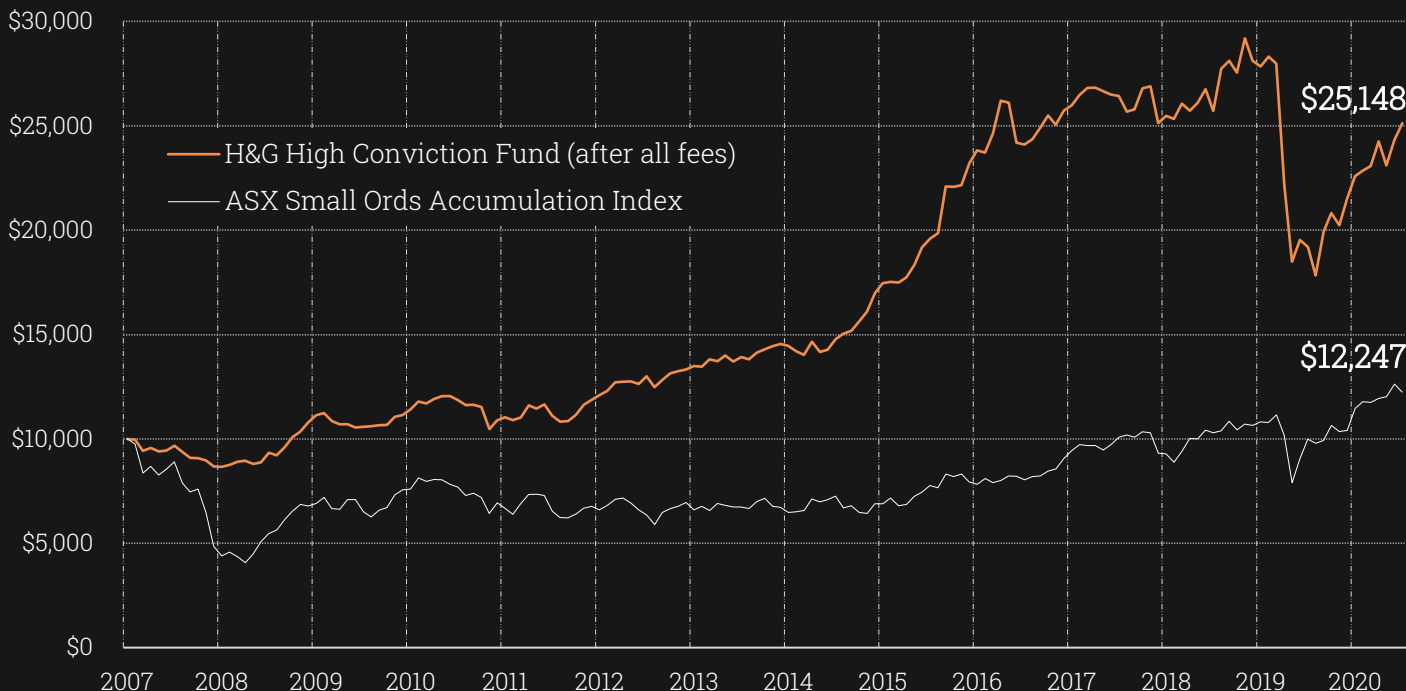


We invest in and actively engage with companies that have superior fundamental prospects, yet due to negative external events have attracted a flight of investors, leading to a discount in share price relative to inherent value.

Performance to 31 May 2021 (after all fees)	1 month	Since HGL acquisition (1 Apr 2021)	Fiscal year-to-date	Last 12 months	Since inception* (1 Nov 2007)
H&G High Conviction Fund	3.3%	8.6%	41.1%	31.0%	7.8% p.a.
ASX Small Ordinaries	-3.0%	2.0%	25.1%	22.6%	1.7% p.a.

*Includes the original vehicle, The Supervised Fund, launched in November 2007 and sold to HGL Limited in March 2021. The strategy of investing in micro capitalisation listed equities has remained consistent.

