

Fact Sheet

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		
APIR	ETL0383AU	Buy spread	+ 0.25%
Commencement	8 October 2013	Sell spread	- 0.25%
Management costs¹	0.70% p.a.	Performance Fee²	20% capped at 1.25% in any calendar year, subject to a highwater mark
Minimum initial investment	\$20,000	Fund size	\$7.71 million

Unit Prices as at 31 July 2017	Purchase	Net Asset Value	Withdrawal
	1.3773	1.3739	1.3705

Performance as at 31 July 2017 ³	1 mth %	3 mths %	6 mths %	1 yr %	2 yrs % p.a.	3 yrs % p.a.	Incept' % p.a.
Distribution Return	0.00	4.44	4.80	6.07	5.61	9.87	9.39
Growth Return	-0.86	-3.39	4.51	2.85	8.54	7.61	8.72
Total Net Return	-0.86	1.05	9.31	8.92	14.15	17.48	18.11
S&P/ASX 300 Accumulation Index	0.01	-2.51	3.89	7.03	4.92	5.12	7.27
Total Net Return vs. the Index	-0.87	3.56	5.42	1.89	9.23	12.36	10.84

Top 5 holdings as at 31 July 2017

CSL Limited
National Australia Bank Limited
Australia & New Zealand Banking Group Limited
Janus Henderson Group- GDI
Treasury Wine Estate Ltd

Top 5 holdings represent 31.84% of the 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 expense of the fund, capped at 1.25% in any year, subject to a highwater mark

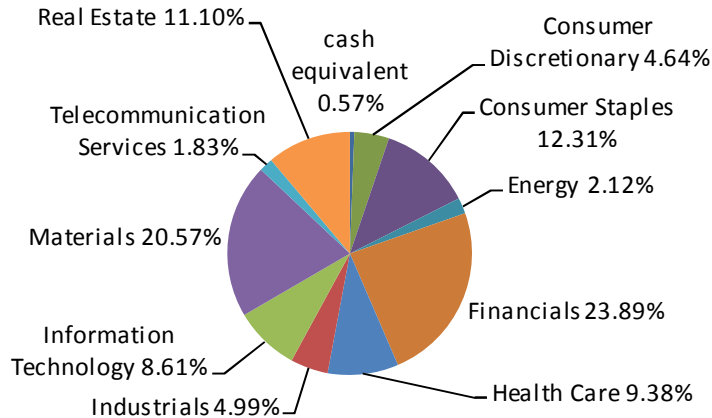
3. Performance: Total Net Return is the Fund return after the deduction of ongoing fees and expenses assuming the reinvestment of all distributions.

For more information visit www.sghiscock.com.au

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Asset allocation as at 31 July 2017



Commentary

The Australian equity market finished flat in July, for the second consecutive month. After outperforming the global market in the early part of the year, the Australian market has struggled to participate with the earning driven rally in global markets. In the last 12 months the ASX300 has returned just 2.6% vs S&P500 13.7% and MSCI World ex Aust. 8.6% (in AUD).

The recent underperformance is largely a reflection of the compositional differences in the Australian index which has little exposure to the IT sector, and now represents 22% of the US market. Australia's weaker performance also reflects the increased risks attached to the domestic economic outlook as a result of high and rising household debt against a backdrop of very modest wages growth.

The sharp rise in the AUD in July (+4.6% vs USD) was the story of the month, and saw ASX listed companies with offshore earning stocks sold off heavily. Perception the RBA will join central banks in normalising monetary policy, higher commodity prices and USD weakness were the main drivers. Lack of any real progress on Trump's reform agenda and, a Fed that continues to emphasise a gradual tightening and normalisation in interest rates, saw the US dollar hit a 13 month low on a trade weighted basis.

The US dollar was down 3.7% against the Euro in July, and is now down +12.5% this year. European growth continues to surprise to the upside and political risk has declined post Macron's French election victory. There is increasing talk of the ECB slowing or reversing elements of its quantitative easing program over the next 12 months, but lack of any serious near term inflation threat likely means any change in policy will be slow and gradual.

For now, the Chinese economy appears to be on a firm footing with growth now expected to be on the higher side of expectations for the second half of the year. Housing has come off the highs of 2016, but it has not moved into negative territory with the Government maintaining stability. The regular monthly data points including PMI's, retail sales, industrial production and fixed investment remain largely buoyant which is underpinning commodity prices. Iron ore jumped 15% to US\$73/t, whilst copper (+7.4%) and nickel (+10.3%) also finished higher. Oil (WTI +8.3%) posted its biggest monthly gain since early 2016 on renewed OPEC production cuts and lower US inventories.

Bonds were steady in July although they did manage a modest rally following Fed Chair Janet Yellen's July 12 testimony to Congress. Australian bond yields traded in a tight range ending the month at 2.68%. Whilst markets are now factoring in the possibility of tightening within the next 12 months, the weakness in wages and low inflation expectations appears to carry substantial weight with the RBA at present and suggests interest rates remain on hold.

During the month only four ASX sectors delivered a positive return. Materials (+3.6%) performed well on the back of solid China data, whilst the Banks (+2.3%) saw relief on clarification by APRA of its 'unquestionably strong' capital objective. Of the seven sectors that slid into the red, Healthcare (-7.5%) and Utilities (-5.3%) suffered the sharpest sell-off.

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31 July 2017

SG HISCOCK & COMPANY

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Portfolio Performance & Positioning

The SGH Australia Plus portfolio returned -0.86% in July underperforming the S&P/ASX300 Accumulation Index by 0.87% . With around 70% of the portfolio exposed to companies with offshore revenues the stronger Australian dollar was a headwind. Longer term, we continue to see these companies offering exposure to faster growing markets, share gains and attractive growth options, and short term market to market moves as overdone. During the month we exited Spark Infrastructure, AGL and BT Investment Management and added Westfield and the Hong Kong exchange listed WH Group Ltd. WH Group is a Chinese holding company with vertically integrated operations across the pork industry. The portfolio owned 6 companies in Asia at the end of the month representing 13% of the portfolio.

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