SG HISCOCK & COMPANY

SGH Australia Plus Fund

30 April 2021

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 30 April 2021	Purchase	Net Asset Value	Withdrawal
	$ 1.7050	$ 1.7007	$ 1.6964

Performance[3] 30 April 2021	1 mth %	3 mths %	6 mths %	1 yr %	2 yrs % p.a.	3 yrs % p.a.	Inception % p.a.
Distribution Return	0.00	0.00	0.77	5.19	3.52	5.26	7.03
Growth Return	4.59	6.42	12.72	20.74	6.78	2.04	7.29
Total Net Return	4.59	6.42	13.49	25.93	10.30	7.30	14.31
S&P/ASX 300 Accumulation Index	3.70	7.64	20.62	31.58	9.39	9.70	8.63
Total Net Return vs. the Index	0.89	-1.22	-7.13	-5.65	0.91	-2.40	5.68

Past performance is not a reliable indicator of future performance.

Top 5 Holdings

National Australia Bank Limited
Uniti Group Ltd
CSL Limited
Macquarie Group Limited
Rio Tinto Limited

Top 5 holdings represent 20.40% 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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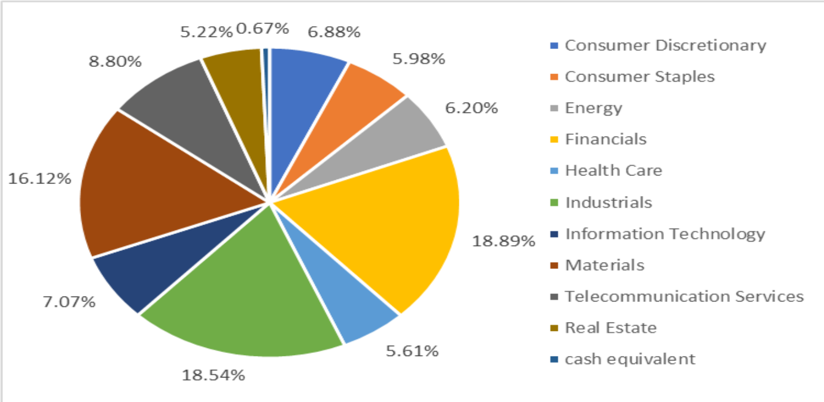
Asset allocation



Monthly Observations

Equity markets continued where they left off in March, moving higher across the board. This strong performance was underpinned by extremely easy fiscal and monetary policy settings, evidence of a strong rebound in growth and earnings, and stabilisation in bond yields. Australian equities rose 3.7%, lagging the 5.3% rise in the S&P 500 and 4.0% rise in the MSCI Global Equity Index (ex-Australia hedged $A). Notably, the reflation trade remains intact even though global daily new COVID-19 infections reached new highs.

Financial market strength was broad based, with industrial metals generating the strongest returns while the trade-weighted dollar posted the greatest losses. This performance implies that investors are looking ahead towards the light at the end of the tunnel. Pandemic dynamics in the US and UK are a reason to be optimistic with activity levels gradually normalising amid the rapid pace of vaccinations. It was is not surprising that US and UK equities were the best-performing stocks in April.

Given the reprieve for bonds, it was long duration sensitive technology and growth names that drove the outperformance in the domestic market. Technology (+9.7%), Materials (+6.8%) and Industrials (+4.3%) were the best sectors, while Energy (-4.9%), Consumer Staples (-2.5%) and Utilities were the laggards.

The Australian economy continues to perform better than most economies. Business and consumer confidence are at 11-year highs while business conditions are at record levels. Hours worked in March were above pre-pandemic levels, although unemployment of 5.6% is still more than 0.5% above pre-pandemic levels and probably 1.5-2% above levels likely to be associated with stronger wage gains. Meanwhile, the March quarter data showed inflation pressures are minimal with both the headline rate and underlying rate close to 1%. However, base effects suggest the annual headline inflation number will jump to 3-3.5% in the June quarter. The RBA continues to view the prospects of higher inflation as transitory. Despite this, it will inject some uncertainty into policy settings medium term.

Commodity prices surged in April, reflecting the powerful combination of strong economic data, strong demand projections and supply side constraints in some markets. Copper was up another 12.4% and has almost doubled in the last 12 months reflecting the broad enthusiasm for industrial metals, whilst Nickel, Aluminium and Tin were up 10.2%, 10.5% and 18.4% respectively for the month. Iron ore also resumed its climb in April, rising 13.3% to US$187 a tonne.

Portfolio positioning and performance

For the month the portfolio returned 4.65%, outperforming the S&P/ASX300 Accumulation Index by 0.95%. Uniti Group (UWL) continued to perform strongly during the month on the back of its half year result in February 2021 and upgrade to earnings. Cleanaway (CWY) also contributed strongly after announcing in early April it had entered an agreement to purchase from Suez its Sydney recycling assets at an attractive valuation (~7x EV/EBITDA), which will materially enhance CWY's strategic infrastructure asset footprint in the NSW waste management market.

Carbon Revolution (CBR) was the main detractor from performance for the month after announcing a $95m capital raising to fund the expansion of its manufacturing capacity on the back of four new contract commitments for carbon wheels from international auto manufacturers. The product continues to gain validation and traction, and we believe has huge growth potential particularly in the electric vehicle market. However, COVID supply chain disruptions have impacted on sales, and scaling up is proving more capital intensive than we had expected. Seven Group Holdings (SGH) also completed a $500m equity raising during the month to increase balance sheet flexibility following its recent investment in Boral, which weighed on the stock.

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