

Fact Sheet

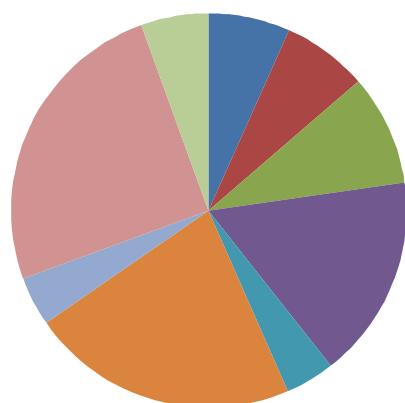
Investment objective	Aims to offer long term returns in excess of the following measures over a rolling five year period, although returns are not guaranteed: <ul style="list-style-type: none"> S&P/ASX 300 Accumulation Index plus 5.00% p.a. (before fees and tax); and Cash Rate (as measured by the Bloomberg AusBond Bank Bill Index) plus 5.00% p.a. (before fees and tax). 		
Investments held	A portfolio of approximately 20 stocks that are listed on the Australian Securities Exchange.		
Investment Manager	SG Hiscock & Company		
APIR	ETL0042AU	mFund Product Code	SHF01
Commencement	28 October 2004	Buy spread	+0.25%
Management costs¹	1.23% p.a.	Sell spread	-0.25%
Minimum initial investment	\$20,000	Fund size	\$48.48 million

Unit Prices	Application	Net Asset Value	Withdrawal
30 September 2016	\$ 1.6877	\$ 1.6835	\$ 1.6792

Performance as at 30 September 2016 ²	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	17.15	20.45	12.95	8.64	6.14
Growth Return	-1.26	4.28	-7.89	-0.88	-4.31	1.38	4.47
Total Net Return	-1.26	4.28	9.26	19.57	8.64	10.02	10.61
S&P/ASX300 Accumulation Index	0.51	5.24	9.43	13.50	6.03	11.02	7.65
Total Net Return vs. the Index	-1.77	-0.96	-0.17	6.07	2.61	-1.00	2.97

Distribution Period	31-Dec-14	30-Jun-15	31-Dec-15	30-Jun-16
Distribution rate (cents per unit)	4.3474	22.7332	3.1058	30.0717

Asset allocation as at 30 September 2016



■ CONSUMER DISCRETIONARY	6.64%
■ CONSUMER STAPLES	6.97%
■ ENERGY	9.14%
■ HEALTH CARE	16.67%
■ INDUSTRIALS	4.01%
■ MATERIALS	21.89%
■ TELECOMMUNICATION SERVICES	4.07%
■ FINANCIALS INCLUDING PROPERTY TRUSTS	25.04%
■ CASH EQUIVALENT	5.56%

Top 5 holdings as at 30 September 2016

MACQUARIE GROUP LTD
WESTFIELD CORP
NATIONAL AUSTRALIA BANK LTD
CALTEX AUSTRALIA LTD
LENLEASE GROUP

Top 5 holdings represent 27.89% 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.

Fact Sheet

Commentary

During September SGH20 returned -1.26% compared to the S&P/ASX300 Accumulation index which gained 0.51%. After falling close to 4% in the first 2 weeks of the month the ASX recovered strongly during the second half of September as the Materials sector in particular led the market higher. The 5.6% returned by the Materials sector in September made it the stand-out while the Consumer Staples (+1.7%) and Info. Tech. (+1.5%) sectors were also positive contributors. At the other end of the scale the REITs (-4.3%), Telcos (-4%) and Utilities (-3.3%) sectors were September's worst performed sectors.

Amongst local companies the performance of local Teco's TPG Telecom and Vocus was a feature in September as they saw their respective share prices fall 29% and 18%. Having enjoyed a period of significant acquisition-led growth in recent times the changing landscape under which these companies will operate appeared to take many by surprise in September. Confronting an NBN rollout that has gained considerable pace in recent times and strong adoption from customers, the higher costs of connecting customers and accessing the NBN leaves companies like TPG and Vocus facing a level of uncertainty over the next couple of years.

On the economic front 2nd quarter GDP growth of 3.3% marked Australia's strongest period of economic growth for a number of years with increased public infrastructure spending a key contributor to the growth. NSW it must be noted remains the stand out state in terms of both approved, commenced and completed public works. For the time being at least improving levels of capital investment is not translating to improved employment opportunities with total employment basically unchanged in August.

Offshore the key focus for investors remains the actions (or inactions) of Central banks. In the US, the Fed would appear to be inching its way towards raising rates in the near term with a December rate rise from the current 0.25%-0.5% band now considered a reasonable possibility. In Japan, the Bank of Japan added a twist to their stimulatory practices by outlining a plan to control the interest rates available on sovereign bonds of various durations.

Portfolio Activity

There were few changeovers to the portfolio in September with Brambles the only addition. Following a period of share price weakness post their August full year earnings result, Brambles was added in early September. Doray Minerals was sold from the portfolio during the month and cash represented 5.6% of the portfolio at month-end.

For more information visit www.sghiscock.com.au

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