SG HISCOCK & COMPANY

SGH Australia Plus Fund — 31 December 2020

Investment Objective	To outperform the S&P/ASX300 Accumulation Index by 5% on a rolling 3 year basis		
Investments held	Generally within the largest 300 companies listed on the ASX, plus companies listed in Asia with a focus on Asian domestic consumption.		
Investment Manager	SG Hiscock & Company Limited	**APIR**	ETL0383AU
Commencement	8 October 2013	**mFund Product Code**	SHF01
Management costs[1]	0.70% p.a.	**Buy Spread**	+0.25%
Performance Fee[2]	20% capped at 1.25% in any calendar year, subject to a highwater mark	**Sell Spread**	-0.25%
Minimum initial investment	$20,000	**Fund Size**	$9.18 million

Unit Prices 31 December 2020	Purchase	Net Asset Value	Withdrawal
	$ 1.6216	$ 1.6176	$ 1.6136

Performance[3] 31 December 2020	1 mth %	3 mths %	6 mths %	1 yr %	2 yrs % p.a.	3 yrs % p.a.	Inception % p.a.
Distribution Return	0.68	0.74	0.76	4.46	3.62	5.22	7.32
Growth Return	-0.76	8.68	11.07	3.69	10.02	1.19	6.79
Total Net Return	-0.09	9.42	11.83	8.15	13.64	6.41	14.11
S&P/ASX 300 Accumulation Index	1.32	13.79	13.73	1.73	12.21	6.87	7.89
Total Net Return vs. the Index	-1.40	-4.37	-1.90	6.41	1.42	-0.46	6.22

Past performance is not a reliable indicator of future performance.

Top 5 Holdings

National Australia Bank Limited
CSL Limited
Woodside Petroleum
Rio Tinto Limited
James Hardie Industries SE

Top 5 holdings represent 21.02% of total fund

Why Australia Plus

1. We want access to the best quality companies in Asia, at the right price. It is the choice, but not the obligation to invest in emerging companies with strong local franchises
2. The strong rise in both the sheer number of Asians entering the middle class and the growth in disposable income, suggests that this is a multi year trend that is very hard to access by restricting the investible universe to Australian listed stocks.
3. Investors appropriately diversify their portfolio by enhancing returns with a focus on the domestic demand thematic within Asia.
4. It offers Australian investors a wider opportunity set without the requirement to have money invested in Asia through a pooled vehicle.
5. By focussing purely on the domestic demand thematic in Asia, our investible universe grows by 40-50 stocks outside the ASX300. This is a very narrow subset of Asian stocks that meet our basic quality filters and would consider owning at the right price.

1. Includes estimated GST payable, after taking into account reduced input tax credits (RITC).
2. A performance fee of 20% (net GST and an estimate of RITC) of any investment return above the fund's benchmark may also be payable as an expense of the fund, capped at 1.25% in any year, subject to a highwater mark
3. Performance: Total Net Return is the Fund return after the deduction of ongoing fees and expenses assuming the reinvestment of all distributions.

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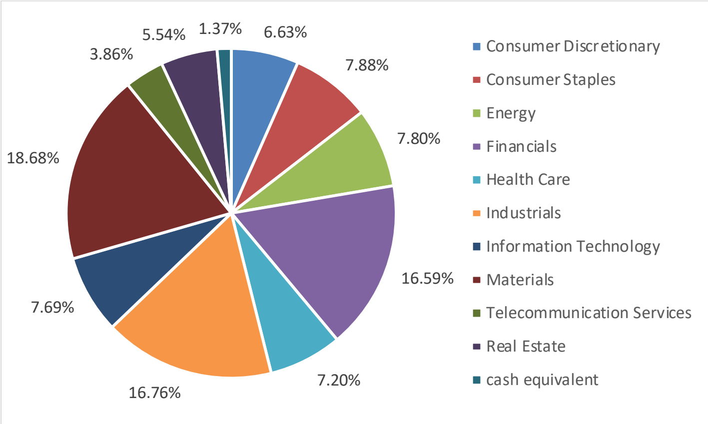
Asset allocation



Quarterly Observations

The COVID recovery in markets continued in the December quarter with the ASX300 Accumulation Index up 13.8% and is now up near 50% from March lows.

The US election result, positive vaccine news, and ongoing accommodative monetary and fiscal policy provided further impetus and investor confidence that economies can continue to recover, and the equity market cycle move from 'hope' to 'growth'.

At a sector and stock level this saw a sharp rotation in market leadership with more cyclical and value orientated sectors and stocks outperforming. Energy (+26.8%) and the banks (+26.0%) led the way whilst Technology (+22.7%) and Resources (+18.6%) also performed strongly.

The fund returned 9,42% for the quarter, underperforming the ASX300 Accumulation benchmark by -4.37%. For the 12 months to 31 December the fund has returned 8.15% outperforming the benchmark by 6.41%.

During the quarter, we added to our quality cyclical holdings including initiating a position in Qube Holdings and exited Amcor. We also lightened our gold position, but still see it as a hedge against rising.

The COVID crisis has seen the sharpest and quickest economic contraction since the great depression, but also elicited the largest global co-ordinated policy response in history.

The magnitude and speed with which this has happened is easy to gloss over, but unprecedented. In Australia lone in excess of $350bn has been provided in stimulus and relief to bolster household and business cashflow at a time when interest rates and bond yields have declined to historical lows.

The result is household savings has risen, unemployment and business failures have been suppressed and economic activity and stock markets have roared back close to or above pre-COVID levels. All most unusual in a recession.

Equities have seen strong inflows with switching out of bonds in search of higher returns coupled with a surge in retail investor participation on FOMO (fear of missing out).

Excess liquidity and investor confidence monetary and fiscal policy will remain accommodative has helped fuel this rally. Moreover, it is the expectation rates will remain low for a long time (or ever!) and belief that the 'Policy Put' - that central banks and government will intervene if the economy or markets splutter, is alive and well.

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For more information visit www.sghiscock.com.au