



SG HISCOCK & COMPANY

SGH IC²E



The competitive edge

SGH IC²E is a unique Australian shares fund. The Fund's goal is to invest in companies that have a sustainable competitive edge.

The core belief driving SGH IC²E is that companies which possess a sustainable competitive advantage will grow profits (and share prices) at a superior rate over the medium to long term.

The competitive edge that SGH IC²E looks for typically arises when companies: 1) possess assets that are difficult to replicate (eg licenses, brands, captive client base); and 2) have an entrenched market position.

The investible universe in Australia and New Zealand comprises approximately 200 stocks, spread across both large and small cap shares.

Companies SGH IC²E invests in

Some examples include:

- Companies with a captive client base
eg Accounting software
- Entrenched electronic payments businesses
eg Taxi fares
- Healthcare franchises with repeat clients
eg Medical centres
- Monopolistic pay TV businesses

Companies outside SGH IC²E investable universe

Based on the SGH IC²E criteria, several sectors are excluded from the Fund's investible universe, including:

- Major banks
- Resources
- Listed property trusts
- Base grade manufacturers

Why invest in SGH IC²E?

Potential for superior returns

The typical company in the SGH IC²E universe is expected to deliver superior profit growth and returns to shareholders over the medium term than the average company in the S&P/ASX 300 Index.

SG Hiscock and Company (SGH) has the resources and skill base to select the best stocks within the SGH IC²E universe. The Fund's competitive advantage comes from having a team with a global perspective dedicated to Australian companies of all sizes.

Recognising potential for growth

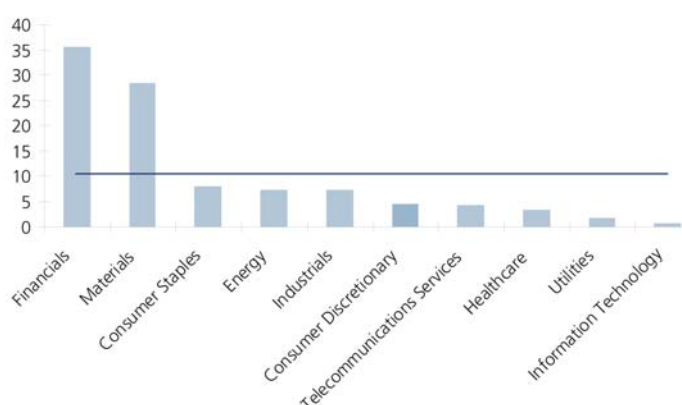
SGH believes that investing in businesses based on their prospects rather than size is a highly effective way to accumulate wealth over the long term. As such, SGH IC²E invests in large, mid and smaller companies that meet the criteria and which SGH assesses as having strong long term prospects.

Over time, it is expected that a significant proportion of SGH IC²E will be invested in stocks outside the top 100 ASX companies because this is where the best medium to long term opportunities and returns typically arise.

Diversification

A large proportion of the Australian sharemarket consists of companies that are exposed to the vagaries of the economic cycle.

S&P/ASX 300 index is skewed



Source: IRESS – 30 April 2008

Investing in listed companies which possess a sustainable competitive edge

The companies in which SGH IC²E invests are typically less affected by the vagaries of the economic cycle, offering significant diversification benefits compared to other S&P/ASX 300 Index driven Australian shares funds.

A wealth of experience

SGH is a respected Melbourne based boutique fund manager with approximately \$2.705 billion in funds under management (as at 30 April 2008).

The portfolio manager of SGH IC²E is Callum Burns. Callum joined SGH in 2005 and established SGH IC²E. Callum has 20 years investment experience and was previously Head of Global Asset Allocation at BT Financial Group. Prior to this, Callum held various senior investment roles at Rothschild Australian Asset Management, including Head of Balanced Funds and Head of Global Asset Allocation. Callum has ultimate responsibility for all investment decision making pertaining to SGH IC²E and drives all facets of the investment process.

The Fund at a glance	
Investment strategy	Aims to deliver superior medium to long term returns by investing primarily in listed companies which possess, in the opinion of the Investment Manager, a sustainable competitive edge
Investment universe	Australian & NZ shares 50% – 100% Cash 0% – 50%
Timeframe	5 to 7 years
Risk profile	High
Portfolio construction guidelines	<ul style="list-style-type: none"> • Invests in a portfolio of 30 – 50 securities (with a minimum of 15 securities and a maximum of 80 securities that are listed on a recognised stock exchange) • Any foreign exposure will be hedged back to the Australian dollar • No more than 15% of the market value of the Fund's assets in one company • No more than 10% of the issued capital of a company • No more than 10% of the Fund's assets in unlisted securities, but those unlisted securities must be expected to be quoted on a recognised stock exchange within 6 months of purchase
Derivatives	Derivatives will be used to adjust exposures to individual securities and markets and not to gear the Fund

“Because SGH IC²E pursues a differentiated strategy, we expect to maintain a low correlation with orthodox benchmark aware Australian share funds. By allocating a portion of their Australian equities exposure to SGH IC²E, investors can enhance the risk return characteristics of their portfolio”.

Callum Burns SGH IC²E Portfolio Manager,
SG Hiscock & Company Limited





Equity Trustees and SG Hiscock & Company

SG Hiscock & Company (SGH) benefits from the extensive distribution and support network of Equity Trustees Limited (EQT), the Responsible Entity for the Fund. SGH retains independence in their decision-making by focusing purely on investment decisions, leaving marketing and other responsibilities to EQT.

EQT is a financial services company listed on the Australian Securities Exchange (ASX). Established in 1888, EQT has helped five generations of Australians manage their wealth. Their highly personalised approach to customer service is invaluable to investors and financial planners.

To arrange a meeting with one of Equity Trustees' Business Development Managers, or for more information about SGH IC²E, please call 1300 555 511 or email equity@eqt.com.au

Funds offered by SG Hiscock & Company and distributed by Equity Trustees

Fund Name	APIR Code	ARSN	Classification
SGH20	ETL0042AU	111 734 411	Wholesale
SGH IC ² E	ETL0062AU	118 533 458	Wholesale
EQT SGH Absolute Return Trust	ETL0006AU ETL0030AU	105 436 753	Retail Wholesale
EQT Small Companies Fund	ETL0109AU	095 852 341	Retail
EQT SGH Property Income Fund	ETL0108AU ETL0119AU	095 852 501	Retail Wholesale
EQT SGH LaSalle Global Listed Property Securities Trust	ETL0005AU	105 288 033	Wholesale

Equity Trustees Limited
ABN 46 004 031 298
Australian Financial Services
Licence No 240975

Level 2, 575 Bourke Street
Melbourne Victoria 3000

Telephone 03 8623 5000
EQT Client Services 1300 555 511
Facsimile 03 8623 5395
Email equity@eqt.com.au
Website www.eqt.com.au

Important Information: This publication has been prepared by Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975) to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Before making an investment decision, you need to consider (with or without the assistance of an adviser) whether this information is appropriate to your needs, objectives and circumstances. Applications for an investment in Equity Trustees Limited products or where Equity Trustees Limited acts as Responsible Entity will only be accepted on receipt of an application form accompanying a current Product Disclosure Statement (PDS). Detailed information about the product is contained in the PDS. Past performance is not indicative of future performance. SGH IC²E is offered in Australia through the Responsible Entity, Equity Trustees Limited. Neither Equity Trustees Limited nor its related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested in the Fund.