



## Quarterly Fund Performance - September 2020

The Clime Australian Income Fund is a multi-asset class portfolio that invests in high-quality income generating assets. The Fund provides exposure to higher yielding securities in both listed and over the counter (OTC) markets. The Fund aims to achieve a total return of RBA cash rate + 3% p.a. whilst maintaining price stability.

Risk and return are considered to be equally important. As such, we construct the portfolio such that the risk, as defined by the annualised volatility of the change in the unit price, is in the 3% to 5% range (or 4.0%  $\pm$  1.0%). The Fund pays regular quarterly income distributions in September, December, March and June.

The three interim distributions (September, December and March) are consistent and the final distribution for the financial year (June) includes capital gains and franking credits (if any).

| Portfolio Quarter Net Return (Wholesale)  | Portfolio 1 Year Net Return (Wholesale) |          |          | Portfolio Return Inception p.a. (Wholesale) |               |               | Total Fund Size       |
|---|---|----------|----------|---|---------------|---------------|-----------------------|
| <b>2.3%</b>                               | <b>-1.5%</b>                            |          |          | <b>5.4%</b>                                 |               |               | <b>\$40.3m</b>        |
|   | 1 month                                 | 3 months | 6 months | 1 year                                      | 3 years (pa)* | 5 years (pa)* | Since Inception (pa)* |
| <b>Net Portfolio Return (Wholesale)**</b> | 0.3%                                    | 2.3%     | 8.3%     | -1.5%                                       | 3.2%          | 5.7%          | 5.4%                  |
| <b>Income</b>                             | 0.4%                                    | 0.4%     | 1.5%     | 2.6%  | 3.6%          | 3.7%          | 3.6%                  |
| <b>Capital Growth</b>                     | -0.1%                                   | 1.9%     | 6.7%     | -4.0%                                       | -0.3%         | 1.9%          | 1.7%                  |
| <b>Franking</b>                           | -                                       | -        | -        | 0.1%  | 0.2%          | 0.2%          | 0.2%                  |

Note: Compound (geometric) returns are used in the above table's segmentation of Income and Capital Growth. This may result in small differences when compared with a simple addition of Income and Capital Growth components.

\*1 July 2015. Performance figures for more than 1 year are annualised, calculated after all applicable fees and taxes.

\*\*Portfolio return is based on the change of the unit price including distributions but excluding franking credits. Franking credits will enhance portfolio returns and historically, have added about 0.2% pa to Fund returns as shown in the last column of the table above.

## Top 5 Holdings

| Security                            | Weight% |
|-------------------------------------|---------|
| <b>NAB Income Securities</b>        | 2.5%    |
| <b>Spark Infrastructure Group</b>   | 2.1%    |
| <b>CBA PERLS VII</b>                | 2.1%    |
| <b>Ausnet Services Limited</b>      | 2.0%    |
| <b>Macquarie Bank Capital Notes</b> | 1.9%    |

