

1 August 2022

**Offer to acquire your units in the SGH Australia Plus Fund (ARSN 166 035 892/
ETL0383AU/mFund SHF07) and issue you with units in the
SGH High Conviction Fund (ARSN 111 734 411/ETL0042AU/mFund SHF01)**

Equity Trustees Limited (“EQT”) as the responsible entity and SG Hiscock & Company (“SGH”) as the investment manager of the SGH Australia Plus Fund (“SGH Australia Plus”) are pleased to make an offer to acquire your units in SGH Australia Plus and issue you with units in the SGH High Conviction Fund (“Offer”). This Offer is being made to all unitholders and is conditional on acceptance by unitholders of at least 80% of the units in SGH Australia Plus.

The SGH High Conviction Fund is an actively managed, high-conviction Australian equity fund that invests in a concentrated portfolio of between 15 to 30 ASX listed companies. The SGH High Conviction Fund aims to offer long-term returns in excess of the S&P/ASX 300 Accumulation Index (after fees). The Fund is managed by the same investment team, using the same investment process.

There is considerable overlap (94%) between the portfolios of SGH Australia Plus and SGH High Conviction Fund; and both Funds have the same performance benchmark, S&P/ASX 300 Accumulation Index.

Following an efficiency review, a decision has been made to close SGH Australia Plus (your current Fund) and facilitate a seamless transfer. You will receive units to the equivalent value of your holding (at Mid or Net Asset Value Price) in SGH Australia Plus. The buy/sell spread will not be charged. SGH (the investment manager) will be paying for all costs associated with the offer.

Please find enclosed a formal offer document for the SGH High Conviction Fund for your consideration, and a Unit Rollover Form to complete if you would like to participate in the Offer.



By investing in the SGH High Conviction Fund you will:

- Continue to have exposure to an actively managed, concentrated portfolio of Australian listed companies
- Continue investing with the same portfolio management team led by Head of Research and Portfolio Manager, Hamish Tadgell
- Eligible investors will pay the same annual management fee 0.70% (this will be implemented by a management fee rebate).
- Charged a lower performance fee of 15% (whereas SGH Australia Plus charged a performance fee of 20%).

EQT and SGH have obtained legal and tax advice on the taxation consequences for Australian resident unitholders who participate in the Offer. Where 80% or more of units in SGH Australia Plus are acquired by the SGH High Conviction Fund as a result of the Offer, under the CGT rollover relief, any capital gain arising from the transfer of units may be disregarded. EQT and SGH have applied to the ATO for a class ruling to confirm the above view. Notwithstanding the class ruling, unitholders should still obtain independent taxation advice from their tax agent or other qualified professional regarding their specific circumstances.

IMPORTANT

Please complete the enclosed **Unit Rollover Form** which accompanies the enclosed formal offer document if you would like to participate in the Offer and return it to us
by Friday 26 August 2022

The enclosed factsheet provides further information about the SGH High Conviction Fund.

If you have any queries please contact Hamish Tadgell, Portfolio Manager or Nicholas Simpson from SG Hiscock & Company on 1300 555 511 (Australia) or +613 9612 4600 or email nsimpson@sghiscock.com.au. Alternatively, we have provided more information in the attached Frequently Asked Questions document.

Yours sincerely

Russell Beasley
Executive General Manager,
Corporate Trustee Services – Australia
Equity Trustees Limited

Stephen Hiscock
Executive Chairman
SG Hiscock & Company Limited



FREQUENTLY ASKED QUESTIONS

This should be read in conjunction with the Letter dated 1 August 2022.

1. What happens if I send in the Unit Rollover Form?

- a. If 80% or more of units in SGH Australia Plus are acquired, then those unitholders who have accepted the Offer will be issued units in the SGH High Conviction Fund.
- b. If holders of less than 80% of the units accept the Offer, then the rollover does not proceed. Your investment in the SGH Australia Plus Fund will be returned to you (upon the Fund being wound up) and you may be liable to pay tax on any capital gain.

2. What happens if I do not send in the Unit Rollover Form?

The Responsible Entity will compulsorily redeem your investment in the SGH Australia Plus Fund and monies will be paid into your bank account on file. As a result, you may be liable to pay tax on any capital gain.

3. When will I be notified of the results of the offer?

You will be sent a notification on or around 31 August 2022 explaining the outcome of the Offer.

4. Can I withdraw my investment in SGH Australia?

As an investor in SGH Australia Plus, you can withdraw your investment by completing the Withdrawal Form which is available on www.sghiscock.com.au and mailing or faxing it to:

Mainstream Fund Services Pty Ltd
Unit Registry
GPO Box 4968
Sydney NSW 2001
Email: SGHinvestorservices@mainstreamgroup.com
Fax: +61 2 9251 3525

5. Will there be change in investment management?

SG Hiscock & Company will continue as the investment manager of the SGH High Conviction Fund.

6. How many units will I receive in the Offer Fund?

There is a difference in the unit price between the 2 Funds. You will receive units to the equivalent value of your holding (at Mid or Net Asset Value Price) in SGH Australia Plus. You will not be charged the buy/sell spread. SG Hiscock & Company (the investment manager) will be paying for all costs associated with the offer.