

New Horizons Financial Services 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: August 2023

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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 New Horizons ABN 63 638 401 117
as the Investment Sub-Advisor.



Important Information

This document contains important information about the New Horizons Financial Services 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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Melbourne VIC 3001



About the managed portfolios

New Horizons Defensive Managed Portfolio

Feature	Description	
Portfolio name	New Horizons Defensive Managed Portfolio	
Investment Sub-Adviser	New Horizons Financial Services Pty Ltd	
Inception date	December 2020	
Investment objective	Achieve a return of 1% above the benchmark.	
Investment strategy and approach	To build a diversified portfolio with a focus on capital preservation, building wealth and limiting downside risk. A 10% restriction applies to unlisted managed funds to maintain the model's cost-effectiveness.	
Holding Limit	Up to 100% of your account (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).	
Benchmark return	Morningstar Australia Moderate Target Allocation NR AUD Index	
Target return	Morningstar Australia Moderate Target Allocation NR AUD Index + 1%	
Indicative number of securities	5 - 30	
Asset allocation ¹	Allocation range	Target
Australian Equities	3% - 23%	13%
International Equities	2% - 22%	12%
Australian Fixed Income	22% - 42%	32%
International Fixed Income	13% - 33%	23%
Alternatives	0% - 10%	5%
Property	0% - 10%	0%
Infrastructure	0% - 10%	0%
Cash	2% - 20%	15%
Investment universe	ETFs, Listed Managed Funds, Unlisted Managed Funds and Cash	
Maximum single security or fund weighting	25%	
Minimum suggested timeframe	1 year	
Minimum initial investment	\$25,000	
Minimum additional investment	\$10,000	
Minimum withdrawal	\$10,000	

1. Allocation of assets may be within the allocation range stated. The above target weight is indicative only. At any point in time the actual allocation may be very different to the target weights stated in this document.

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.

Feature	Description
Rebalance frequency	Investment Sub-Adviser discretion
Investment manager fee	0.15%
Indirect Cost Ratio (ICR)	0.36%
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.</p> <p>Please refer to the Mason Stevens Investment Guide for more information about the standard risk measure.</p>



New Horizons Balanced Managed Portfolio

Feature	Description																		
Portfolio name	New Horizons Balanced Managed Portfolio																		
Investment Sub-Adviser	New Horizons Financial Services Pty Ltd																		
Inception date	December 2020																		
Investment objective	Achieve a return of 1% above the stated benchmark																		
Investment strategy and approach	To build a diversified portfolio with a focus on capital preservation, building wealth and limiting downside risk. A 10% restriction applies to unlisted managed funds to maintain the model's cost-effectiveness.																		
Holding Limit	Up to 100% of your account (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).																		
Benchmark return	Morningstar Australia Growth Target Allocation NR AUD Index																		
Target return	Morningstar Australia Growth Target Allocation NR AUD Index + 1%																		
Indicative number of securities	5 – 30																		
Asset allocation¹	<table> <tr> <th>Allocation range</th><th>Target</th></tr> <tr> <td>Australian Equities</td><td>15% - 40%</td></tr> <tr> <td>International Equities</td><td>15% - 40%</td></tr> <tr> <td>Australian Fixed Income</td><td>4% - 24%</td></tr> <tr> <td>International Fixed Income</td><td>1% - 21%</td></tr> <tr> <td>Alternatives</td><td>0% - 10%</td></tr> <tr> <td>Property</td><td>0% - 20%</td></tr> <tr> <td>Infrastructure</td><td>0% - 10%</td></tr> <tr> <td>Cash</td><td>2% - 15%</td></tr> </table>	Allocation range	Target	Australian Equities	15% - 40%	International Equities	15% - 40%	Australian Fixed Income	4% - 24%	International Fixed Income	1% - 21%	Alternatives	0% - 10%	Property	0% - 20%	Infrastructure	0% - 10%	Cash	2% - 15%
Allocation range	Target																		
Australian Equities	15% - 40%																		
International Equities	15% - 40%																		
Australian Fixed Income	4% - 24%																		
International Fixed Income	1% - 21%																		
Alternatives	0% - 10%																		
Property	0% - 20%																		
Infrastructure	0% - 10%																		
Cash	2% - 15%																		
Investment universe	ETFs, Listed Managed Funds, Unlisted Managed Funds and Cash																		
Maximum single security or fund weighting	25%																		
Minimum suggested timeframe	4 – 5 years																		
Minimum initial investment	\$25,000																		
Minimum additional investment	\$10,000																		
Minimum withdrawal	\$10,000																		
Rebalance frequency	Investment Sub-Adviser discretion																		
Investment manager fee	0.15%																		
Indirect Cost Ratio (ICR)	0.40%																		
Performance fee	Nil																		
Standard Risk Measure (SRM)	<p>5 - Medium to High</p> <p>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.</p> <p>Please refer to the Mason Stevens Investment Guide for more information about the standard risk measure.</p>																		

1. Allocation of assets may be within the allocation range stated. The above target weight is indicative only. At any point in time the actual allocation may be very different to the target weights stated in this document.