## Fund Facts

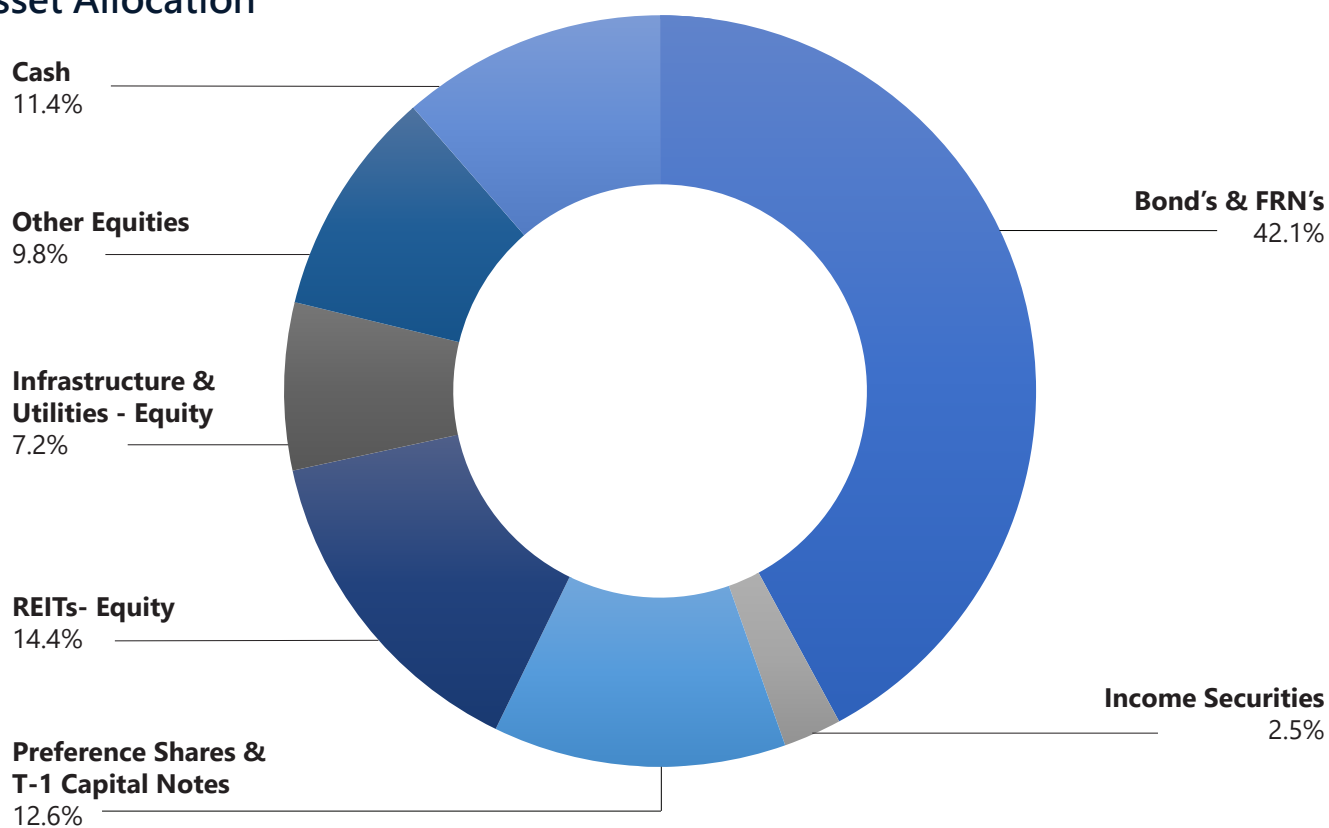
|                           |                 |
|---------------------------|-----------------|
| <b>Portfolio Manager</b>  | Dr Vincent Chin |
| <b>Fund Inception</b>     | 1 July 2015     |
| <b>Fund Size</b>          | \$40.3m         |
| <b>Cash Distributions</b> | Quarterly       |



## Distributions

| Period Ending     | Wholesale Units (cents)           |
|-------------------|-----------------------------------|
| 30 September 2020 | 0.4011                            |
| 30 June 2020      | 1.2385 + 0.1426 franking credits  |
| 31 March 2020     | 0.4215                            |
| 31 December 2019  | 0.7480                            |
| 30 September 2019 | 0.5160                            |
| 30 June 2019      | 2.5854 + 0.2533 franking credits  |
| 31 March 2019     | 0.8096                            |
| 31 December 2018  | 0.8859                            |
| 30 September 2018 | 0.8045                            |
| 30 June 2018      | 1.835 + 0.2025 franking credits   |
| 31 March 2018     | 0.7455                            |
| 31 December 2017  | 0.7602                            |
| 30 September 2017 | 0.6015                            |
| 30 June 2017      | 1.84571 + 0.3189 franking credits |
| 31 March 2017     | 1.0082                            |
| 31 December 2016  | 0.9706                            |
| 30 September 2016 | 0.5123                            |
| 30 June 2016      | 2.1483 + 0.3153 franking credits  |
| 31 March 2016     | 0.8246                            |
| 31 December 2015  | 0.2390                            |
| 30 September 2015 | 0.5383                            |

## Asset Allocation





## Investment Strategy

The Clime Australian Income Fund seeks to provide an income stream above the RBA cash rate from a portfolio of Australian listed and over the counter (OTC) securities, with a view to price stability. The portfolio will invest in selected high-quality individual securities with consistent income generation. Portfolio yield is likely to be the bulk of the portfolio return and will likely be enhanced by franking credits.

