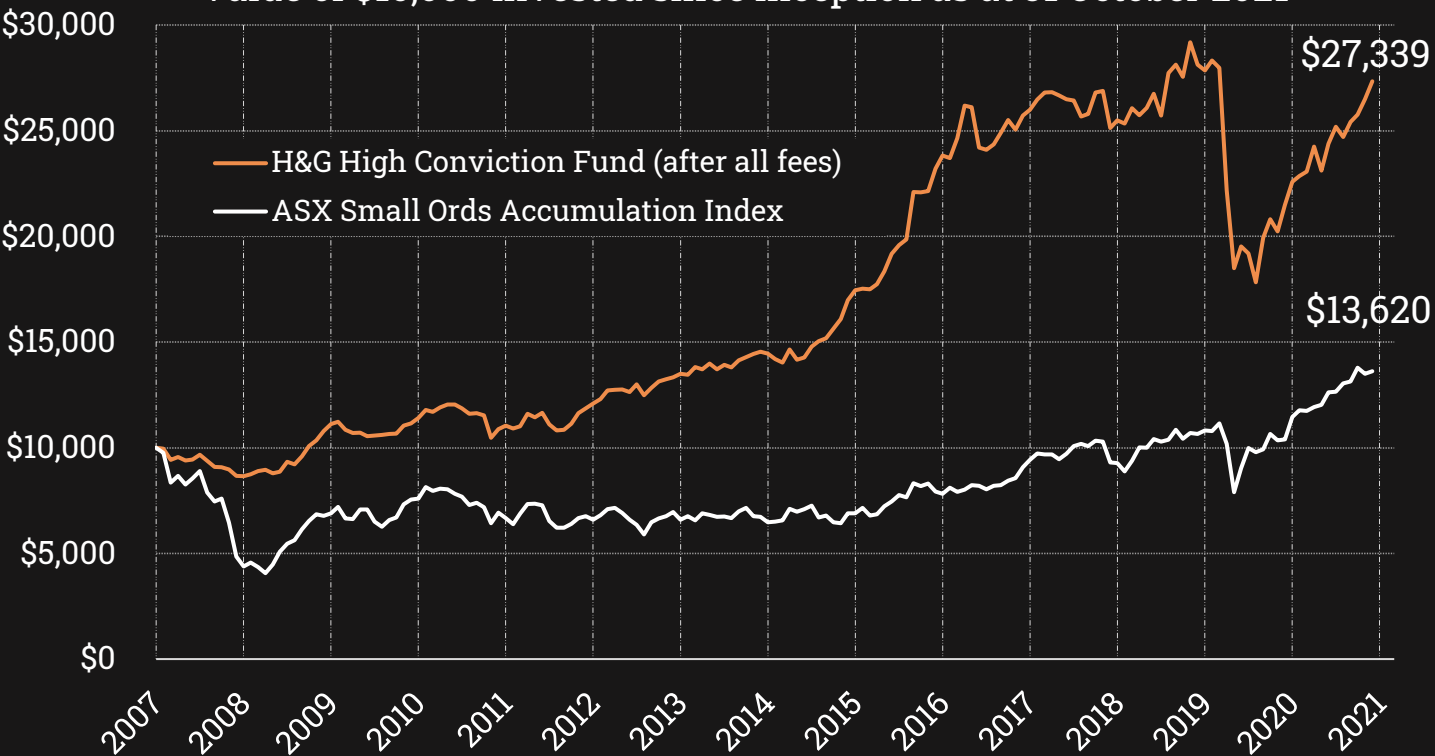




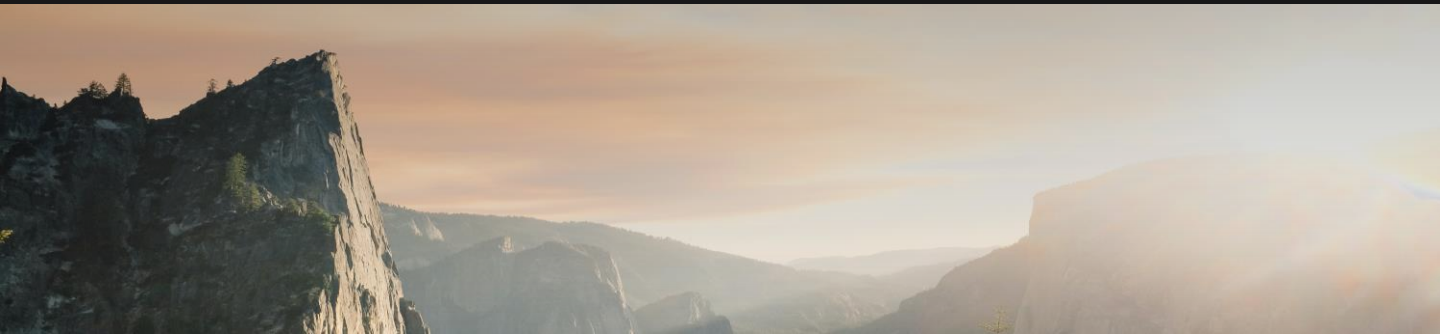
Objective: We invest in and actively engage with companies that have superior fundamental prospects but are priced at a discount relative to inherent value, usually resulting from non-operating, external events driving a flight of investors. We have significantly outperformed the Australian share market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

Value of \$10,000 invested since inception as at 31 October 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 October 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	3.2%	7.6%	19.6%	27.2%	8.5% p.a.
ASX Small Ordinaries Accumulation	0.9%	3.7%	15.6%	31.0%	2.5% p.a.

Key Portfolio Metrics	% of NAV
Cash	27%
Listed equities	73%
<i>(of which market cap < \$100m)</i>	69%
Capital invested in resources stocks	17%
Number of holdings	17



Top 8 Stock Positions	% of NAV
Kiland (KIL) [formerly Kangaroo Island Plantation Timbers]	15%
Bisalloy Steel Group (BIS)	12%
Po Valley Energy (PVE)	9%
Centrepoint Alliance (CAF)	6%
Ensurance (ENA)	5%
Hillgrove Resources (HGO)	5%
Comms Group (CCG)	4%
Evolve Education Group (EVO)	4%

MONTHLY COMMENTARY

Bisalloy Steel Group shares rose by 27% during October. Although the company did not release any material news, it seems the market is gradually attributing value to Bisalloy, which still trades on a fully franked dividend yield of 4.7% and has guided for increased profitability in FY22.

Centrepont Alliance shares appreciated by 20% despite no material news released during the month.

Po Valley Energy shares declined by 19% after an announcement from the company stating first gas from their onshore field, Selva, will be at least six months later than previously guided due to regulatory and supply chain delays. This is disappointing in the context of current multi-decade high natural gas prices in Europe. We continue to engage with Po Valley's management and board to achieve a positive outcome for shareholders.

Kiland shares fell by 1% during the month. Kiland is the new name of Kangaroo Island Plantation Timbers, retitled to signify the change in operations from forestry to agriculture. During October, Kiland had its AGM, in which shareholders unanimously approved the change in business focus, new board, and capacity to buy back further shares.

Key contributors to performance during October 2021

Positive	Bisalloy Steel Group (BIS) Centrepont Alliance (CAF)
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Negative	Po Valley Energy (PVE) Kiland (KIL)
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FUND UPDATE

During the month, we invested a further 3% of unit holder capital into Ensurance (ENA) and 1% into Evolve Education Group (EVO). Both companies have been hampered in recent years by external events including board and management restructures and covid-induced lockdowns. However, we believe at their core lie superior businesses that have been undervalued by the market. Ensurance was explored in our recent edition of [The Markets in Three Charts](#).

Despite a short-lived pullback during October, global stock markets continue to appreciate in value. Volatility remains surprisingly low in the context of macro-economic and geopolitical uncertainties. We are happy with our healthy cash position and during the month invested 0.3% of unit holder capital in S&P put options as a hedge against a meaningful market correction and heightened volatility.



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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