

Clime International Fund

Monthly Investment Report - February 2016

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\$117.09 million 4 March 2014
Fund Size - Retail Inception Date	A\$4.65 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

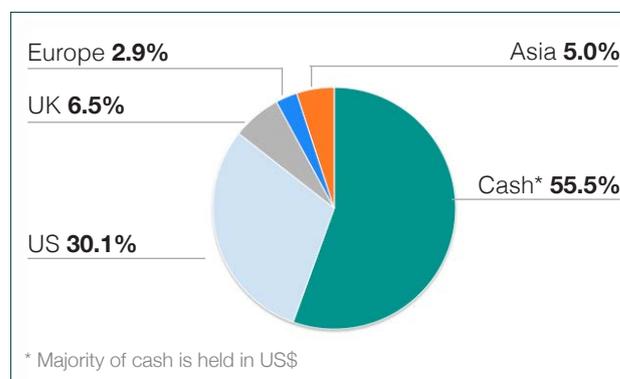
Fund Performance to 29 February 2016

	AUD Portfolio Return		Hurdle
	Wholesale	Retail	
1 month	-0.74%	-0.75%	0.81%
3 months	-1.39%	-1.63%	2.43%
6 months	0.33%	0.07%	4.92%
1 year	5.98%	-	10.00%
Inception*	10.30%	3.41%	-

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
Johnson & Johnson	US	JNJ US
Yum! Brands	US	YUM US
Diageo PLC	UK	DGE LN
Amgen Inc	US	AMGN US
Oracle Corporation	US	ORCL US
Roche Holding AG	EU	ROG VX
Baidu Inc ADR	ASIA	BIDU US
American Express	US	AMEX US
Alphabet Inc	US	GOOG US
Samsung Electronics	Sth Korea	SMSN LI

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%	-1.35%	0.71%	-0.74%	-	-	-	-	4.85%	6.57%

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%	-1.57%	0.69%	-0.75%	-	-	-	-	4.58%	6.57%

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

Despite the Bank of Japan's move to negative interest rates at the end of January, global risk markets were not even able to sustain a rally for two consecutive days. This was indicative of the willingness of the market to take any rally as an opportunity to reduce risk; ultimately starting another sell-off into the middle of the month. This was exacerbated by weak oil prices where fixation on the oil price continued to drive risk sentiment as investors feared that contagion from energy related defaults would have widespread ramifications. The upside to this correlation was realised when Saudi Arabia, Russia and other OPEC members agreed to cap output, leading a gradual recovery in both oil prices and global equities. Many of the returns quoted in sterling were flattered by the extremely weak pound caused by 'Brexit' concerns.

In currency markets, the Japanese yen staged a strong rally with low inflation expectations and a flight to safety overcoming stimulatory central bank policy. In the UK, the uncertainty surrounding the possible 'Brexit' vote weighed heavily on sterling which lost ground to all major trading partners, making for some pretty awful three month numbers. This performance is only trumped by the dismal month experienced by the Japanese stock market, which was down in sterling despite being flattered by a 9% favourable currency movement as the prospect of negative interest rates weighed heavily on Japanese Banks. Most other equity indices, in particular emerging markets, benefitted from a

sharp recovery in basic material shares, albeit off an extremely low base.

During the month we re-initiated MasterCard, Cognizant and Netease, and added to Roche. We also sold our position in Stryker. At the start of the month, we sold our position in Alphabet; subsequently the shares pulled back in the double digits in local currency terms, so we re-initiated a position. We also re-initiated and actively traded a position in Bureau Veritas, after achieving a gain of 8%.

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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