The world has been living with the COVID-19 virus for more than nine months, since it first surfaced in late December 2019, later becoming a global pandemic. With huge fiscal and accommodative monetary policy (including Yield Curve Control or "YCC", a form of QE) implemented swiftly to cushion economic collapse, the subsequent economic data in Australia have been somewhat better than expected. This is not surprising as the equivalent of about 10% of GDP (in various forms) was pumped into the economy. It has felt as though the usual pain that would normally be felt in a cyclical recession was somehow absent, or perhaps it has been delayed due to the Federal Government's temporary support measures.

The enormous stimulus programs introduced in most countries have allowed the world to buy some time to avoid severe economic collapse while the scientists search for effective health solutions. The latest consensus view is that several vaccines may be ready for deployment by early to mid-2021. As investors, we remain hopeful for a credible solution and that the global economy, including that of Australia, will move back to a growth trajectory.

With this backdrop, the Fund's investment strategy has utilised scenario analysis to achieve its income and risk objectives. Having considered many possible outcomes, the strategy implemented since the March quarter has been effective in navigating these uncertain times to achieve income and lower risk - but with some minor changes described below.

Based on the outcome of the latest FOMC meeting in mid-September, there are unlikely to be any rate increases through to the end of 2023. The Fed announced the adoption of an "average inflation target", a highly significant development because it signals that the Fed may allow inflation to go above the 2% target for some time, seeing that inflation has spent so long below the target. Depending on what average inflation is by then, it may remain low even beyond 2023. This suggests that having an elevated cash level within the Fund in an environment where the return is close to 0% does not make sense, particularly where real returns for cash are now negative.

Thus, we will maintain the strategy introduced in the March 2020 quarter with some further refinements. To achieve certainty of income, the tilt towards the high credit fixed income asset class is to continue, subject to availability and margin. Similarly, we continue to tilt towards Utilities & Infrastructure (U&I) as the sector offers higher income returns (although there is an increase risk); the certainty of yield and the income return is sufficient to compensate for such risk.

Post FY20 results and after 5 months on the sidelines, we began selectively investing in A-REITs in early September. The change in view was informed by the change in US Fed policies described above. More significantly, we are confident that the code of conduct for rental abatement, waiver or deferment directive from the Commonwealth Government is transitional. After all, REITs are the only sector being singled out by the Commonwealth Government to assist in this health crisis. To date, REITs have provided rental assistance in excess of \$2b, an amount which cannot continue indefinitely. That said, this unique health crisis may lead to some modification of the rent model going forward once the economy moves back to a stronger footing.

In the equity asset class, we continue to tilt away from the major banks' equities while adding industrial stocks.

## Performance and Volatility of Return

|                              | Portfolio Return** | Income | Capital Growth | Franking |
|------------------------------|--------------------|--------|----------------|----------|
| <b>1 month</b>               | 0.3%               | 0.4%   | -0.1%          | -        |
| <b>3 months</b>              | 2.3%               | 0.4%   | 1.9%           | -        |
| <b>6 months</b>              | 8.3%               | 1.5%   | 6.7%           | -        |
| <b>1 year</b>                | -1.5%              | 2.6%   | -4.0%          | 0.1%     |
| <b>2 years (pa)**</b>        | 2.8%               | 3.5%   | -0.7%          | 0.2%     |
| <b>3 years (pa)**</b>        | 3.2%               | 3.6%   | -0.3%          | 0.2%     |
| <b>4 years (pa)**</b>        | 4.6%               | 3.7%   | 0.8%           | 0.2%     |
| <b>5 years (pa)**</b>        | 5.7%               | 3.7%   | 1.9%           | 0.2%     |
| <b>Since Inception (pa)*</b> | 5.4%               | 3.6%   | 1.7%           | 0.2%     |

Note: Compound (geometric) returns are used in the above table's segmentation of Income and Capital Growth. This may result in small differences when compared with a simple addition of Income and Capital Growth components.  
 \*1 July 2015. Performance figures for more than 1 year are annualised, calculated after all applicable fees and taxes.  
 \*\*Portfolio return is based on the change of the unit price including distributions but excluding franking credits. Franking credits will enhance portfolio returns and historically, have added about 0.2% pa to Fund returns as shown in the last column of the table above.

