%
Australian Fixed Income	0% - 20%	4%
International Fixed Income	0% - 20%	4%
Alternatives	0% - 50%	9%
Property	0% - 30%	3%
Infrastructure	0% - 30%	3%
Cash (minimum 2% cash)	2% - 20%	2%
Investment universe	Managed Funds, ETFs, LICs, LITs, Listed Managed Funds, Australian listed securities, and cash.	
Maximum single security or fund weighting	30%	
Minimum suggested timeframe	5 years	
Minimum initial investment $	$25,000	
Minimum additional investment $	$10,000	
Minimum redemption $	$10,000	
Rebalance frequency	Sub-Adviser discretion	
Investment manager fee	0.187%	
Indirect Cost Ratio	0.511%	
Performance fee	Nil	
SRM	6 – High 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 Investment Guide for more information about the standard risk measure.	

MCQUEEN HIGH GROWTH PLUS INVESTMENT OPTION

Feature	Description	
Portfolio Name	McQueen High Growth Plus Investment Option	
Investment Sub-Advisor	McQueen Financial Group	
Portfolio Manager	Drummond Capital Partners	
Inception Date	December 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	To deliver a return in line with the benchmark, after fees, over a rolling nine-year period with lower than benchmark drawdown.	
Investment Strategy and Approach	The portfolio is an actively managed diversified mix of growth assets such as Australian and international shares, alternatives, listed property and infrastructure.	
Benchmark Return	Morningstar Target Allocation Aggressive Index	
Minimum number of securities	8	
Maximum number of securities	40	
Asset allocation	**Allocation range**	**Target Weight**
Australian Equities	10% - 50%	35%
International Equities	10% - 80%	49%
Alternatives & Other	0% - 50%	7%
Property	0% - 30%	6%
Infrastructure	0% - 30%	0%
Cash (minimum 2% cash)	2% - 20%	3%
Investment universe	Managed Funds, ETFs, LICs, LITs, Listed Managed Funds, Australian listed securities, and cash.	
Maximum single security or fund weighting	30%	
Minimum suggested timeframe	5 years	
Minimum initial investment $	$25,000	
Minimum additional investment $	$10,000	
Minimum redemption $	$10,000	
Rebalance frequency	Sub-Advisor discretion	
Investment manager fee	0.187%	
Indirect Cost Ratio	0.493%	
Performance fee	Nil	
Standard Risk Measure (SRM)	6 – High 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 Investment Guide for more information about the standard risk measure.	

About the relevant parties

About McQueen Financial Group

MFG develops and implements financially focused strategies and solutions, particularly tailored to “private clients”, executives, professionals and entrepreneurs.

About Drummond Capital Partners

Drummond Capital Partners is a global multi-asset investment manager based in Melbourne. Drummond is focused on providing institutional quality portfolio management under the transparent and efficient managed account structure. The business is owned and managed by the investment team creating the strongest alignment of interests. Drummond has a highly experienced team with over 100 years of investment management experience in some of the world's most recognised financial institutions.

Drummond is an asset allocation specialist with proprietary strategic and tactical asset allocation processes, this combined with their independent investment manager research delivers high quality, risk aware portfolio solutions. Drummond have extensive experience in delivering portfolio solutions for wealth management clients and support their clients with an extensive portfolio reporting and market insights program

Investment Process

Investment philosophy

Drummond Capital recognise the past cannot be relied on as a guide for the future. As such, they seek to actively manage their portfolios within a disciplined and conservative framework to minimise risk and deliver on client objectives over the long-term. Drummond Capital believe everyone wants to make money in the good times and protect their capital in the bad times.

4 key beliefs –

1. Markets are not fully efficient

Drummond Capital believe in active management both at a portfolio level (tactical asset allocation) and within the asset classes, seeking to identify which sub-sectors have persistent opportunities for outperformance and seeking to find those managers best positioned to achieve this.

Achieving this requires the mandate flexibility to act and experienced investment decision makers to oversee the process.

2. Investment risk is more than volatility

Often the biggest risks are not easily observed. These not only include investment risks but liquidity, counterparty and operational risks. Drummond Capital undertake significant proprietary research into economies, asset classes and underlying investments to build robust risk aware portfolios.

3. They believe in portfolio diversity and quality

Given markets are not efficient in the short term, Drummond Capital believe portfolios should be constructed to reflect this uncertainty, by being built with high quality investments that provide diversity across asset class, geography, and underlying managers.

4. They believe client success is their success

Drummond Capital’s business is structured with the strongest alignment of interests, they are 100% owned by the investment team and all members are invested in the portfolios alongside their clients.

Portfolio construction

a) Macro forecasting & Strategic Asset Allocation (SAA) modelling

The first stage of the SAA process is to determine the Capital Market Assumptions for each asset class. Drummond Capital produce their own proprietary capital market forecasts. The inputs and outputs for the model are referenced against individual research providers for sense checking and then will go up for Investment Committee debate. The Drummond Capital Investment Committee will from this collectively agree on the final set of assumptions to be adopted. The process is undertaken on an annual basis.

The second stage of the process is using these assumptions to determine the optimal portfolios by undertaking mean variance optimisation. The optimiser overlays a number of constraints to ensure a sensible and well diversified portfolio.

Drummond Capital will then apply their stochastic asset class return framework. This framework is used to simulate independent and interdependent asset class returns over the portfolio’s investment horizon. Using these returns Drummond Capital will test a number of potential asset allocations.

b) Tactical Asset Allocation (TAA) considerations

Drummond Capital employ Tactical Asset Allocation to improve risk adjusted returns over time by minimising exposure to growth assets during volatile periods. TAA decisions have a time horizon of 1-12 months. The Drummond Capital Investment Committee is presented with their proprietary TAA Monitor each month as a basis for discussing the current environment and setting the growth asset exposure range for each strategy.

c) Intra-asset considerations

Drummond Capital will factor in sector, geographic, style tilts etc in determining where to allocate exposure within each asset class.

d) Manager selection

Drummond Capital maintain a database of over 600 managers across various asset classes, and will continuously monitor the managers against their benchmarks. Drummond will monitor closely the shortlisted or invested managers on an ongoing basis, and formally review performance monthly. .

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 Investment Option. By investing in this Investment Option, you instruct Mason Stevens and the Administrator to buy and sell assets on your behalf through the Investment Option 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 Investment Options may occur regularly and you may receive a trade notification each time a rebalance or reallocation occurs.