

Clime International Fund

Monthly Investment Report - November 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\$111.79 million 4 March 2014
Fund Size - Retail Inception Date	A\$4.10 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

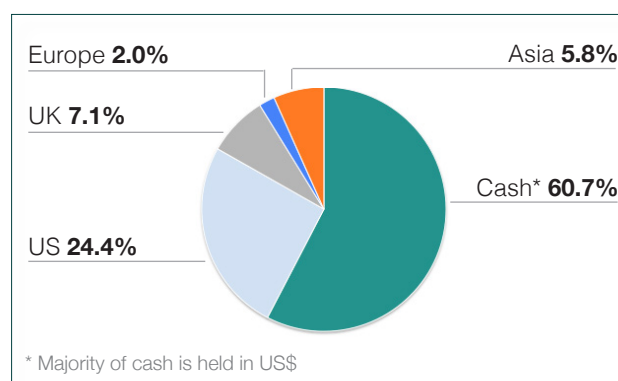
Fund Performance to 30 November 2015

	AUD Portfolio Return		Hurdle
	Wholesale	Retail	
1 month	-1.19%	-1.19%	0.79%
3 months	1.75%	1.73%	2.40%
6 months	5.45%	5.03%	4.89%
1 year	16.73%	-	10.00%
Inception*	12.76%	5.13%	-

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.

Asset Allocation



Top Holdings

Stock	Market	Ticker
Amgen Inc	US	AMGN US
Johnson & Johnson	US	JNJ US
Oracle Corporation	US	ORCL US
Diageo PLC	UK	DGE LN
Baidu Inc ADR	ASIA	BIDU US
American Express Company	US	AXP US
Proctor & Gamble Co	US	PG US
Yum Brands!	US	YUM US
Samsung Electronics	ASIA	SMSN LI
Citigroup Inc	US	C US

Distributions

Period Ending	Wholesale Units (cents per unit)	Retail Units (cents per unit)
30 June 2015	4.9010	5.9905

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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%	1.86%	-0.83%	19.58%	10.00%
2015 - 16	4.05%	0.43%	0.18%	2.78%	-1.19%	-	-	-	-	-	-	-	6.33%	4.07%

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%	2.0%	-1.21%	-1.11%	2.43%
2015 - 16	4.05%	0.43%	0.18%	2.77%	-1.19%	-	-	-	-	-	-	-	6.31%	4.07%

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

Financial market sentiment seemed to settle down in November after an emotionally charged October as speculation on the likely path of global central bank policy solidified into a consistent view. The Federal Reserve has been at pains to consistently prime the market for a December interest rate hike, now widely accepted as the base case and supported by strong economic data released during the month. On the other end of the spectrum, but no less clear in their communication, sits the European Central Bank whose commander in Chief, Mario Draghi, has firmly steered the market into anticipating further stimulus at the next meeting early in December. In fact, Draghi has so emphatically stated this case that anything short of widespread extensions to the existing stimulus program will probably disappoint.

Despite the growing divergence in central bank policy, the equity asset class seemed to appreciate the decisiveness ending the month marginally up or, at the very least, treading water. In the United States, where the imminent rate hike was viewed as a vote of confidence in the economy, the momentum of the recovery continued into the month with a few small periods of volatility keeping investors honest. The strongest performers were European equities, which are benefiting from a weak euro, and Japanese equities, which continued to recover as the recent panic selloff triggered by concerns over the state of the Chinese economy faded from memory.

During the month, we trimmed our positions in Baidu and Diageo, and sold Alphabet. We topped up in Procter & Gamble, American Express, Yum! Brands and Oracle.

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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