

Fact Sheet

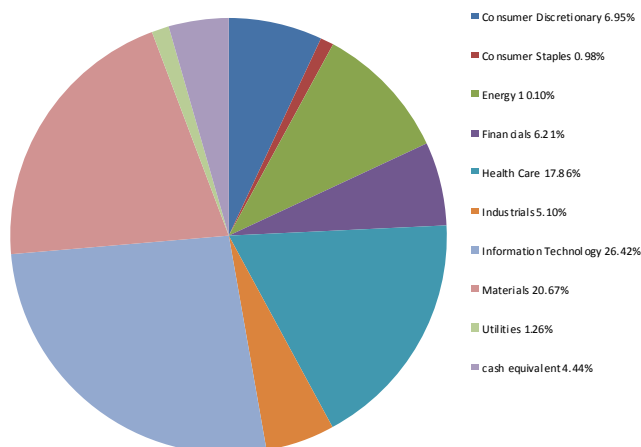
Investment objective	To provide medium to long-term capital growth potential and seeks to outperform the S&P/ASX Emerging Companies Accumulation Index over rolling three to five year periods after taking into account fund fees and expenses.		
Investments held	The Fund will primarily invest in companies that have a market capitalization of less than \$500m at the time of first purchase and cash.		
Investment Manager	SG Hiscock & Company		
APIR	ETL0118AU	mFund Product Code	SHF04
Commencement	9 October 2001	Buy spread	+0.35%
Management costs¹	1.03% p.a.	Sell spread	-0.35%
Performance Fee²	20.50%	Investment pool size	\$42.14 million
Minimum Initial Investment	\$20,000	SIV Compliant	Yes (1 July 2015)

Unit Prices	Application	Net Asset Value	Withdrawal
31 May 2017	\$ 3.2779	\$ 3.2665	\$ 3.2551

Performance as at 31 May 2017 ³	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	0.00	0.00	0.23	0.22	4.65
Growth Return	-0.87	-5.40	-7.31	0.90	20.89	13.38	7.85
Total Net Return	-0.87	-5.40	-7.31	0.90	21.12	13.60	12.50
Index Return ⁴	-1.04	-8.90	-8.15	-2.13	4.55	3.34	6.09
Total Net Return vs. the Index	0.17	3.50	0.84	3.03	16.57	10.26	6.41

Distribution Period	30-Jun-15	31-Dec-15	30-Jun-16
Distribution rate (cents per unit)	0.5915	NIL	NIL

Asset allocation as at 31 May 2017



Top 10 holdings as at 31 May 2017

Global Geoscience Ltd
Breaker Resources
Cooper Energy Limited
Livehire Limited
Triton Minerals Limited
Touchcorp LTD
HotCopper Holdings Limited
ZipMoney Ltd
Zenitas Healthcare Limited
Runge Ltd

Top 10 holdings represent 35.58% of the total Fund.

1. Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").
 2. Effective 1 October 2015, a performance fee of 20.50% (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 Emerging Companies Accumulation Index 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.
 4. Index = S&P/ASX Emerging Companies Accumulation Index effective 1 October 2015, previously S&P/ASX Small Ordinaries Accumulation Index.

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Commentary

- The Fund decreased by 0.87%, slightly out-performing its benchmark which fell 1.04%.
- Our better performing stocks include Locality Planning Energy (up 30.0%), Breaker Resources (up 23.6%), Big River Industries (up 21.9%), Global Geoscience Limited (up 16.7%) Touchcorp Limited (up 15.1%) and Volpara Health Technologies (up 10.0%).
- The major stock declines for the month were Apiam Animal Health (down 43.3%), Food Revolution Group (down 39.4%), Azure Healthcare (down 19.1%) and Compumedics (down 18.1%).

The Fund decreased by 0.87% slightly outperforming the S&P/ASX Emerging Companies Index which fell 1.04%. For the twelve months to May, the Fund was up 0.90% outperforming the S&P/ASX Emerging Companies Index by 3.03%. May was another difficult month; with a falling banking sector - down 7.7%, depressed retail stocks and some industrial earnings downgrade dampening the market. Commodity prices also weakened, particularly iron-ore. The good news is that the emerging company sector outperformed large companies for the first time in three months and there is plenty of value emerging. Further, we think that this relative outperformance we have seen from emerging companies should continue in the new financial year - after we get through the traditional June tax loss selling period. With the Australian economy continuing to post sluggish growth, and a banking sector suffering from dampened credit growth, a low in the bad debt cycle and renewed political and regulatory risk, the attraction of emerging growth companies should drive renewed interest in the sector. Notwithstanding a significant correction in global equity markets which continue to move higher driven by FANG stocks (Facebook, Amazon, Netflix, Google (now Alphabet). In fact, the weakness in the emerging companies sector since the December quarter last year has provided a number of good opportunities which should hopefully result in improved portfolio performance.

For more information visit www.sghiscock.com.au

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