The Fund has a goal-based investment style where, at the portfolio level, we target a certain level of income (higher than the RBA cash rate) and risk (materially lower than the equity market).

The Fund's 12 month return was -1.5%. This was affected by the negative return of the ASX200 Accumulation return of -10.2% to September 2020. Of note, the ASX200 REIT sector had a larger negative return of -16.7%, which exacerbated the negative return for the Fund as it was overweight REITs over the past 12 months.

Over the 5 year period, the return has been 5.7% pa. This was achieved with an absolute and relative risk measure of 4.7% and 32.1% respectively. These figures are at the upper end and middle end of the Fund's risk objectives (see table below).

The Fund has been able to provide cash returns of 3.7% and 1.9% capital growth with further franking benefits over the same period. With ultra-low cash rates now prevailing, the Fund's running yield is likely to drop somewhat further as evident from the shorter 1-2 year's running yield.

To assist us in understanding the risk and return characteristics of the recent investment environment, we have modelled various asset classes and a proxy for the Fund using historically data for the period 2001 to the very recent past. The chart shows (Figure 1) that there were two occasions in the past 20 years in which the short term 12m rolling volatility of the proxy Fund surpassed its upper limit of 5%. This was during the GFC and during the present pandemic. At all other times, including the European debt crisis, China tightening and other mini shocks between 2012 and 2016, the short term 12m rolling risk for the proxy Fund did not reach 5%.

Since the Fund has been constructed to be a medium risk product with an investment time frame of at least 3 to 5 years, we believe these characteristics are appropriate.

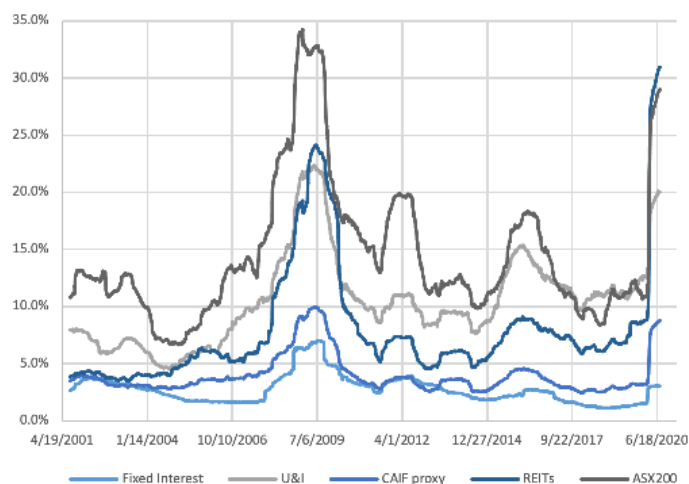


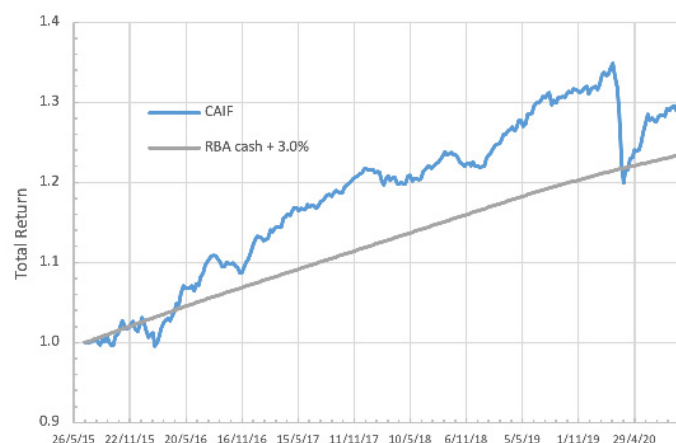
Figure 1 12m rolling absolute risk for different asset classes and "CAIF proxy" with 55% equity weighted exposure

Consequently, we expect that our modelling work has provided us with a strong foundation for managing risk within the asset class allocation process that will likely to stand the test of time.

