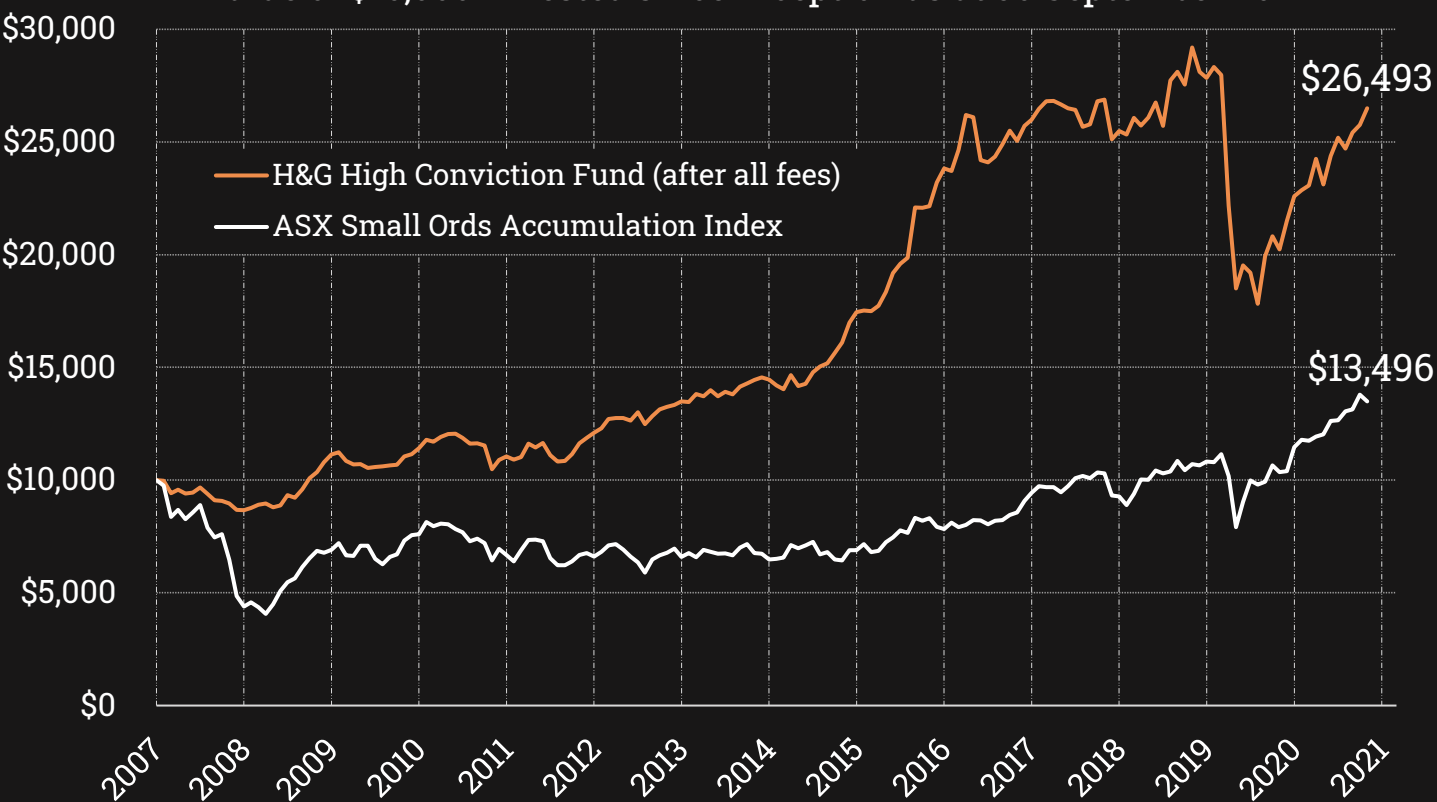




Objective: We invest in and actively engage with companies that have superior fundamental prospects but are priced at a discount relative to inherent value, usually resulting from non-operating, external events driving a flight of investors. We have significantly outperformed the Australian share market over 14 years.

Value of \$10,000 invested since inception as at 30 September 2021*



*Includes the original vehicle, The Supervised Fund, launched in November 2007 by Supervised Investments Australia Limited (SIAL). SIAL was sold in March 2021 to HGL Limited (trading as Hancock & Gore Limited), and The Supervised Fund subsequently rebranded as H&G High Conviction Fund.