Value of \$10,000 invested since inception as at 31 May 2021



Key contributors to performance

Positive Hillgrove Resources (HGO)
Kangaroo Island Plantation
Timbers (KPT)

Negative PayGroup (PYG)
Bisalloy (BIS)

Key Portfolio Metrics % of NAV

Cash 25%

Convertible note 3%

Listed equities 73%

(of which market cap < \$100m) 67%

Capital invested in resources stocks 25%

Number of holdings 13

Top 8 Stock Positions % of NAV

Kangaroo Island Plantation
Timbers (KPT) 17%

Po Valley Energy (PVE) 16%

Bisalloy Steel Group (BIS) 8%

Hillgrove Resources (HGO) 7%

Centrepoint Alliance (CAF) 5%

Clearview Wealth (CVW) 4%

PayGroup (PYG) 4%

iSelect (ISU) 3%


MONTHLY COMMENTARY

Hillgrove Resources intercepted meaningful grades of copper in early May, resulting in the share price increasing by 33% since the last board report. The company is awaiting assays on a further 10 drill holes. We trimmed our holding by a third.

Kangaroo Island Plantation Timbers received a \$1.05 per share takeover bid from existing major shareholder STAM. The board has urged shareholders to reject the offer, arguing KPT's NTA is nearer to \$2. Since the offer was made, the shares have been trading between \$1.10 and \$1.20, implying the takeover will be unsuccessful.

PayGroup shares have declined by 20% over the last month despite the company releasing no negative news. We met with management in mid-May and were satisfied with their long term vision and dedication to growing the business.

Bisalloy Steel Group shares similarly fell despite no negative news. We await the company's yearly results and continue to believe the stock is cheap on an expected 7x p/e ratio for FY21.

TRANSITION UPDATE

As evident, we have rebranded the Fund in line with the new manager, HGL Limited. The strategy of investing in unloved stocks listed on the ASX remains consistent with The Supervised Fund. Joseph Constable is portfolio manager, supported by HGL chair Sandy Beard and a team of investment professionals with considerable listed equity experience. We are working with Equity Trustees to relaunch the Fund's Information Memorandum and be in the position to accept applications from prospective investors by early in the new financial year.

Regarding the transfer of HGL shares, we are in the process of collecting signed off-market transfer forms from unitholders. These will then be provided to JP Morgan, which will sign and pass on to Computershare, HGL's share registry, which will conduct the transfer.

FUND INFORMATION

Fund name	H&G High Conviction Fund
APIR code	SIA0002AU
Fund inception	November 2007 (relaunched April 2021)
Fund size	A\$12m
Fund pricing	Monthly
Fund type	Open-end unit trust
Base currency	Australian dollars
Investor eligibility	Wholesale investors only
Custodian	JP Morgan
Auditor	Ernst & Young
Management fee	1% plus GST p.a. + fund costs capped at 1.05%
Performance fee	20% of benchmark outperformance, with a high watermark, paid annually
Benchmark	5% p.a.
Buy/sell spread	0.4%
Fund name	H&G High Conviction Fund

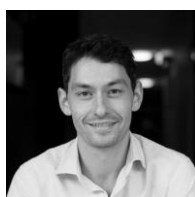

PAST PERFORMANCE
FUND AFTER ALL FEES
ASX SMALL ORDINARIES ACCUM.

Since Inception p.a. (Dec 2007)	7.8%	1.7%
Financial year to date	41.1%	25.1%
Calendar year to date	10.0%	4.0%
FY20	-35.7%	-5.7%
FY19	8.0%	1.9%
FY18	5.4%	24.2%
FY17	22.6%	7.0%
FY16	32.0%	14.4%
FY15	9.0%	0.4%
FY14	10.6%	13.1%
FY13	15.3%	-5.3%
FY12	-6.8%	-14.6%
FY11	9.4%	16.4%
FY10	15.1%	11.2%
FY09	-1.7%	-28.6%

TEAM


Alexander Beard

Chair of H&G Investment Management



Joseph Constable

Portfolio Manager