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## **SGH IC<sup>2</sup>E fund celebrates 1st birthday with strong returns**

One year since inception, the SGH IC<sup>2</sup>E Fund is showing the benefits of a well established and consistent investment approach.

SGH IC<sup>2</sup>E invests in a portfolio of around 30-50 predominantly S&P/ASX listed securities. In the 12 months to 28 February 2007, SGH IC<sup>2</sup>E **delivered a return (net of fees) of 45.4%.**

The Fund, which is available to wholesale investors and retail investors thru selected master trusts and wrap accounts, is managed by Melbourne boutique SG Hiscock & Co, which has in excess of \$3b in funds under management across a range of funds – including equities, listed property securities and global listed property. Equity Trustees Limited acts as the responsible entity for the Fund.

Callum Burns, Portfolio Manager at SG Hiscock & Co for SGH IC<sup>2</sup>E, explains the Fund's philosophy.

"We invest in companies that have an entrenched position in their market. These companies are those that have a sustainable competitive advantage often through the ownership of assets that are difficult to replicate – typically intangible assets such as brands, licenses, patents, logistical capability, and captive client bases. These assets enable a company to deliver superior returns over time."

Diversification is a critical aspect of the Fund's investment strategy. No individual stock exceeded 4% of the total portfolio weight for any sustained period since inception. Fund volatility is similar to that of the market and the Fund has not underperformed the market during recent downturns.

"Companies with an entrenched position in their markets often have different characteristics from one another," added Mr Burns. "We categorise companies as sowers, growers or harvesters according to their stage of development – whether it be early stages, emerging or fully developed."

"We also invest in companies of differing size, though our top 12 performers for the last year have all had market capitalisation in excess of \$100m."

Stephen Hiscock, Managing Director of SG Hiscock & Co, confirmed the firm's intention in establishing the Fund.

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“Callum joined us specifically to establish SGH IC<sup>2</sup>E. His extensive experience in asset allocation at both a domestic and global level complements our team nicely and the returns to date are evidence of a robust approach to investment.”

“It is worth bearing in mind that the SGH IC<sup>2</sup>E targets investors seeking positive, long-term returns over 5 to 7 years. While delighted with the performance to date we aren't losing sight of the Fund's investment strategy.”

Harvey Kalman, Head of Funds Management at Equity Trustees, commented that SGH IC<sup>2</sup>E is the latest fund in the EQT SGH stable.

“SG Hiscock & Co and Equity Trustees have a very long association. Their growth is based on the strength of the team that they have established and in the performance of the funds that they have created. It is rewarding to see SGH IC<sup>2</sup>E performing well and we are delighted to have partnered with Callum and the team in their success.”

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