

## Fact Sheet

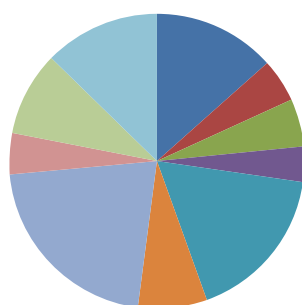
<b>Investment objective</b>	Aims to deliver superior medium to long term returns by investing in listed companies which possess a sustainable competitive edge. Companies can create that by owning/operating assets that are difficult to replicate. The Investment Manager believes that key intangible assets (such as Brands, Licenses, Patents, Logistical capability, a Captive client base) are the most difficult to replicate and that these key assets enable companies to entrench their products/services in the marketplace.		
<b>Investments held</b>	A portfolio of approximately 30-50 predominantly ASX listed securities (a minimum of 15 and generally no more than 80); cash and derivatives.		
<b>Investment Manager</b>	SG Hiscock & Company		
<b>Commencement</b>	13 February 2006		
<b>APIR</b>	ETL0062AU	<b>mFund Product Code</b>	SHF02
<b>Minimum initial investment</b>	\$20,000	<b>Buy Spread</b>	+0.35%
<b>Management costs<sup>1</sup></b>	1.180% p.a.	<b>Sell Spread</b>	-0.35%
<b>Performance Fee<sup>2</sup></b>	15.375%	<b>Pool size</b>	\$625.35 million

Unit Prices	Application	Net Asset Value	Withdrawal
30 April 2017	\$ 1.9357	\$ 1.9289	\$ 1.9221

Performance as at 30 April 2017 <sup>3</sup>	1 mth %	3 mths %	6 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	Inception % p.a.
Total Net Return	1.91	6.05	0.93	-0.66	10.54	14.76	11.29
S&P/ASX Smallcap Industrial Index	0.57	6.63	5.40	9.56	8.70	9.57	3.72
S&P/ASX 300 Accum. Industrials Index	1.48	8.87	14.59	17.20	9.77	14.97	7.32
S&P/ASX 300 Accumulation Index	0.98	6.57	13.43	17.50	7.26	10.76	6.12

Distribution Period	30-Jun-15	31-Dec-15	30-Jun-16	31-Dec-16
Distribution rate (cents per unit)	14.0324	0.6485	11.0518	0.7943

### Asset allocation as at 30 April 2017



- Information Technology 13.40%
- Telecommunication Services 4.76%
- Real Estate 5.25%
- Materials 3.84%
- cash equivalent 17.29%
- Industrials 7.55%
- Consumer Discretionary 21.46%
- Consumer Staples 4.48%
- Financials 9.28%
- Health Care 12.68%

### Top 5 holdings as at 31 March 2017

A2 MILK CO LTD
TRADE ME GROUP LTD
SYDNEY AIRPORT
IRESS LTD
RESMED INC CDI

Top 5 holdings represent 16.44% of total fund.

1. Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").
2. A performance fee of 15.375 (inclusive of GST and an estimate of RITC) of any performance in excess of the performance hurdle (the daily percentage movement in the S&P/ASX 300 Accumulation Index plus 1.20 p.a. calculated on a daily basis) may also be payable.
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.

30 April 2017

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### Commentary

SGH ICE delivered a 1.9% return in April, comparing favourably with the various market indices which ranged from –0.2% for the Small Ords to +1.5% for the ASX 300 Industrials. Likewise longer term performance remains strong in both absolute and relative terms.

Over the month, the headwinds experienced during 2016 eased and performance was broad based. Key contributors were A2 Milk, BT Investment Management, Speedcast, Seek and Tradme.

A2 Milk upgraded FY17 revenue guidance and now expects H2 FY17 to be higher than H1 FY17 (prior guidance was for H2 FY17 to grow over H2 FY16 but to be below the seasonally strong H1 FY17). The stock still offers a strong double digit IRR and as such remains a top 5 holding, but with the share price having risen circa +40% over the past couple of months we haven't taken profits.

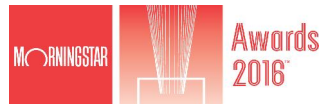
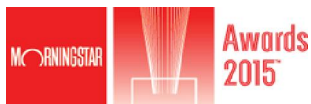
BT generated \$2.7 billion in net inflows for the March quarter, including \$1.9 billion from the J O Hambro business which continues to experience limited impact from Brexit. Speedcast management took the opportunity at a broker conference to confirm they are comfortable with analyst consensus EBITDA expectations and noted all aspects of the business are performing in line with expectations.

Seek and Tradme share prices were more driven by investors returning to certain quality franchises during the month than news or announcements to the market. Seek did make further progress towards the privatisation of Zhaopin in April, though the deal was first announced in February.

We continue to monitor the market for new opportunities and maintain a strong research program, having attended 38 company presentations/meetings during the month, which has created further work on prospective investments.

### Key Contributors—April 2017

Company	Industry	Comment
A2 Milk	Branded Dairy	Upgrade to FY17 revenue expectations
BT	Fund Management	\$2.7 billion net inflow for March quarter
Speedcast	Satellite Based Telecommunications	Confirmed analyst consensus EBITDA in line with management expectations
Seek	Online Job Classifieds	Progress towards privatization of Zhaopin
Trademe	Online Classifieds	Investor recognition of franchise quality



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 Morningstar Awards 2015©. Morningstar, Inc. All Rights Reserved. Awarded to SGH ICE for Fund Manager of the Year 2015 - Small Companies Category, Australia.

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