Figure 2 shows the total return on a cumulative return basis, compared with the RBA cash rate + 3.0% pa return objective. It is clear that over this 5 year period, there are two brief periods where the Fund underperformed its absolute objective (i.e. during the inception period, and during the COVID-19 panic selling in the March quarter of 2020). However, over time, the Fund was able to achieve its absolute RBA + 3.0% pa return objective around 90% of the time during its first 5+ years, a most satisfactory outcome.

|                        | Volatility <sup>^</sup> |        | Ratio of CAIF/ ASX200 | Sharpe Ratio <sup>^^</sup> |
|------------------------|-------------------------|--------|-----------------------|----------------------------|
|                        | CAIF                    | ASX200 |                       |                            |
| <b>30/09/2020</b>      |                         |        |                       |                            |
| <b>1 year</b>          | 8.3%                    | 23.7%  | 34.8%                 | -0.2                       |
| <b>2 year</b>          | 6.2%                    | 18.4%  | 33.5%                 | 0.2                        |
| <b>3 year</b>          | 5.3%                    | 16.0%  | 33.2%                 | 0.3                        |
| <b>4 year</b>          | 4.8%                    | 14.7%  | 32.4%                 | 0.5                        |
| <b>5 year</b>          | 4.7%                    | 14.7%  | 32.1%                 | 0.7                        |
| <b>Since Inception</b> | 4.7%                    | 14.7%  | 32.1%                 | 0.7                        |

<sup>^</sup>Volatility is the annualised standard deviation of the NAV/unit as measured on a weekly basis.  
<sup>^^</sup>Sharpe Ratio is calculated on a monthly basis.



Sources: Clime Asset Management and RBA  
 Figure 2 Total Return of the Fund since inception. The orange line represents the minimum return that the Fund aims for, namely the RBA cash rate + 3% pa.

## Investment Commentary

At 30 September 2020, the Clime Australian Income Fund was diversified across six underlying sub-asset classes: Domestic Debt; Income & Preferred Securities; A-REITs; Utilities & Infrastructure (U&I); Equities; and Cash. Note REITs and U&I are also equities, but they are normally classified as a sub-set of the equity asset class as they tend to have a lower volatility under normal conditions (this can be observed in Figure 1 over the past 20 years). The underlying security weights in the portfolio ranged from around 0.3% to about 2.5%.

At 30 September 2020, the cash level had dropped to about 11% from 18.9% at the beginning of the quarter as we sought to generate higher income. The bulk of this change was created through opportunities in the OTC fixed income asset class.

In the September Quarter 2020, we participated in the following investment grade OTC bonds/FRN:

- MyState Limited subordinated Tier-2 FRN,
- Ausgrid 3.5y FRN,
- QBE subordinated 6y non-call 16.25y FRN,
- Goodman Finance 7y fixed rate bond,
- CBA Tier-2 FRN,
- TransGrid (NSW Network) 10y fixed rate bond.

In the ATI /CN asset classes, we participated in the NAB 5y OTC perpetual subordinated Tier 1 capital notes and we increased our exposure to NAB income securities (NABHA).

For U&I, we increased holdings in Ausnet services Limited (AST) and Spark infrastructure (SKI) while maintaining between 2.0% and 2.3% weightings. We intend to maintain Telstra Corporation below 2% at this stage due to its poorer FY21 outlook.

As noted, we commenced tilting back to REITs after 5 months on the sidelines. In early September, we increased our exposure to two categories:

- preferred specialised REIT sub-sector such as Arena REIT, Charter Hall Social Infrastructure Trust (CQE), Rural Farm Group (RFF), and
- more value-oriented REITs such as APN Industrial (ADI), Growth Point Property and GPT Group.

