



SG HISCOCK & COMPANY

SGH Australia Plus Fund

30 September 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 costs¹ | 0.70% p.a. | Buy Spread | +0.25% |
| Performance Fee² | 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 | \$9.50 million |

| Unit Prices | Purchase | Net Asset Value | Withdrawal |
|--------------------|-----------------|------------------------|-------------------|
| 30 September 2021 | \$ 1.6586 | \$ 1.6545 | \$ 1.6504 |

| Performance³ | 1 mth % | 3 mths % | 6 mths % | 1 yr % | 2 yrs % p.a. | 3 yrs % p.a. | Inception % p.a. |
|--------------------------------|----------------|-----------------|-----------------|---------------|---------------------|---------------------|-------------------------|
| 30 September 2021 | | | | | | | |
| Distribution Return | 0.00 | 0.00 | 5.82 | 7.21 | 6.07 | 4.80 | 7.39 |
| Growth Return | -1.84 | 1.49 | 1.75 | 11.92 | 5.01 | 2.80 | 6.52 |
| Total Net Return | -1.84 | 1.49 | 7.57 | 19.13 | 11.08 | 7.60 | 13.91 |
| S&P/ASX 300 Accumulation Index | -1.89 | 1.79 | 10.42 | 30.86 | 8.55 | 9.87 | 9.01 |
| Total Net Return vs. the Index | 0.04 | -0.30 | -2.85 | -11.74 | 2.53 | -2.27 | 4.90 |

Past performance is not a reliable indicator of future performance.

Top 5 Holdings

| |
|---|
| National Australia Bank Limited |
| CSL Limited |
| Macquarie Group Limited |
| Woodside Petroleum |
| Australia & New Zealand Banking Group Limited |

Top 5 holdings represent 20.63% 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.

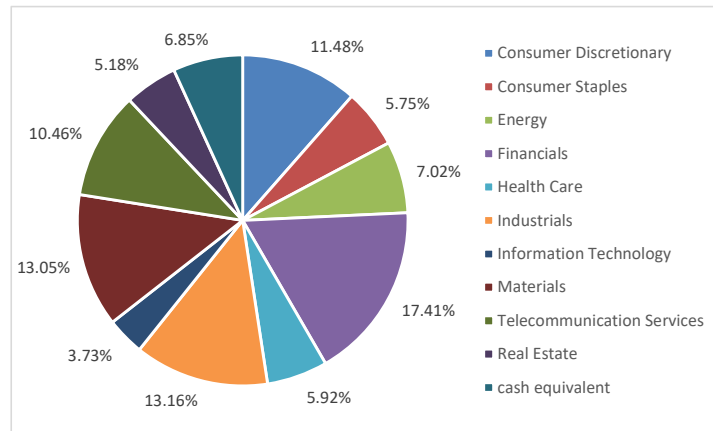


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Asset allocation



Quarterly Observations

- The rally in equities continued last quarter with growth stocks again outperforming cyclicals. The S&P/ASX300 Accumulation Index returned 1.79% and is up 30.9% for the last 12 months.
- The cycle is evolving and there are an increasing number of emerging risks bubbling to the surface including slowing growth, inflation, tapering, geopolitics, and China regulatory reform.
- The course of the pandemic remains the central influence on financial markets and policy positioning. During the quarter the surge in the Delta strain saw renewed lockdowns and the economic disruption, raising concerns growth has peaked.
- The Delta strain has exacerbated supply chain disruptions, triggering a surge in freight, labour and energy costs. This is challenging the transitional inflation view and raising the spectre of stagflation (the ugly combination of rising prices on weaker growth).
- In positioning for the prospects of reopening, tapering and more persistent inflationary pressures we have exited Reliance Worldwide, Carsales.com, Tencent and RIO Tinto and added Corporate Travel and BHP.
- The Fund returned 1.49% in the September quarter underperforming S&P/ASX300 Accumulation Index by 0.30%. The top portfolio contributors were Uniti Group, Carsales.com and Macquarie Bank whilst BHP, Alibaba, and Marley Spoon were the largest detractors.

For more information visit www.sghiscock.com.au

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