



SG HISCOCK & COMPANY

SGH Australia Plus Fund

30 November 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	\$9.21 million

Unit Prices	Purchase	Net Asset Value	Withdrawal
30 November 2021	\$ 1.6718	\$ 1.6676	\$ 1.6634

Performance³	1 mth %	3 mths %	6 mths %	1 yr %	2 yrs % p.a.	3 yrs % p.a.	Inception % p.a.
30 November 2021							
Distribution Return	0.00	0.00	5.59	6.63	5.95	4.98	7.23
Growth Return	0.60	-1.07	-2.18	3.00	2.78	6.68	6.49
Total Net Return	0.60	-1.07	3.41	9.63	8.73	11.66	13.72
S&P/ASX 300 Accumulation Index	-0.53	-2.31	3.63	16.02	6.83	12.89	8.76
Total Net Return vs. the Index	1.14	1.24	-0.22	-6.38	1.90	-1.22	4.96

Past performance is not a reliable indicator of future performance.

Top 5 Holdings

National Australia Bank Limited
CSL Limited
Uniti Group Ltd
Chorus Ltd
BHP Billiton Limited

Top 5 holdings represent 19.38% 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.

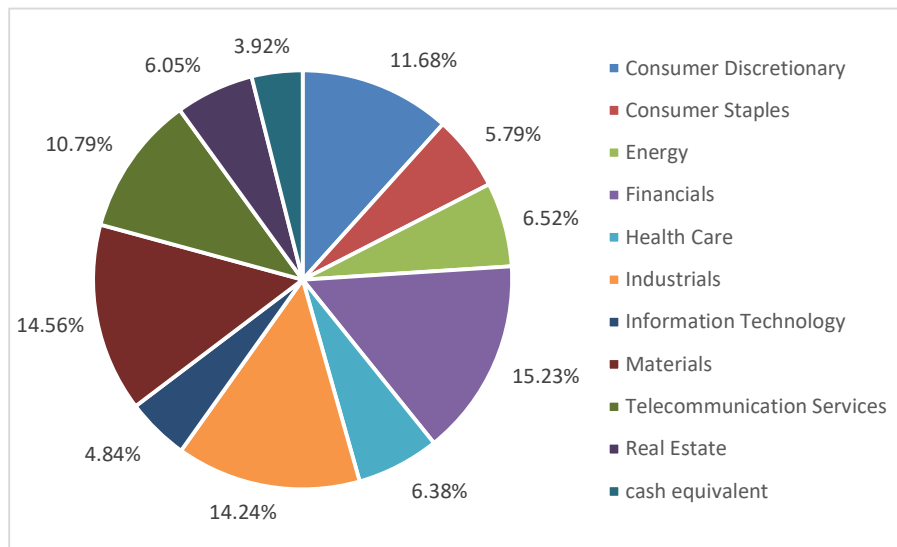
1. Includes estimated GST payable, after taking into account reduced input tax credits (RITC).

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.



Asset allocation



Monthly Observations

The Australian S&P/ASX300 Accumulation Index closed down -0.53% in November, but outperformed global indices with Developed markets declining -1.4% and Emerging markets -3.2%. Volatility was a centrepiece of equity markets during November. Early in the month, the tailwind of the broader economic recovery helped push markets and inflation expectations higher but was met intra month by more hawkish commentary from central banks, most notably with the Fed announcing its tapering plans. This was largely anticipated and saw markets trade higher before the emergence of the Omicron strain and onset of renewed concerns around lockdowns and economic growth.

Consistent with our approach to date in managing the uncertainty created by Covid, and learning to live with the virus, we see it as important to not jump to conclusions based on bogus assumptions and things we do not know and cannot know. Rather, our approach continues to be to try and understand what is going on rather than suggest we know what's going on, manage risk and embrace the uncertainty where it is sensible to do so.

We are still learning about the Omicron virus and whether existing vaccines will work or will need to be adapted. Initial indications suggest the virus is more contagious but symptoms milder than the Delta strain. We will have to see whether this is the case or not. But with vaccination levels higher, and growing recognition of the need to have a coherent strategy around the broader economic and social considerations, and not just focus on case numbers, the prospects of returning to the hard lockdowns of earlier this year seem a lower probability. The greater risk seems the relaxation of existing restrictions takes longer and with it the return of consumer and business confidence. We view any weakness in reopening stocks we hold,

like Corporate Travel Management (CTD) as an opportunity to add to existing positions.

The other great uncertainty that continues to grip markets is whether the inflation pressures prove more structural in nature. There is little question in our mind the inflation risk has increased with the COVID shock and unprecedented fiscal intervention. Fed Chairman Powell's comments during the month to stop referring to inflation being "transitory" and focus on inflation not becoming "entrenched" seems to support this view. Whether inflation does become entrenched or not, the risk inflation may surprise to the upside appears the highest it has been for many decades, and it seems prudent portfolio risk management to build in some protection.

During the month we added Computershare, which has leverage to inflation through higher rates. We also see potential for a recovery in US mortgage service business earnings as the current Covid moratorium on mortgage foreclosures starts to rollback over the next 6 months. Higher rates are also a headwind to mortgage servicing increasing foreclosure servicing opportunities for Computershare.



SG HISCOCK & COMPANY

Portfolio positioning and performance

We continue to position the portfolio for the prospects of reopening, tapering and more persistent inflationary pressures, whilst seeking to live with the ongoing uncertainty of Covid through identifying companies experiencing positive tailwinds and which we believe will merge stronger.

For the month the portfolio returned 0.60%, outperforming the S&P/ASX300 Accumulation Index by 1.14%.

The top contributors during the month were Uniti Group, Cleanaway, James Hardie while Woodside Petroleum, Alibaba and Cooper Energy were the main detractors.

For more information visit www.sghiscock.com.au

Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975), a subsidiary of EQT Holdings Limited (ABN 22 607 797 615) a publicly listed company on the Australian Securities Exchange (ASX:EQT), is the Responsible Entity of the Fund. SG Hiscock & Company (ABN 51 097 263 628 AFSL 240679) is the Investment Manager of the Fund and has prepared this document for general information purposes only. It does not contain investment recommendations nor provide investment advice. Neither SG Hiscock & Company Limited, Equity Trustees Limited nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in the Fund. Past performance is not necessarily indicative of future performance. Professional investment advice can help you determine your tolerance to risk as well as your need to attain a particular return on your investment. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. You should not act in reliance on the information contained in this document. We strongly encourage you to obtain detailed professional advice and to read the relevant Product Disclosure Statement (PDS) and Target Market Determination (TMD) in full before making an investment decision. Equity Trustees Limited does not express any view about the accuracy or completeness of information that is not prepared by Equity Trustees Limited and no liability is accepted for any errors it may contain. Investors can acquire units by completing the application form accompanying a current PDS or, where available by making an application through the mFund settlement service (mFund) by placing a buy order for units with your licensed broker. A current PDS and Target Market Determination are available at www.sghiscock.com.au or can be obtained by contacting SG Hiscock & Company Limited on 03 9612 4600 or 1300 555 511.