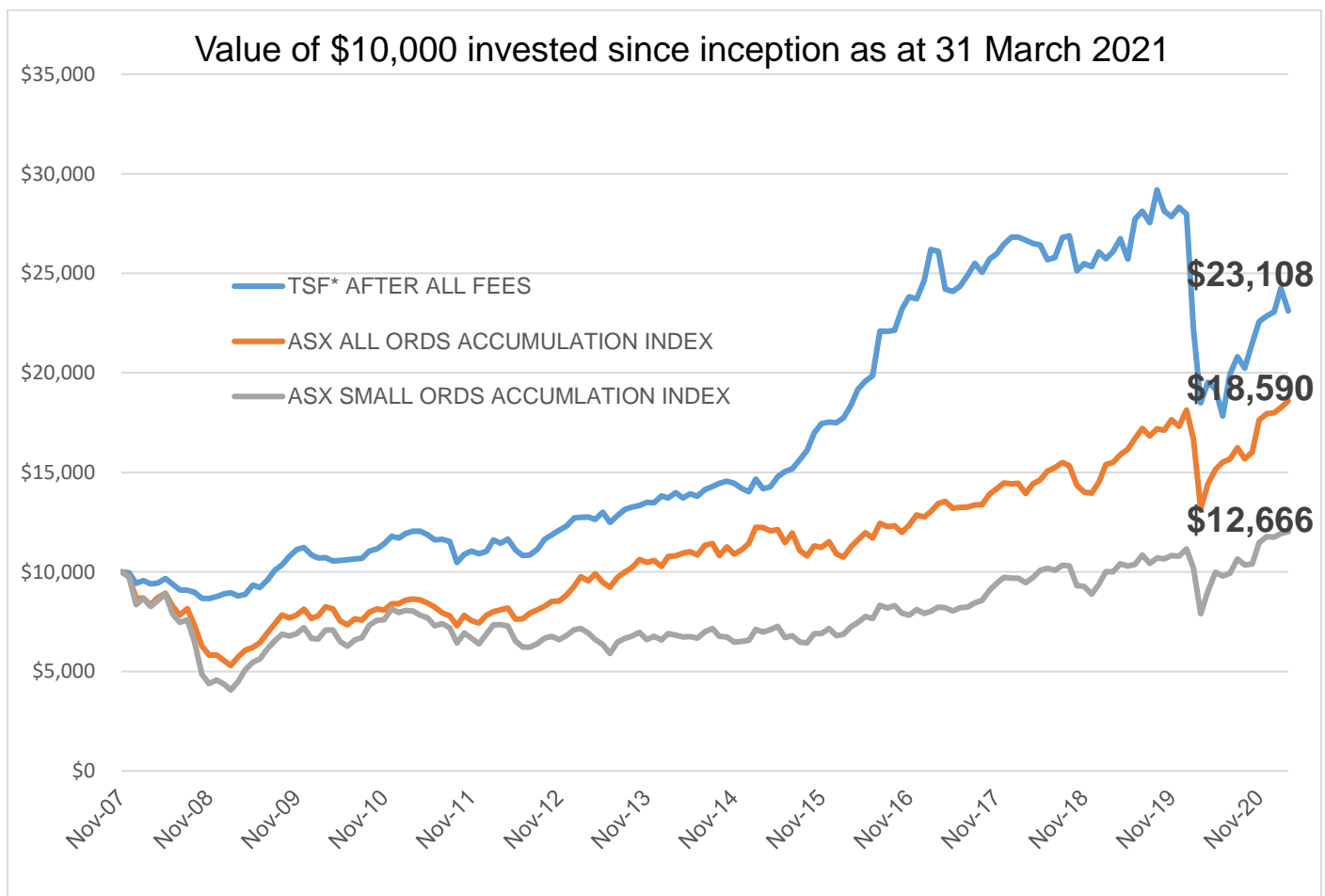


The Supervised Fund (TSF)

Quarterly Report – March 2021

Performance Analysis (as at 31 March 2021)	TSF after all fees	All Ords Accumulation	Small Ords Accumulation	Benchmark
1 quarter	1.1%	3.6%	2.1%	1.2%
Last six months	14.2%	18.6%	16.2%	2.5%
Last twelve months	24.9%	41.1%	52.1%	5.0%
2 years p.a.	-5.9%	9.5%	9.6%	5.0%
3 years p.a.	-4.7%	10.1%	8.3%	5.0%
5 years p.a.	4.7%	10.6%	10.7%	5.0%
7 years p.a.	7.4%	8.1%	8.4%	5.0%
10 years p.a.	7.0%	8.3%	4.2%	5.0%
Since inception p.a. (Dec. 2007)	7.0%	5.2%	1.5%	5.0%

Past performance is no indication of future performance



*Please note TSF return assumes reinvestment of all distributions (as do the indices).