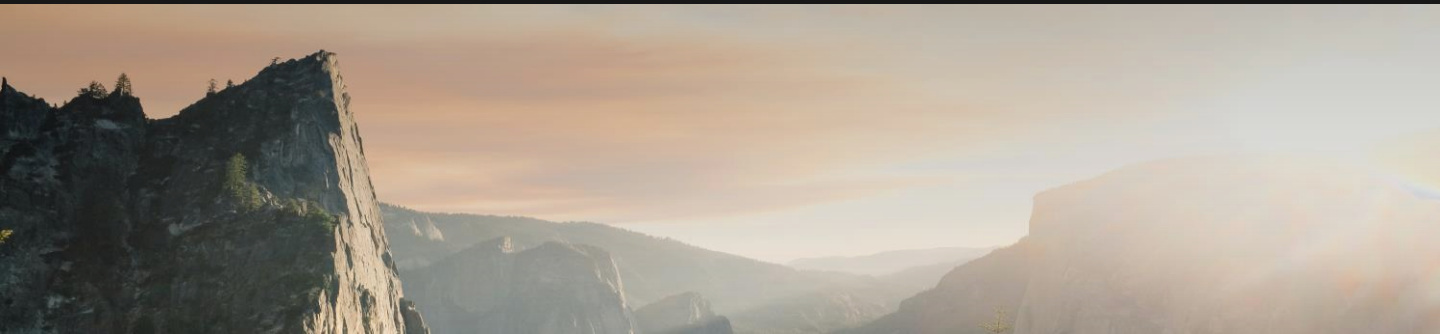
The strategy of investing in micro capitalisation listed equities has remained consistent.

Performance to 30 September 2021 (after all fees)	1 month	Last quarter	Calendar year-to-date	Last 12 months	Since inception (1 Nov 2007)
H&G High Conviction Fund	2.9%	7.3%	15.9%	30.9%	8.2% p.a.
ASX Small Ordinaries Accumulation	-2.1%	3.4%	14.6%	30.4%	2.5% p.a.

Key Portfolio Metrics	% of NAV
Cash	21%
Listed equities	79%
<i>(of which market cap < \$100m)</i>	76%
Capital invested in resources stocks	18%
Number of holdings	18



Top 8 Stock Positions	% of NAV
Kangaroo Island Plantation Timbers (KPT)	16%
Bisalloy Steel Group (BIS)	12%
Po Valley Energy (PVE)	12%
Centrepoint Alliance (CAF)	6%
Hillgrove Resources (HGO)	5%
Comms Group (CCG)	4%
PayGroup (PYG)	4%
iSelect (ISU)	3%



MONTHLY COMMENTARY

Po Valley Energy shares rose by 28% during September. Although the company did not release any material news, the Italian natural gas price increased by 96% over the period. The Fund presented on the EU energy market dynamics in the September edition of [The Markets in Three Charts](#).

Clearview Wealth shares appreciated by 26% during September after the company announced it was conducting a strategic review. The market took this as an inference that the major shareholders were considering a sale of the company. Clearview had been trading at a considerable discount to its net tangible assets, largely due to the short term troubles facing the Australian life insurance sector. Eighteen months ago, we saw this as an opportunity to buy a superior business at half its inherent value. We trimmed our holding during September.

iSelect shares declined by 10%, despite no material news being released during September. The company continues to trade at a substantial discount to its net tangible assets, which are primarily receivables from major health insurers.

Poseidon Nickel shares fell by 23% due to a general sell off in mining shares during the month. We have sold our holding in this stock.

Key contributors to performance during September 2021

Positive	Po Valley Energy (PVE) Clearview Wealth (CVW)
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Negative	iSelect (ISU) Poseidon Nickel (POS)
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FUND UPDATE

During September, we officially relaunched the Fund. The Portfolio Manager, Joseph Constable, presented a webinar to existing and prospective investors. A recording of the presentation can be watched [here](#).

As the Fund continues to grow its net asset value, we have employed the services of Arthur Fokschaner as a research consultant. Arthur has been working as a consultant for the broader H&G group for the past six months and has presented insightful research pieces and investment recommendations.

Stock markets are increasingly volatile in the face of heightened inflation, Chinese property woes, and geopolitical risks. The Fund has a healthy level of cash in the event of a material market correction. We continue to seek undervalued stocks with identifiable catalysts for a market re-rating.



TEAM



Sandy Beard
Chair
H&G Investment Management



Joseph Constable
Portfolio Manager & Director
H&G Investment Management



Iain Thompson
Compliance Manager
H&G Investment Management

FUND INFORMATION

Fund name	H&G High Conviction Fund
Investment Manager	H&G Investment Management Limited
Fund inception	November 2007 (relaunched April 2021)
Fund pricing	Monthly
Fund type	Open-end unit trust
Investor eligibility	Wholesale and sophisticated investors
Trustee	Equity Trustees
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
Benchmark	5% p.a.
Buy/sell spread	0.4%

DISCLAIMER

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Trustee for H&G High Conviction Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

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