

Clime Smaller Companies Fund

The Clime Smaller Companies Fund (CSCF) delivered a return of 5.7% (net of all fees) for the month, building further on the solid foundation laid since inception.

Although the time frame in question is short by investing standards, the August full year reporting season is noteworthy as it provides investors with an opportunity to examine how each company is traveling against expectations. We will never focus excessively on short term performance (positive or negative), however it is encouraging to note that many of our investee companies continue to execute well.

While our investing journey is taking place over much longer time frames, the August reporting season provided another strong reference point of successful execution and we remain comfortable with our core portfolio positioning. In aggregate, prospects remain bright, particularly for companies growing into much larger pools of opportunity, both domestically and internationally. This is particularly reflected in aggregate forecast earnings growth for our investee companies, which currently exceeds 20% for FY2019.

Significant positive contributors for the month were Afterpay Touch Group (APT), Bravura Solutions (BVS), Folkestone (FLK, takeover bid received), Jumbo Interactive (JIN), Lycopodium (LYL) and Macquarie Telecom (MAQ). The most significant detractors for the month were Axesstoday (AXL) and 1300 Smiles (ONT).

We remain measured in our portfolio positioning and have access to significant cash reserves should we see volatility re-emerge in the coming months. As has always been the case since inception, our enduring focus remains on building and maintaining a portfolio full of high quality smaller Australian companies.

Distributions

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

Snapshot

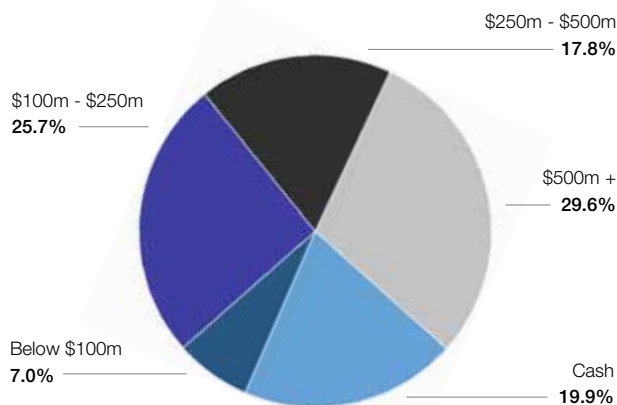
Portfolio return (1 year)	Portfolio return (August)	Fund size	Recent distribution
23.5%	5.7%	\$23.9m	4.3495 (cents per unit)

Performance (31/08/18)

	1 month	3 months	6 months	FYTD	1 year	Inception*	Inception (Total)
Portfolio Return	5.71%	7.46%	12.03%	6.78%	23.48%	24.12%	33.95%
Fund Objective ^	0.81%	2.41%	4.88%	1.62%	9.91%	9.88%	13.59%

* 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. ^ CPI + 8% p.a. including GST.

Asset Allocation by Market Capitalisation



Prominent Fund Holdings (alphabetical order)

Bravura Solutions Ltd (ASX: AXL)
Citadel Group Ltd (ASX: CGL)
Elanor Investors Group (ASX: ENN)
Jumbo Interactive Limited (ASX: JIN)
Macquarie Telecom Group Ltd (ASX: MAQ)