

# Clime Australian Income Fund

Monthly Investment Report - January 2017

## Investment Objective

The Fund aims to achieve a return of 3% p.a. above the RBA cash rate and to grow capital in line with CPI. It seeks to deliver a strong risk-adjusted total return and is expected to have a level of total volatility of returns of less than half traditional equity indices.

## Investment Strategy

The Clime Australian Income Fund seek to provide an income stream above the RBA cash rate from a portfolio of Australian listed and unlisted securities, with a strong view for capital preservation.

The portfolio's goal is to select high quality individual investments that allow the creation of a best ideas portfolio for income generation. Portfolio returns are likely to be incrementally enhanced via franking credits.

## Fund Profile

Investment Manager	Clime Asset Management Pty Limited
Investments	The Fund's goal is to select high quality individual investments that allow the creation of a best ideas portfolio for income generation.
Fund Size - Wholesale Inception Date	A\$6.16 million 1 July 2015
Income Distributions	Quarterly. Unless otherwise requested, distributions are automatically reinvested.
Management Fee	1.28% p.a. <sup>^</sup>
Contribution Fee	Nil
Minimum initial investment	\$200,000
Minimum additional investment	\$10,000
Expenses	0.21% p.a.
Withdrawal Fee	Nil
Benchmark	Achieve a return of 3% p.a. above the RBA cash rate and to grow capital in line with CPI with volatility of return less than half ASX200 Index.
Investment Horizon	Minimum 3 years

<sup>^</sup>The Australian Income Fund is currently in the incubation phase and at this time the manager is not charging full management fees. Effective 19 January 2017, the manager is charging a 0.30% management fee which will be reviewed at the end of the March quarter.

## Performance and Volatility of Return (31/01/17)

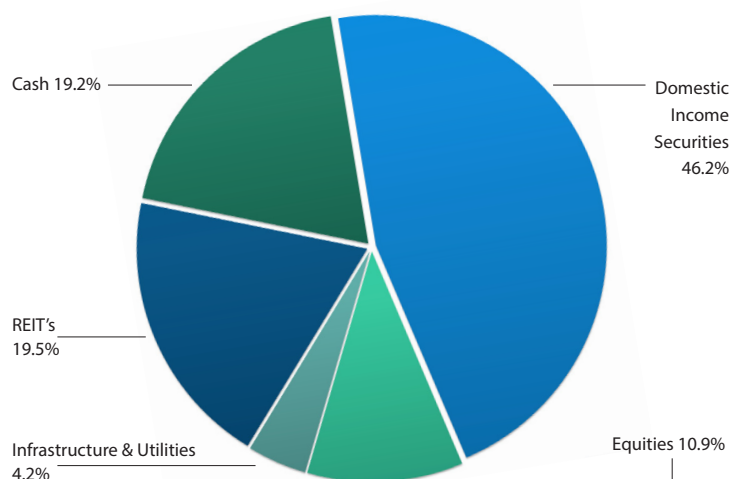
	Portfolio Return	Volatility**
1 month	-0.29%	-
3 months	3.16%	-
6 months	2.18%	3.0%
1 year	10.94%	3.9%
Inception*	7.77%	4.1%

\* Inception: Wholesale Units: 1 July 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. The returns do not include the benefit of franking credits.

\*\*Volatility is based on the standard deviation of weekly price movements.

The 1 year volatility of the ASX200 is 13.3% over the same period as measured on a weekly basis; placing Clime Australia Income Fund at about 30% return volatility compared with ASX200 Index. This is consistent with the Fund providing a degree of capital preservation while generating regular quarterly income.

## Asset Allocation



## Wholesale Units - Monthly Returns (since inception\*)

Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	CAIF FYTD
2015 - 16	0.5%	0.6%	-1.3%	2.5%	-0.6%	1.5%	-1.6%	-0.3%	2.5%	1.3%	1.7%	0.7%	7.6%
2016 - 17	2.5%	-0.0%	-0.3%	-0.7%	0.8%	2.7%	-0.3%						4.7%

\*Inception date as at 1 July 2015 (Wholesale) at which point the Fund's units NAV was struck at an inception price of AUD 1.00.

Note: 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.

## Distributions

Quarter Ending	Wholesale Units (cents per unit)
31 December 2016	0.9706
30 September 2016	0.5123
30 June 2016	2.1483
31 March 2016	0.8246
31 December 2015	0.2390
30 September 2015	0.5383

## Top 5 Holdings

Security	Code	Weight%
Bendigo Subs T2 FRN	-	4.97%
SUNAU FRN	-	4.20%
Transurban Queensland - TQLAU	-	3.22%
Goodman Plus Trust	GMPPA	2.98%
Qube Subordinated Notes	QUBHA	2.78%

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