

Clime International Fund

Monthly Investment Report - April 2015

Investment Objective

The Clime International Fund (the Fund) aims to achieve a 10% annualised return in Australian dollars after all fees and expenses measured over a rolling 5 year period.

The Fund seeks attractive returns, through investing in a portfolio of International listed securities. The Fund's goal is to select high quality individual investments that allow the creation of a best ideas global portfolio. The Fund follows a value based methodology and will only invest in equities when an appropriate margin of safety against value is perceived.

Investment Strategy

The Fund is an absolute return fund which seeks attractive capital growth over the long term from a portfolio of International listed securities, with a view to capital preservation.

Sanlam Private Investments (SPI), the Fund's sub-investment manager, believes investment markets continually offer opportunities for it to exploit. Markets are inefficient, driven by human emotion as well as logic. In the end, logic wins. However, in the periods where emotion rules, assets can become incorrectly priced. This provides the opportunity to invest.

SPI is an active investment manager and monitors markets constantly. SPI invests with conviction, backed up by rigorous and disciplined research and a sensible approach to risk control. In this way the Fund seeks to add real value to its investors in a world of low returns punctuated by periods of volatility.

Fund Profile

Investment Manager	Clime Asset Management Pty Limited
Sub Investment Manager	Sanlam Private Investments (UK) Ltd
Fund Size - Wholesale Inception Date	A\$68.96 million 4 March 2014
Fund Size - Retail Inception Date	A\$1.06 million 11 March 2015
Distributions	Annual
Management Fee	1.54% p.a. for Wholesale Units. 1.69% p.a. for Retail Units. Calculated and paid monthly in arrears on the last business day of the month.
Entry Fee	Nil
Contribution Fee	Nil
Expenses	0.21% p.a.
Withdrawal Fee	Nil
Benchmark / Hurdle	10%
Performance Fee	20% of any amount by which the Fund outperforms the rate of 10% per annum
Buy / Sell Spread	0.25% / 0.25%
Investment Horizon	5 years

Fund Performance to 30 April 2015

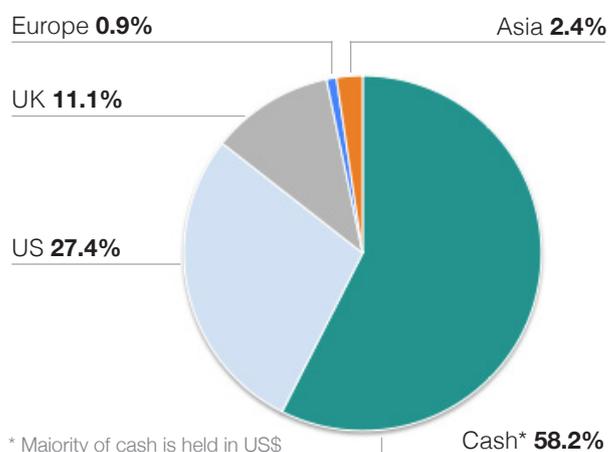
	AUD Portfolio Return		Hurdle
	Wholesale	Retail	
1 month	-0.88%	-1.35%	0.79%
3 months	1.29%	-	2.35%
6 months	12.13%	-	4.84%
1 year	16.73%	-	10.00%
Inception	12.66%	-1.86%	10.00%

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.

Top Holdings

Stock	Market	Ticker
Diageo PLC	UK	DGE LN
Johnson & Johnson	US	JNJ US
Microsoft Corporation	US	MSFT US
American Express	US	AXP US
Google Inc	US	GOOGL US
Twenty First Century Fox	US	FOXA US
Yum! Brands Inc	US	YUM US
Oracle Corporation	US	ORCL US
Samsung Electronics	South Korea (GDR)	SMSN LI
The Coca-Cola Company	US	KO US

Asset Allocation



Wholesale Units - Monthly Returns since inception

Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	CIF FYTD	#Hurdle FYTD
2013 - 14	-	-	-	-	-	-	-	-	-2.11%*	0.45%	0.30%	-1.70%	-3.04%	3.13%
2014 - 15	0.48%	-0.36%	4.97%	0.45%	3.17%	3.50%	3.68%	1.23%	0.95%	-0.88%			18.38%	8.26%

Retail Units - Monthly Returns since inception

Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	CIF FYTD	#Hurdle FYTD
2014 - 15	-	-	-	-	-	-	-	-	-0.52%	-1.35%			-1.86%	1.21%

#Hurdle represents the 10% per annum benchmark returns. FYTD represents net return for the given financial year, calculated after all applicable fees and taxes. Performance figures compare unit price to unit price for the given period.

* Inception date as at 4 March 2014 (Wholesale), 11 March 2015 (Retail), at which point the Fund's units NAV was struck at an inception price of AUD 1.00.

Summary

Over the course of April, the UK equity markets continued to tick up, with the MSCI UK All Cap, the MSCI UK Daily Total Return and the MSCI UK Mid Cap all ending the month up. However, most of the other major global equity markets were flat. The MSCI USA was down 2%, and thus the MSCI World was also slightly in the negative. It was, however, a good month for emerging markets, with the MSCI Emerging Markets index up 5%.

The UK markets have remained surprisingly indifferent to the impending General Election to be held on 7th May. With the consensus view being that a Labour led government would be bad for markets but a Conservative market would create uncertainty due to their promise of an EU referendum, April has seen remarkably small levels of volatility. In Europe, concerns over Greece continued to be at the forefront of investor's minds, with the possibility of a Grexit very much a possible outcome, as the government tried to come up with a deal with its creditors for further aid. The markets took kindly to the Greek government reshuffle at the end of the month which essentially side-lined combative finance minister, Yanis Varoufakis. This resulted in the slight easing of Greece's sovereign debt yields.

This month we added to our positions in Johnson & Johnson, Google, Microsoft, 21st Century Fox, Diageo, and American Express. We trimmed our position in BP and sold out of British American Tobacco. However on increased weakness in the name we took the opportunity to buy back in.

Year to date the fund (wholesale units) is up 5%.

Clime has an objective of holding a diversified portfolio of approximately 25 to 30 listed companies displaying characteristics including:

- High returns on equity or the potential to achieve this;
- An easily understood and sustainable business model;
- Competent and experienced management whose interests are aligned with shareholders;
- A well-funded balance sheet not overly burdened with debt; and
- Strong track record of dividend and earnings growth.

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