In the equity asset class, we introduced Iress Limited (IRE) and exited RIO. We believe that commodity prices, particularly iron ore, are close to peaking. Instead, we re-introduced IRE due to its resilient and consistent dividend over many years. IRE came back sharply during the market downturn and we observed a good entry point, with the stock yielding more than 5.5% with partial franking. Long term investors in the Fund would recall that we invested in this stock briefly some years ago, generating strong returns.



Below we provide more detailed summaries of two income generating companies we like, namely Spark Infrastructure (SKI) and Iress Limited (IRE). SKI is a utility and has been in the portfolio for a long period with a 2% exposure, while IRE was re-introduced into the portfolio in September 2020 as we searched for yield.

### Why we like SKI and IRE

Spark Infrastructure (SKI) is a leading ASX-listed owner of long-life, essential services in utility / infrastructure businesses. SKI is focused on delivering affordable, reliable electricity to customers. It owns interests in \$18 billion of electricity network assets, and delivers energy to more than 5 million customers in Victoria, South Australia, New South Wales and the Australian Capital Territory, and transports energy across the National Electricity Market (NEM) to other states. These assets includes 49% of Victoria Power Network and SA Power Networks (80% of the total assets), 15% TransGrid (17%) and 100% ownership of Bowen solar farm (3%). This enables them to deliver long-term sustainable value through relatively stable income, with modest potential for capital growth.

The 100%-owned Bomen Solar Farm project, located north of Wagga Wagga in New South Wales, was acquired during 2019. Bomen Solar Farm is expected to start commercial operations in 2H2020. It comprises approximately 310,000 bi-facial solar panels and, when fully operational, will produce enough clean solar energy to power 36,000 homes per year.

With a ~6% running yield reflecting modest FY21 DPS rebasing, SKI provides good revenue certainty given its high proportion of regulated revenues (~86%) and future potential unregulated exposure via TransGrid as adoption of renewables accelerate.

In September, we initiated an equity exposure in Iress Limited (IRE) which is a technology company providing software solutions to the financial services industry covering Financial Advice & Wealth Management, Trading & Market Data, Investment Management and Superannuation.

Being largely a subscription based SaaS provider, the attraction of this company was due to its high certainty of earnings, which has historically supported a DPS yield of ~5%. IRE has been consistently growing since 2009 as free cash flow has increased. DPS is currently 46cps.



Source: IRESS Limited

Revenues are predominantly from Australia and the Pacific Region (55% of total), but with revenues in the UK and South Africa steadily increasing.

The company continues to make strategic acquisitions (Quanhouse, BC Gateways, O&M systems, Onevue) to expand on its data & software capabilities and allowing it to achieve cost synergies and scale.

The business continues to invest in product to increase efficiencies as customers become more data driven, require greater levels of automation particularly in trading, superannuation, mortgage and funds administration. It is particularly efficient at incrementally adding product offerings to existing subscribers which organically grows the business over time and seeks to capitalize in growth areas like private wealth through superior award-winning software offerings such as Xplan.

In its August 20 outlook, IRE noted it was "participating in a number of significant tenders to super funds. If successful, these will positively impact revenue in 2021 and beyond". With half of Australia's super funds still insourcing and the other half often lacking a fully integrated front to back-office offering, we believe IRE's XPLAN Prime/Acurity platform is well placed to win mandates. In the era of super funds aiming to maintain low fees while also aiming to keep client retention high, technology will play a growing role. IRE believes the size of the super opportunity (broker estimate of ~\$53m revenue) could be as large as its advice business (broker estimate of ~\$123m revenue).

### Outlook

The good news is that the pandemic crisis in Victoria is gradually improving. At 28 September 2020, restrictions have begun to ease. NSW appears to have avoided the worse and it is likely that State borders can further ease, and our economy should commence its recovery. Naturally, our international borders will remain highly restrictive. Consequently, it is likely that international tourism, hospitality, travel and the education sectors will remain weak for an extended period. With this backdrop, it is unlikely that the Australian economy can fully recover until an effective health solution can be found.

