

## Fact Sheet

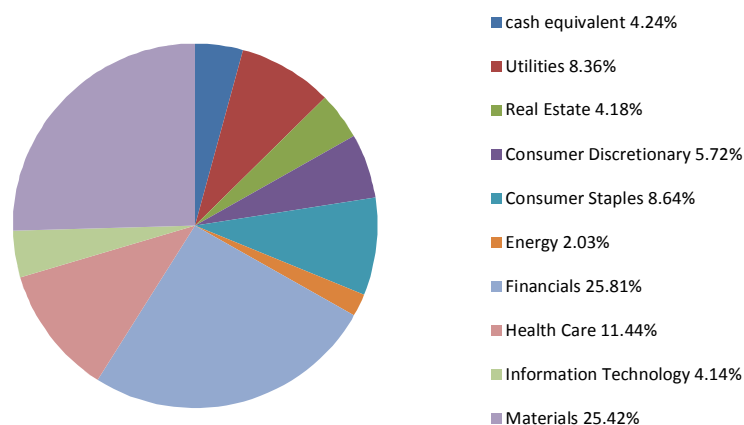
|                                     |  |                           |                 |
|-------------------------------------|--|---------------------------|-----------------|
| <b>Investment objective</b>         | Aims to offer long term returns in excess of the following measures over a rolling five year period, although returns are not guaranteed: <ul style="list-style-type: none"> <li>S&amp;P/ASX 300 Accumulation Index plus 5.00% p.a. (before fees and tax); and</li> <li>Cash Rate (as measured by the Bloomberg AusBond Bank Bill Index) plus 5.00% p.a. (before fees and tax).</li> </ul> |                           |                 |
| <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   |                           |                 |
| <b>APIR</b>                         | ETL0042AU  | <b>mFund Product Code</b> | SHF01           |
| <b>Commencement</b>                 | 28 October 2004  | <b>Buy spread</b>         | +0.25%          |
| <b>Management costs<sup>1</sup></b> | 1.23% p.a.   | <b>Sell spread</b>        | -0.25%          |
| <b>Minimum initial investment</b>   | \$20,000   | <b>Fund size</b>          | \$50.16 million |

| Unit Prices   | Application | Net Asset Value | Withdrawal |
|---------------|-------------|-----------------|------------|
| 30 April 2017 | \$ 1.7437   | \$ 1.7394       | \$ 1.7351  |

| Performance as at 30 April 2017 <sup>2</sup> | 1 mth % | 3 mths % | 6 mths % | 1 yr % | 3 yrs % p.a. | 5 yrs % p.a. | Since Inception % p.a. |
|--|---------|----------|----------|--------|--------------|--------------|------------------------|
| Distribution Return                          | 0.00    | 0.00     | 1.95     | 19.36  | 13.12        | 8.63         | 6.01                   |
| Growth Return                                | 1.70    | 6.12     | 9.35     | -6.65  | -2.79        | -0.97        | 4.53                   |
| Total Net Return                             | 1.70    | 6.12     | 11.30    | 12.71  | 10.33        | 7.66         | 10.54                  |
| S&P/ASX300 Accumulation Index                | 0.98    | 6.57     | 13.43    | 17.50  | 7.26         | 10.76        | 8.18                   |
| Total Net Return vs. the Index               | 0.72    | -0.45    | -2.13    | -4.79  | 3.07         | -3.10        | 2.37                   |

| Distribution Period                | 30-Jun-15 | 31-Dec-15 | 30-Jun-16 | 31-Dec-16 |
|------------------------------------|-----------|-----------|-----------|-----------|
| Distribution rate (cents per unit) | 22.7332   | 3.1058    | 30.0717   | 2.9299    |

## Asset allocation as at 30 April 2017



## Top 5 holdings as at 30 April 2017

|                                       |
|---------------------------------------|
| CSL Limited                           |
| Australia & New Zealand Banking Group |
| National Australia Bank Limited       |
| Henderson Gp PLC - CDI                |
| James Hardie Industries SE            |

Top 5 holdings represent 34.59% of the total Fund.

1. Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").

2. 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.

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### Commentary

The S&P/ASX 300 Accumulation Index rose for the third consecutive month in April as it gained 0.98%. The SGH20 fund by comparison delivered +1.70% 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.

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

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