

## Clime International Fund

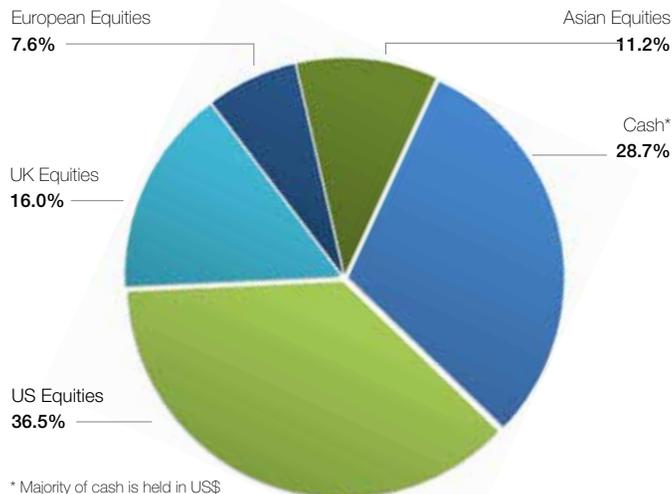
Investors were thrown off course at the end of 2018, with wild swings in US equity markets and a sell-off across riskier bond markets. Ripple effects were felt across the world and reflected rising concerns for the global economy.

These volatile conditions manifested when the US Federal Reserve (Fed) indicated that economic strength may require monetary conditions to tighten more than markets anticipated. Investors started to question how sharply economic growth might slow, which gave rise to losses across both bonds and equity markets.

While unemployment remains low in the US, the final quarter of last year saw some meaningful lay-offs in large companies such as Ford and General Motors. At the same time, there was a marked slowdown in the property market, and banks extended less commercial credit. These are all signs that US growth is slowing down to a more sustainable level, where continued productivity gains and modest population growth are the structural drivers.

The ongoing trade war with China is another factor. In late 2018, the International Monetary Fund reduced its growth expectations for the US from 2.9% to 2.5%, citing the trade war as its key concern. As we write this, there is a glimmer of hope that the crisis will be resolved. Perhaps a weakening in US economic growth will prove to be the catalyst.

## Asset Allocation



## Snapshot

|                                     |                                  |                       |                    |
|-------------------------------------|----------------------------------|-----------------------|--------------------|
| Portfolio Annual Return (Wholesale) | Portfolio Annual Return (Retail) | Fund Size (Wholesale) | Fund Size (Retail) |
| 5.04%                               | 4.45%                            | \$87.1m               | \$4.6m             |

## Performance (31/12/18)

|                                  | 1 month | 3 months | 6 months | 1 year | 2 years* | 3 years* | Inception* |
|----------------------------------|---------|----------|----------|--------|----------|----------|------------|
| Wholesale (AUD Portfolio Return) | -1.08%  | -4.67%   | 0.22%    | 5.04%  | 7.73%    | 5.91%    | 7.91%      |
| Retail (AUD Portfolio Return)    | -1.09%  | -4.80%   | -0.27%   | 4.45%  | 8.56%    | 5.60%    | 5.32%      |
| 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  | 5.4%   |
| Booking Holdings Inc         | BKNG US | 3.9%   |
| Microsoft Corporation        | MSFT US | 3.8%   |
| Alphabet Inc Class C         | GOOG US | 3.8%   |
| Medtronic PLC                | MDT US  | 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.