



<b>Investment objective</b>	The Fund invests in a concentrated portfolio of Australian stocks that aims to offer long-term returns in excess of the S&P/ASX 300 Accumulation Index (after fees).		
<b>Investments held</b>	A portfolio of approximately 20 stocks that are listed on the Australian Securities Exchange.		
<b>Investment Manager</b>	SG Hiscock & Company Limited	<b>APIR</b>	ETL0042AU
<b>Commencement</b>	28 October 2004	<b>mFund Product Code</b>	SHF01
<b>Management costs<sup>1</sup></b>	0.90% p.a.	<b>Buy spread</b>	+0.25%
<b>Performance Fee<sup>2</sup></b>	15%	<b>Sell spread</b>	-0.25%
<b>Minimum initial investment</b>	\$20,000	<b>Fund size</b>	\$16.36 million

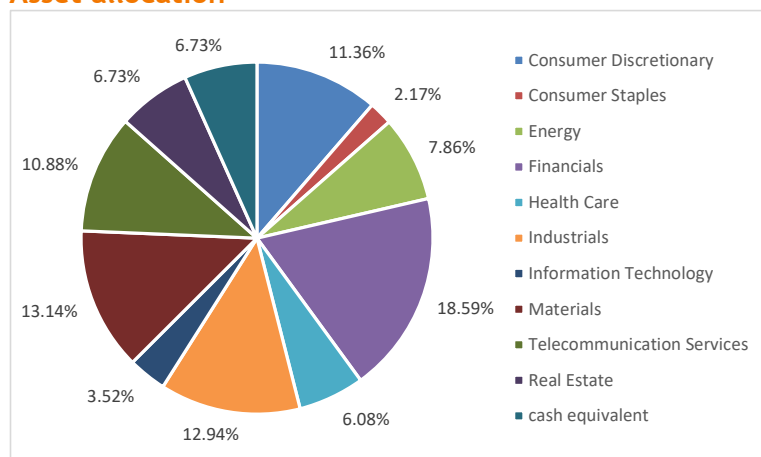
Unit Price	Application	Net Asset Value	Withdrawal
	\$ 1.7164	\$ 1.7121	\$ 1.7078

Performance <sup>3</sup>	1 mth %	3 mths %	6 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	Inception % p.a.
Distribution Return	0.00	0.00	6.79	8.10	8.26	9.43	7.13
Growth Return	-1.30	3.26	3.41	15.03	-0.92	0.34	3.23
Total Net Return	-1.30	3.26	10.20	23.13	7.34	9.77	10.36
S&P/ASX300 Accumulation Index	-1.89	1.79	10.42	30.86	9.87	10.52	8.49
Total Net Return vs. the Index	0.59	1.47	-0.22	-7.73	-2.53	-0.75	1.88

Past performance is not a reliable indicator of future performance.

Distribution Period	31-Dec-19	30-Jun-20	31-Dec-20	30-Jun-21
Distribution rate (cents per unit)	2.5463	9.7956	0.7331	10.8854

### Asset allocation



### Top 5 holdings

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

Top 5 holdings represent 30.61% of the total Fund.

1. Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").
2. Effective 1 December 2018, a performance fee of 15% (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, subject to a highwater mark
3. Performance: Distribution Return is the return due to distributions paid by the Fund, Growth Return is the return due to changes in initial capital value of the Fund, Total Net Return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.



SG HISCOCK & COMPANY

## 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).
- The positive is the Delta outbreak has accelerated the vaccination rollout and NSW and Victoria (c.60% of Australia's population) should be ready to fully reopen by mid-November.
- In positioning for the prospects of reopening, tapering and more persistent inflationary pressures we have exited Reliance Worldwide, Carsales.com and RIO Tinto and added Corporate Travel and BHP.
- The Fund returned 3.26% in the September quarter outperforming S&P/ASX300 Accumulation Index by 1.47%. The top portfolio contributors were Uniti Group, Carsales.com and Macquarie Bank whilst BHP, Marley Spoon and Northern Star Resources were the largest detractors.

### For more information visit [www.sghiscock.com.au](http://www.sghiscock.com.au)

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