

Clime International Fund

Monthly Investment Report - November 2017

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 based on absolute return seeking attractive capital growth and good capital preservation over the long term, from a portfolio of International listed securities.

Sanlam Private Investments (SPI), the Fund's sub-investment manager, believes that by constantly monitoring investment markets, SPI will eventually find assets that it perceives to be incorrectly priced. For SPI, this is the best opportunity to invest. Through rigorous and disciplined research, a sensible approach to risk control and conviction, 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\$95.64 million 4 March 2014
Fund Size - Retail Inception Date	A\$5.11 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
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

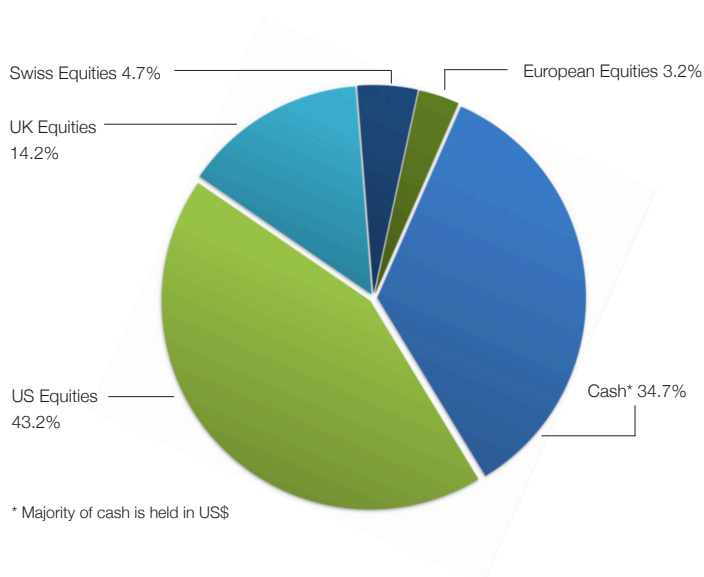
Fund Performance (30/11/17)

	Wholesale (AUD Portfolio Return)	Retail (AUD Portfolio Return)	Hurdle
1 month	2.07%	2.06%	0.79%
3 months	7.35%	7.31%	2.43%
6 months	4.47%	4.40%	4.92%
1 year	14.99%	14.83%	10.00%
2 years*	6.54%	6.27%	10.00%
3 years*	9.83%	-	10.00%
Inception*	9.39%	6.50%	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.

Asset Allocation



Distributions

Period Ending	Wholesale Units (cents per unit)	Retail Units (cents per unit)
30 June 2017	3.9597	3.3798
30 June 2016	9.0831	7.5602
30 June 2015	4.9010	5.9905

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%	-1.35%	0.71%	-0.74%	-4.18%	0.89%	6.01%	-3.89%	3.28%	10.00%
2016 - 17	0.51%	1.20%	-1.77%	-0.90%	2.63%	2.29%	-2.07%	1.34%	1.41%	4.53%	2.30%	-1.77%	9.87%	10.00%
2017 - 18	-1.49%	0.57%	1.25%	3.88%	2.07%								6.36%	4.12%

Retails 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%	-1.57%	0.69%	-0.75%	-4.19%	0.88%	6.00%	-3.90%	2.95%	10.0%
2016 - 17	0.51%	1.20%	-1.80%	-0.91%	2.61%	2.27%	-2.09%	1.33%	1.38%	4.55%	2.28%	-1.78%	9.72%	10.0%
2017 - 18	-1.50%	0.56%	1.24%	3.86%	2.06%								6.29%	4.12%

#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. Performance figures for more than 1 year are annualised.

* 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.

Top 10 Holdings

Stock	Market	Ticker
Microsoft Corporation	US	MSFT US
Oracle Corp	US	ORCL US
Diageo Plc	UK	DGE LN
American Express Company	US	AXP US
Cognizant Tech Solutions	US	CTSH US
Roche Holding AG-Genusschein	EU	ROG VX
Alphabet Inc	US	GOOG US
Yum! Brands Inc	US	YUM US
Medtronic Plc	US	MDT US
Priceline.com Inc	US	PCLN US

Summary

For our International Fund, 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.

Perhaps the biggest surprise of 2017 was that there were very few market surprises at all. While the political environment was anything but stable, financial markets experienced sanguine conditions, allowing valuations to grind higher while volatility remained extremely low.

This is largely thanks to the acceleration of economic growth across all key global markets – especially Europe, China and, to a lesser extent, the US. Against this backdrop, nothing was able to divert equity markets from the positive growth story. Indeed, it has been 18 months since there was a 5% equity sell-off, 23 months since there was a 10% correction, and we're now heading into our ninth year of this bull market. Leading indicators suggest this positive momentum will continue into 2018 with particularly strong performance predicted in Europe and emerging markets.

Europe was one of 2017's big surprises. At the start of the year, investors were nervous about the rise of populism. But as Germany, France and Belgium went to the polls, their fears proved largely unfounded, and it ended up being one of the best places to invest this year. European equities have returned 18% year to date, versus 11% returned by global equities - this outperformance has arisen since the French election in April.

In the US, the Senate has passed Donald Trump's corporate tax cuts voting 51 to 49 to support what is the largest single change to US tax since the 1980s. It will see the corporate tax rate slashed from 35% to around 20% and Republicans hope it will support the US' already growing economy. Companies that earn most of their revenue in the US have seen their share prices jump since the vote in anticipation that some of these cuts will filter through to shareholders. The vote is not only a victory for Trump, but may also provide an additional boost to the global economy.

During the month we added to our positions in Reckitt Benckiser and Priceline, and exited our position in NetEase.

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