Portfolio at 31 March 2021

Top 10 Positions	% of NAV at current value
Cash	21%
HGL Limited	19%
Kangaroo Island Plantation Timbers Limited	13%
Po Valley Energy Limited (equity and convertible notes)	12%
Bisalloy Steel Group Limited	7%
Hillgrove Resources Limited	6%
Centrepoint Alliance Limited	5%
Clearview Wealth Limited	4%
Tasfoods Limited	2%
Veris Limited	2%

- 3% of capital is invested in non-ASX listed investments (excluding cash).
- 18% of capital is invested in oil, gas and resources companies (excluding gold).
- 0% of capital is invested in international stocks.
- 74% of capital is invested in companies with market capitalisations of less than \$150m.

March Quarter 2021 Attribution

Winners	Gross return	Contribution to performance
HGL Limited	30%	4.4%
Raiz Invest Limited	60%	1.7%
Hillgrove Resources Limited	33%	1.3%
Losers		
Kangaroo Island Plantation Timbers Limited	-30%	-3.4%
Bisalloy Steel Group Limited	-26%	-2.4%
Adveritas Limited	-29%	-0.7%

Commentary

The Supervised Fund's 1.1% return in the March 2021 quarter was driven by an increase in the share price of HGL, which in January announced a positive trading update. Quarterly EBIT of \$1.2m was up from \$0.2m in the prior year. HGL shares are being distributed to unitholders (as discussed further below) and will not be included in the Fund's return post-31 March 2021.

In addition to HGL, the Fund benefited from the share price appreciation of Raiz Invest as the company continued to grow users and gain traction in Indonesia and Malaysia. We sold all of our shares in Raiz during the quarter as the stock reached our target price. Hillgrove's share price also rose in line with the increase in the copper price. We participated in the company's rights issue in February, helping to provide it with the funding to drill for copper and support a feasibility study to commence underground mining.

The Fund's quarterly performance was detrimentally impacted by the 30% share price decline in KPT, which occurred despite no material negative news. Bisalloy stock declined by 26% following significant corporate

upheaval, with the board being spilled in late November 2020, as well as pricing pressure due to increased imports of quench and tempered steel into Australia by Swedish competitor SSAB. We are supportive of the board changes, which have resulted in stronger representation of major Bisalloy shareholders. Despite the pricing pressure, the trading environment is positive with all-time high iron ore prices underpinning demand for Bisalloy's reinforced steel plate for the resources sector, which accounts for the majority of the company's sales. In this context, the stock appears cheap on an expected FY21 p/e ratio of 6.5x. Finally, shares declined in Adveritas, a cyber security company focused on fraudulent clicks on Google Ads, despite no material news being announced.

Sale of Supervised Investments Australia Limited to HGL Limited

The sale of The Supervised Fund's investment manager, Supervised Investments Australia Limited (SIAL), to HGL Limited took place on 24 March 2021. As per communication to unitholders, effective 1 April 2021 the following changes have taken place:

- Investment management fee reduced to 1% p.a. plus GST in addition to the Fund's operating expenses (covering trustee, custody, administration and audit fees) capped at 1.05% p.a.
- High-water mark for the purpose of calculating the performance fee re-set to zero

In addition, the Fund is distributing the shares it holds in HGL Limited (totalling 11,042,253) to unitholders on a pro rata basis. These are expected to be transferred in early May 2021.

Joseph Constable has continued as investment manager of the Fund and is being supported by HGL Limited chair Sandy Beard. HGL has net assets of over \$30m and is in the process of attracting investment directors, providing significant resources to ensure the Fund is well-managed.

HGL intends to rebrand the Fund while keeping the same focus on investing in undervalued micro capitalisation ASX-listed companies. The HGL management team will be in touch with unitholders in the coming months as the Fund is relaunched.

Stepping down after fourteen years as investment manager of SIAL I would like to thank all of our unitholders who have shown faith in Supervised. It has been an honour to manage your money. I remain confident in the future of the Fund and its holdings and as part of the terms of selling SIAL have committed to retaining a minimum of 85% of my family's units in the Fund (worth \$3.7m) for at least the next three years.

David Constable AM, 29 April 2021

The Supervised Fund's Historical Performance

	TSF after all fees	All Ords Accumulation	Small Ords Accumulation
Since inception p.a. (Dec 2007)	7.0%	5.2%	1.5%
Financial year to date	29.6%	19.9%	22.8%
Calendar year to date	1.1%	3.6%	2.1%
FY20	-35.7%	-7.2%	-5.7%
FY19	8.0%	11.0%	1.9%
FY18	5.4%	13.7%	24.2%
FY17	22.6%	13.1%	7.0%
FY16	32.0%	2.0%	14.4%
FY15	9.0%	5.7%	0.4%
FY14	10.6%	17.6%	13.1%
FY13	15.3%	20.7%	-5.3%
FY12	-6.8%	-7.0%	-14.6%
FY11	9.4%	12.2%	16.4%
FY10	15.1%	13.8%	11.2%
FY09	-1.7%	-22.1%	-28.6%

The Fund's benchmark is 5% per annum. Small Ords Accumulation and All Ords Accumulation are included for the sake of comparison to the predominant Australian equity indices.

DISCLAIMER

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Trustee for The Supervised 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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