Putting aside the recession, which will inhibit some companies from paying dividends, we have earlier delineated the investment strategy and changes the Fund will focus on to provide certainty of income, modest growth and price stability beyond this period.

Our immediate concern is to navigate the portfolio through these crises with consistent quarterly distributions and relative price stability. We reiterate that investors should lower their expectations of high returns over the medium term.

For the Fund, we adhere to our goal-based investment strategy of generating income higher than the RBA cash rate, yet doing this with relative price stability. Moreover, with more than 50% of the portfolio in debt securities and capital notes, we are confident that we can continue to distribute quarterly income - one of the main objectives of the Fund. We note that the cash rate is 0.25% and term deposits are now in the range of 0.5% to 0.8%, which is a negative real return. In September quarter 2020, we are distributing 0.4011 cents/unit, thus providing a running yield of 2.6% for the last 12-months. We aim to achieve a modest capital growth of ~2% pa to supplement the income yield over the medium term.

Finally, we thank you for your ongoing support.

**Sincerely,**  
**Vincent Chin**, Portfolio Manager - Multi-Asset Income Strategies





## Market Commentary

Following the severe COVID-19 global pandemic which commenced in the first months of the year, leading to shut-downs and recessions across the world, the global economy has begun a patchy yet vigorous recovery. This is evidenced by strength in consumer spending, housing activity and surveys of business conditions. In August, the JPMorgan Global Composite purchasing managers index (PMI) rose to 52.4 from 51.0, its highest since the pandemic began (and above its 51.7 average during 2019). Recent Chinese activity data, as well as exports from Japan and Taiwan, suggest global activity has picked up strongly during the third quarter.

The true shape and durability of the recovery in the months remaining until the end of 2020 and beyond, however, remains uncertain. We do not know the path which the pandemic will follow, although prospects for a vaccine and other treatments appear promising. Therefore, it remains unclear the pace at which consumers and businesses will be able to return to near-normal activity, amid the social impacts of the crisis and ongoing requirements for physical distancing and restricted business. Renewed lockdowns in the UK and other parts of Europe will likely weigh on near-term demand.

Equity markets sold off in September as rising virus numbers, the US presidential election and the stalled US fiscal stimulus gained attention. Despite these risks, the prospects for recovery remain positive.

We expect markets to remain volatile as the COVID-19 picture evolves, the earnings outlook becomes clearer, and we approach the end-game for the presidential election in the US. At present, polls suggest a Joe Biden victory over President Trump. We do not expect that this will be a cause for a market correction: whereas Biden may raise corporate taxes, his support for broad social security spending and a higher minimum wage would be a boost for income and consumption, both critical ingredients to the US domestic economy.

Within Australia, the containment of the second wave in Victoria has offered great relief, and the hope is for all lockdown measures and restrictions to be gradually lifted. Economic growth in Australia in the second quarter fell by 7.0%, confirming our first recession in almost 3 decades. This was better than many other countries, with the exception of China, which has staged a quite remarkable recovery. Within the domestic economy, retail sales have been predictably volatile, rising 6.0% over June and July, before falling 4.0% in August, as Victoria's lockdown intensified. But strong home loans data point to a stabilising housing sector, and consumer and business confidence has recently improved. Jobs market data continue to positively surprise, with unemployment dropping back to 6.8% from 7.5%, though renewed weakness may lie ahead.

The strong recovery in China and demand and prices for commodity exports such as iron ore have underpinned an improvement in Australia's outlook. The OECD has lifted its forecast for 2020 from -5.0% to -4.1%. In September, the Reserve Bank of Australia added further stimulus through its bank lending facility, and there has been recent speculation that rates could be cut in November from 0.25% to 0.10%. The federal budget to be brought down on 6 October is expected to provide further stimulus to the economy.

While the global recovery is most welcome, risks remain and volatility in investment markets in coming months would not surprise us. The US Presidential election (and including many Congressional seats and Governorships) remains a fierce battle, and the potential for a contested result creates great uncertainty. Many other risks abound, including further periodic outbreaks of the virus, geopolitical and international trade tensions, record levels of unemployment, disruption of manufacturing supply lines, and relatively high valuations in many markets.