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.

New Horizons High Growth Managed Portfolio

Feature	Description	
Portfolio name	New Horizons High Growth Managed Portfolio	
Investment Sub-Adviser	New Horizons Financial Services Pty Ltd	
Inception date	December 2020	
Investment objective	Achieve a return of 1% above the stated benchmark	
Investment strategy and approach	To build a diversified portfolio with a focus on capital preservation, building wealth and limiting downside risk. A 10% restriction applies to unlisted managed funds to maintain the model's cost-effectiveness.	
Holding Limit	Up to 100% of your account (members are required to maintain their minimum cash balance as stated in the Mason Stevens Super Additional Information Guide).	
Benchmark return	Morningstar Australia Aggressive Target Allocation NR AUD Index	
Target return	Morningstar Australia Aggressive Target Allocation NR AUD Index + 1%	
Indicative number of securities	5 – 30	
Asset allocation¹	Allocation range	Target
Australian Equities	35% - 55%	40%
International Equities	35% - 55%	48%
Australian Fixed Income	0% - 10%	0%
International Fixed Income	0% - 10%	0%
Alternatives	0% - 10%	0%
Property	0% - 20%	10%
Infrastructure	0% - 10%	0%
Cash	2% - 12%	2%
Investment universe	ETFs, Listed Managed Funds, Unlisted Managed Funds and Cash	
Maximum single security or fund weighting	25%	
Minimum suggested timeframe	7 years	
Minimum initial investment	\$25,000	
Minimum additional investment	\$10,000	
Minimum withdrawal	\$10,000	
Rebalance frequency	Investment Sub-Adviser discretion	
Investment manager fee	0.15%	
Indirect Cost Ratio (ICR)	0.42%	
Performance fee	Nil	
Standard Risk Measure (SRM)	6 - High 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 form of investment risk. Please refer to the Mason Stevens investment guide for more information about the standard risk measure.	

1. Allocation of assets may be within the allocation range stated. The above target weight is indicative only. At any point in time the actual allocation may be very different to the target weights stated in this document.

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.

About New Horizons

New Horizons Financial Services

New Horizons Financial Services (New Horizons) was founded in July 2020. New Horizons is an investment advisory firm that partners with advisers to provide them with the necessary resources and investment solutions to improve the quality of advice to clients.

Managed Portfolio Objective

The objective of the Managed Portfolios is to provide a return above the stated benchmark through a diversified portfolio of ETFs and Listed Managed Funds.

Investment philosophy

New Horizons investment philosophy is to build portfolios with a focus on capital preservation, building wealth, and seeking to limit drawdowns within the portfolios. New Horizons will look to achieve this by favoring quality companies, which exhibit growth potential over the long term.

Portfolio construction

New Horizons adopts a core satellite approach in portfolio construction. The core portion of the portfolio will comprise of ETFs, while the satellite portion will be comprised of Active ETFs (also known as Listed Managed Funds). The allocation to the core and satellite portions of the portfolio is driven by the Strategic Asset Allocation (SAA) and Tactical Asset Allocation (TAA) process.

The starting SAA weights for the portfolios is based on industry standard asset allocations. Leveraging these starting SAA weights, New Horizons will make adjustments to these weights as required. Adjustments to SAA weights are based off of long term forecasts for asset class returns, with the goal of maximizing return for each asset class based on the level of risk being taken. It is noted that New Horizons takes a long term view on SAA, typically a 20 year investment horizon is applied. As such, while analysis is completed to forecast and monitor long term asset class returns on an ongoing basis, changes to SAA weights will occur infrequently.

New Horizons recognises that taking such a long term view on SAA may lead to short term opportunities being missed. They recognise that over the short term, mispricings in the market can arise due to a multitude of factors which can induce irrational investor reactions – these factors including macroeconomic factors such as monetary policy, regulatory change, political risk etc. In order to capitalise on shorter term factors in the market, New Horizons will apply a tactical overlay on the portfolios. It is noted that New Horizons take a medium term view, typically a 5 year investment horizon, when formulating their views on TAA.

Once SAA and TAA have been determined by New Horizons, they will then begin the security selection process to identify suitable ETFs and Listed Managed Funds that fit under each asset class. In selecting suitable securities for the portfolios, New Horizons will consider the following factors;

- » Selection of ETFs and Listed Managed Funds issued by a reputable product issuer, will avoid smaller issuers
- » Liquidity
- » Low management fees
- » Low tracking error
- » Rated by a reputable research house
- » Minimum 1 year track record

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.

