

SGH Ex-20 Australian Equities Fund

30 June 2024

Performance ¹	Total Net Return	S&P/ASX300 Accumulation Index excl. S&P/ASX20 Leaders Index	Total Net Return vs. the Index
1 month (%)	-0.15	-0.85	+0.70
3 months (%)	-4.45	-4.30	-0.15
6 months (%)	1.09	3.66	-2.57
1 year (%)	5.90	7.49	-1.59
3 years (% pa)	0.62	3.96	-3.34
5 years (% pa)	4.55	5.86	-1.31
7 years (% pa)	5.31	7.49	-2.18
10 years (% pa)	8.64	8.83	-0.19
Inception (% pa)	8.61	9.86	-1.25

Past performance is not a reliable indicator of future performance.

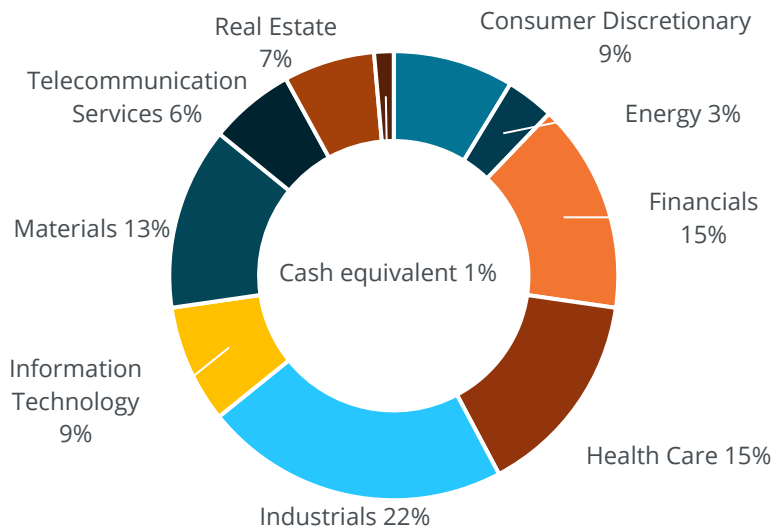
¹ Total Net Return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.

Top 5 Holdings (in alphabetical order)

Infratil
Chorus
Resmed Inc.
Northern Star Resources
NextDC

Top 5 holdings represent 24.25% of the total Fund.

Asset Allocation



Key Facts

Investment manager	SG Hiscock & Company Ltd.
Launch date	31 December 1992
Benchmark	S&P/ASX 300 Accumulation Index excluding S&P/ASX 20 Leaders Index
Management fees ²	0.95%
Performance fee	Nil
Fund size	\$34.4M
Dividends payable	Semiannual
Buy/sell spread	+0.25/-0.25%
Minimum initial investment	\$20,000
Base currency	AUD
APIR	CRS0003AU
mFund code	SFZ19
Domicile	Australia
Unit price	
Application	\$5.0712
Net Asset Value	\$5.0586
Withdrawal	\$5.0460
Distribution	
cpu	
30-Jun-22	2.7819
31-Dec-22	3.7500
30-Jun-23	1.7333
31-Dec-23	3.8551

² Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").

Portfolio Managers

Hamish Tadjell, Lead Portfolio Manager

Phillip Li, Assistant Portfolio Manager

Michael Kordick, Assistant Portfolio Manager & SGH Head of Research



For more information visit the [Fund webpage](#) or the [News & Views section](#) of our website.

Portfolio Summary

- For the month of June, the SGH Ex-20 Australian Equities fund outperformed by +70bps versus our benchmark index which was down -0.85%, our insurance holdings within the financial sector as well as our underweight exposure to materials assisted as domestic equity market largely focused on the persistence of inflation whilst growing consumer weakness both locally and abroad continues to point to a softening economic outlook.
- Key contributors include: IAG Group (ASX: IAG, +15.1%) who announced full year insurance profit is expected to be towards the upper end of guidance range, whilst also having secured 5-year reinsurance agreements, thus significantly reducing the group's future earnings risk from adverse weather events. Infratil (ASX: IFT, +5.0%) also traded strongly after a well-supported equity raise to fund accelerating growth within their data centre business unit.
- Key Detractors include Beach Energy (ASX: BPT, -11.0%) disappointed with yet another production downgrade which we believe is conservatively set, in what appears to be a final deck-clearing exercise by new management. Deterra Royalties (ASX: DRR, -13.8%) announced the proposed acquisition of AIM-listed Trident Royalties, which will weigh on dividend payout ratios but will diversify DRR's commodity exposure and provide future growth opportunities.

Monthly Insights

This month we initiated a small position in Botanix Pharmaceuticals (ASX: BOT), a dermatology focused company that have recently secured US FDA approval to commercialise its lead product sofipironium bromide (sold as 'Sofdra'), being a treatment that targets less widely known skin condition known as primary axillary hyperhidrosis (aka. excessive underarm sweating). Whilst relatively early stage, we have been monitoring this business for some time prior to investing, our expert network checks appear to reaffirm the company's narrative. Our broader investment thesis is underpinned by:

- 1) presence of a highly experienced management team (whom collectively have been responsible for the development, approval, and commercialization of >30 dermatology products),
- 2) its innovative approach to ensure frictionless patient access by simultaneously pursuing a direct-to-consumer / telemedicine approach; and
- 3) the asymmetric risk reward for us as investors, noting the same chemical compound has already been successfully commercialised in Japan.

Now that the company is now fully funded as part of its latest capital raise, we look forward to BOT delivering on the various commercialisation milestones over the next 6-12 months.

Top Contributors

Pro Medicus
IAG Group
Infratil
HUB24
AUB Group

Top Detractors

Pilbara Minerals
Northern Star Resources
Beach Energy
Resmed Inc.
Deterra Royalties

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