

Clime International Fund

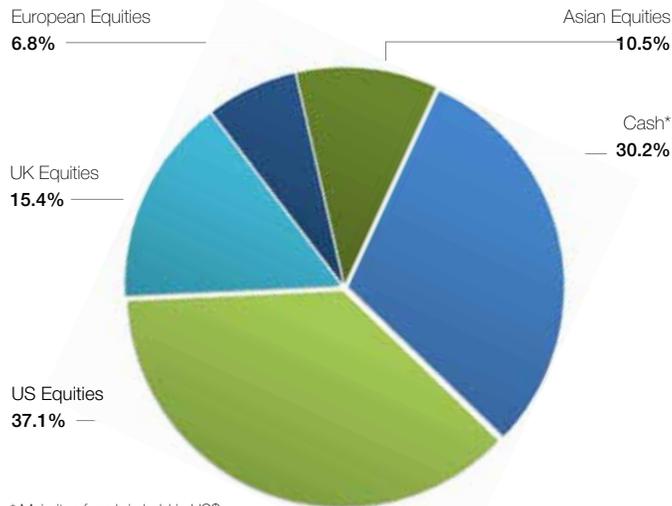
Traditionally, when bond yields rise equity markets fall as investors take advantage of higher returns for less risk - in the last few weeks, we've seen just that. US interest rates increased, bond yields followed suit and equity markets became agitated. This made way for the biggest market correction we've seen since February.

The Federal Reserve stated that there could be several interest-rate rises in 2019, and that this higher-rate environment could be with us for the long-term. These increases in interest rates have been driven by economic growth, rather than inflation, and they are not at levels to threaten company earnings—yet. The equity market however is forward looking, and investors are starting to question how corporate earnings will hold up when interest rates are no longer stimulative.

Some positive domestic news out of the UK as their PMI score now sits above other G20 countries, reflecting improved optimism among UK manufacturers. Unemployment has fallen to 4%, while at the same time, wage growth is on the increase and the strongest it has been for 10 years. All of this is good news for the UK economy.

During the month we trimmed our positions in Alphabet, Yum! Brands, Microsoft, Oracle and Cognizant.

Asset Allocation



Snapshot

Portfolio Annual Return (Wholesale)	Portfolio Annual Return (Retail)	Fund Size (Wholesale)	Fund size (Retail)
7.14%	6.52%	\$89.9m	\$4.7m

Performance (31/10/18)

	1 month	3 months	6 months	1 year	2 years*	3 years*	Inception*
Wholesale (AUD Portfolio Return)	-3.08%	-0.16%	3.30%	7.14%	11.30%	5.59%	8.59%
Retail (AUD Portfolio Return)	-3.18%	-0.61%	2.80%	6.52%	10.39%	5.21%	6.06%
Hurdle	0.83%	2.50%	5.00%	10.00%	10.00%	10.00%	10.00%

Inception: Wholesale Units: 4 March 2014. Retail Units: 11 March 2015.

*Performance figures for more than 1 year are annualised, calculated after all applicable fees and taxes. Performance figures compare unit price to unit price for the given period.

Distributions

Period Ending	Wholesale Units (cents per unit)	Retail Units (cents per unit)
30 June 2018	5.5659	4.5878
30 June 2017	3.9597	3.3798
30 June 2016	9.0831	7.5602

Top 5 Holdings

Stock	Ticker	Weight
Roche Holding AG-Genusschein	ROG SW	5.1%
Booking Holdings Inc	BKNG US	4.1%
Microsoft Corporation	MSFT US	3.8%
Alphabet Inc Class C	GOOG US	3.8%
Reckitt Benckiser Group Plc	RB/ LN	3.5%

The information contained in this document is published by the Clime Asset Management Pty Limited. The information contained herein is not intended to be advice and does not take into account your personal circumstances, financial situation and objectives. The information provided herein may not be appropriate to your particular financial circumstances and we encourage you to obtain your own independent advice from your financial advisor before making any investment decision. Please be aware that investing involves the risk of capital loss and past results are not a reliable indicator of future performance and returns. Clime Asset Management Pty Limited (Clime), its Group companies, Sanlam Private Investments UK Ltd, EQT Responsible Entity Services Limited and its directors, employees and agents make no representation and give no accuracy, reliability, completeness or suitability of the information contained in this document and do not accept responsibility for any errors, or inaccuracies in, or omissions from this document; and shall not be liable for any loss or damage howsoever arising (including by reason of negligence or otherwise) as a result of any person acting or refraining from acting in reliance on any information contained herein. No reader should rely on this document, as it does not purport to be comprehensive or to render personal advice. Please consider the Product Disclosure Statement, Additional Information Booklet and our Financial Services Guide before investing in the product.