

## Clime Smaller Companies Fund

The Clime Smaller Companies Fund (CSCF) delivered a return of -0.3% and 6.4% (net of all fees) for the month and September quarter respectively. While the softer monthly return mirrored falls in all Australian indices, this followed a rather exceptional month of return generation in August.

In contrast to the large number of company specific updates received during the August full year reporting season, September was generally a quieter month in terms of investee company news flow. News on the macroeconomic front was not so quiet however, with the unconventional policy actions of the Trump Administration and surging longer-term bond yields adding a degree of uncertainty to global markets.

Significant positive contributors for the month were Jumbo Interactive (+16.3%), RPM Global (+13.6%), Collins Foods (+9.4%) and Citadel Group (+6.8%). The most significant detractors for the month were Axesstoday (discussed below), Audinate (-8.8%), Navigator Global Investments (-7.7%) and Lycopodium (-6.4%). (Source: Factset).

Specific to AXL, the CSCF investment committee has taken a proactive approach to news of the company's disappointing 'Interim Update' and associated voluntary suspension by reducing the value of this holding to better reflect our assessment of its likely near-term value. Notwithstanding this surmountable setback, the balance of the portfolio continues to perform well against expectations, as evidenced by the broad range of portfolio constituents contributing positively to total returns.

As noted in prior monthly reports, we remain measured in our portfolio positioning and have access to significant cash reserves should we see volatility re-emerge in the coming months.

## Distributions

Period Ending	Wholesale Units (cents per unit)
30 June 2018	4.3495
30 June 2017 (Inception 24/4/2017)	0.1372

## Snapshot

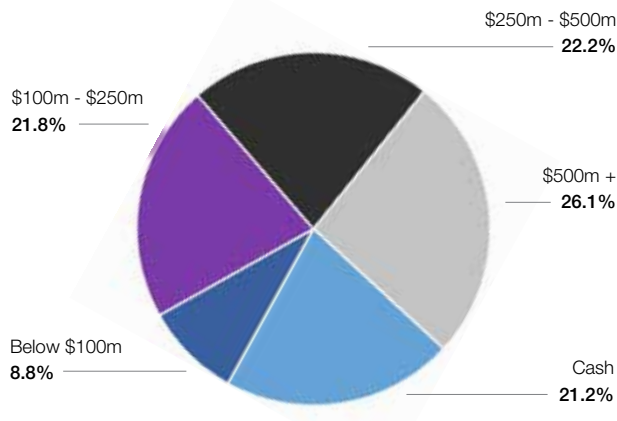
Portfolio Return (Quarter)	Portfolio Return (1 year)	Portfolio Return (Since Inception)	Fund Size
6.4%	21.7%	22.3% p.a.	\$25.3m

## Performance (30/09/18)

	1 month	3 months	6 months	FYTD	1 year	Inception*	Inception (Total)
Portfolio Return	-0.33%	6.44%	9.78%	6.44%	21.66%	22.32%	33.51%
Fund Objective <sup>^</sup>	0.78%	2.41%	4.85%	2.41%	9.91%	9.88%	14.48%

\* Inception: Wholesale Units: 24 April 2017. Performance figures for more than 1 year are annualised, calculated after all applicable fees and taxes. Returns have been calculated based on starting and ending unit prices after taking into account all ongoing fees, and assuming reinvestment of distributions. <sup>^</sup> CPI + 8% p.a. including GST.

## Asset Allocation by Market Capitalisation



## Prominent Fund Holdings (alphabetical order)

Bravura Solutions Ltd (ASX: BVS)
Citadel Group Ltd (ASX: CGL)
Hansen Technologies Ltd (ASX: HSN)
Jumbo Interactive Ltd (ASX: JIN)
Macquarie Telecom Group Ltd (ASX: MAQ)