SGH Australia Plus Fund

30 April 2017

SG HISCOCK & COMPANY

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 costs[1]	0.70% p.a.	**Performance Fee**[2]	20% capped at 1.25% in any calendar year, subject to a highwater mark
Minimum initial investment	$20,000	**Fund size**	$9.66 million

Unit Prices as at 30 April 2017	**Purchase**	**Net Asset Value**	**Withdrawal**
	1.4258	1.4222	1.4186

Performance as at 30 April 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	0.00	1.40	5.79	11.29	10.29	8.73
Growth Return	2.64	8.17	11.75	13.32	2.84	8.83	10.42
Total Net Return	2.64	8.17	13.15	19.11	14.12	19.12	19.16
S&P/ASX 300 Accumulation Index	0.98	6.57	13.43	17.50	5.84	7.26	8.57
Total Net Return vs. the Index	1.66	1.61	-0.27	1.62	8.29	11.86	10.58

Top 5 holdings as at 30 April 2017
Australia & New Zealand Banking Group Limited
CSL Limited
National Australia Bank Limited
Henderson Gp PLC - CDI
NextDC Ltd

Top 5 holdings represent 34.28% 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.

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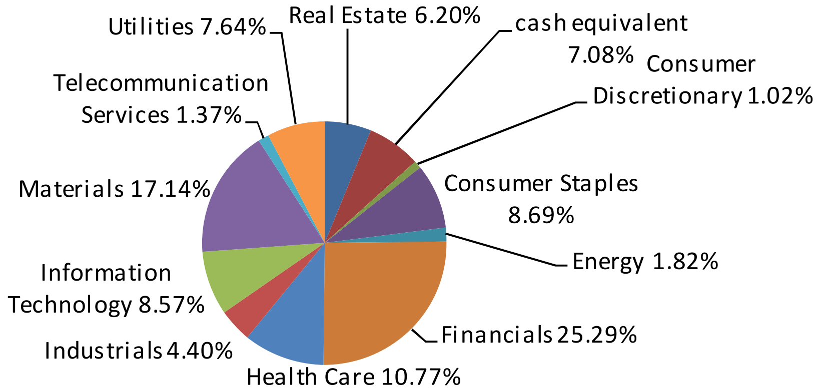
Asset allocation as at 30 April 2017



Commentary

The S&P/ASX 300 Accumulation Index rose for the third consecutive month in April as it gained 0.98%. The SGH Australia Plus fund by comparison delivered +2.64% for the month. The month was noteworthy for the significant divergence in performance across the ASX sectors. Representing just under 4% of the overall market, the Telecommunications sector continued its torrid period of recent underperformance declining 9.9% on the back of news that TPG (having secured additional mobile spectrum via a national auction) is planning to build and launch a mobile business in Australia. It raises numerous questions about increased competition and the outlook for sector profitability. Also weak in April were Consumer Staples (-2.6%) off the back of quarterly trading updates from sector majors Woolworths and Wesfarmers, and Resources (-1.6%). On the other side of the coin, Industrials (+4.4%), I.T (+3.9%), Health Care (+3.2%) and Utilities (+3.1%) all posted strong gains.

Like Australia, global equity markets broadly continued to push higher in April. Europe in particular appeared to benefit from increased political certainty in the region as first Prime Minister May confirmed the UK would hold a general election in early June, and in France, Emmanuel Macron emerged as the person likely to become the next French President. In Asia, all major indices rose with the Hang Seng the stand out rising over 2% and bringing 2017 gains to almost 12%. In the US, President Trump's announced outline of his much hyped tax reforms in the final week of the month helped the S&P500 rise close to 1% for the month and once more within touching distance of recent all time highs.

The performance of the US market was somewhat surprising in the context of what has been a general weakening in economic data in recent months. Outside of some in-line industrial production statistics which are supportive of an improving manufacturing segment in the US, most other major indicators in April disappointed leading to further skepticism of the sustainability of the US "reflation" trade and ultimately further questioning of the Fed's capacity to raise interest rates. Each of Real GDP (Q1), the March CPI reading, March Retail sales and finally March Nonfarm payrolls (~98k jobs created) all came in below market expectations in what was undoubtedly a disappointing month of economic data. It could be argued that President Trump may have been happy to focus on North Korea during April as a means of diverting attention away from the domestic economy as he marked his first 100 days in office.

In Australia, the economy continued to demonstrate reasonable resilience despite fairly uninspiring retail sales data during April, which suggested annual retail sales growth (+2.7%) had slowed to a 4 year low. The Australia Dollar did not quite demonstrate the same resilience as it depreciated almost 2% to close the month at 0.749 against the USD. The significant declines in iron ore prices since February when it peaked above $90 USD/t (closed April $65) undoubtedly contributed to the recent weakening of the local currency.

Positionally, the main changes to the portfolio in April was the sale of Sheffield Resources, IVE Group and Metals X.

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