Yet, on balance, unprecedented monetary and fiscal stimulus, a capex pick-up and broad progress in containing the virus suggest the world is still on track for a broad economic recovery. Central banks have been emphatic that they will err on the side of supporting the nascent recovery rather than allow the threat of incipient inflation to curtail their cheap money policies. After a 4.5% decline in 2020, the OECD expects global growth to rebound to 5.1% in 2021. Global interest rates are likely to stay low for an extended period, measured in years rather than months.

As always, we continue to recommend diversification across both securities and asset classes. Increased volatility in the face of the risks and uncertainties alluded to above should be seen as opportunities for asset allocation reviews, and if appropriate, for additional investment in high quality long term themes, such as technology, healthcare, automation, artificial intelligence, and care for the ageing population. We particularly favour securities able to generate growing revenue and profitability streams, and which have the potential to distribute rising levels of dividends over the long term.

**Adrian Ezquerro**  
Head of Investments



## Fund Information

### Investment Objective

The Fund's objective is to provide regular income in the form of quarterly cash distributions, and it aims to achieve a return of the RBA cash rate + 3.0% pa. It seeks to deliver strong risk-adjusted total returns and is expected to have a level of volatility of returns significantly less than equity indices, with unit price stability along the way. The Fund's risk objective (as defined by the annualised standard deviation of its unit price) is 4.0% ± 1.0%, a relative risk measure of less than 40% of the S&P/ASX 200 Index. In order to maximize the chances of achieving these objectives, the recommended investment time frame is at least 3 to 5 years.

### Investment Methodology

The Clime Australian Income Fund seeks to provide an income stream above the RBA cash rate from a portfolio of Australian listed and over the counter (OTC) securities, with a view to price stability. The portfolio will invest in selected high-quality individual securities with consistent income generation. Portfolio yield is likely to be the bulk of the portfolio return and will likely be enhanced by franking credits.

## Portfolio Managers

### Dr Vincent Chin

Vincent joined Clime in February 2009. He has a wide range of investment experience spanning fixed income to equity. He has more than 10 years of portfolio construction and managing risk across multi-asset classes. Before joining Clime, he gained his investment experience in the late 1990s to 2000s at Ausbil Dexia and Maxim Asset Management (now wholly subsidiary of Charter Hall) where he has developed multi-factors quantitative models for stock selections and attribution performance analysis. Vincent is passionate about ethical investment across any assets including alternate investments. Prior to this, Vincent worked in semiconductor device and material research in academia and industry for more than 15 years. His research spanned III-V and IV groups semiconductor materials and its application. He specialised in transport properties (numerical modelling and characterisation) in these semiconductors for devices and solar cells applications. He has published about 50 international refereed scientific publications and co-edited a proceeding in opto-electronics.



### Fund Information

|                              |  |                             |  |
|------------------------------|--|-----------------------------|--|
| <b>Name</b>                  | Clime Australian Income Fund                       | <b>Investor Eligibility</b> | Retail & Wholesale   |
| <b>Structure</b>             | Managed Investment Scheme                          | <b>Minimum Investment</b>   | Retail: \$10,000<br>Wholesale: \$100,000                             |
| <b>Investment Universe</b>   | Listed and OTC Markets                             | <b>Liquidity</b>            | Daily Unit Pricing<br>Applications and Redemptions                   |
| <b>Benchmark</b>             | 3% p.a. above RBA cash rate                        | <b>Fees</b>                 | Retail: 1.13% management fee<br>Wholesale: 1.03% p.a. management fee |
| <b>Number of Positions</b>   | 60-80  | <b>Admin</b>                | Mainstream Fund Services Pty Ltd                                     |
| <b>Fund Size</b>             | \$40.3m  | <b>APIR Code</b>            | Retail: SLT1239AU<br>Wholesale: CLA0002AU                            |
| <b>Platform Availability</b> | Netwealth, HUB24, OneVue, Praemium & Wealth Portal |                             |  |

### Contact Information

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