

November 2022

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Your *International* **Fund**





About your International Fund

Fund Facts

The Clime International Fund ("Fund") aims to provide consistent capital growth and income over the long term (5-7 years) by providing investors with exposure to international share markets. Whilst the Fund invests predominantly in developed markets it may also have an allocation to shares in emerging markets.

Fund Benefits

The Fund brings together the aligned investment beliefs of Mercer and Clime, best ideas and research to provide investors with access to:

- a portfolio that is diversified across investment managers and styles to smooth market volatility;
- exposure to both active and passive management through local and global managers; and
- dynamic asset allocation strategy involving medium term portfolio changes in response to changing market conditions.

Investor Suitability

This Fund is designed for investors who:

- are looking for exposure to international equities using a multi-manager approach; and
- have a minimum of 5 years to invest.

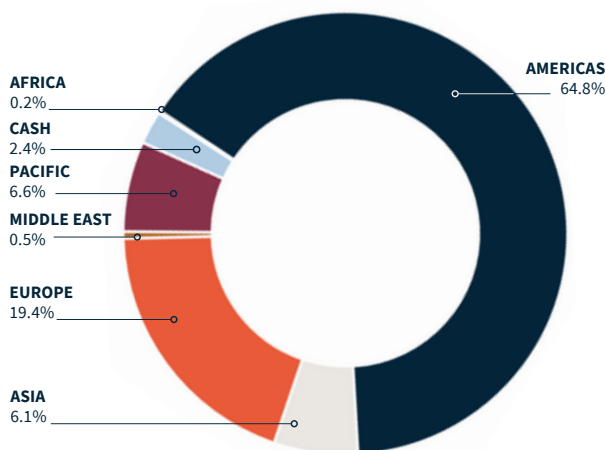
Risk Management

This Fund is a medium to high risk rating investment given the exposure to global markets. International investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in currency and interest rates and possibly more volatile, less liquid markets. Our multi-manager approach involves selecting optimal combinations of investment managers to achieve a level of diversification to mitigate risks.

Top 5 Holdings

Company	Weight (%)
Microsoft Corporation	4.2
Apple Inc.	3.0
Amazon.Com, Inc.	2.5
Unitedhealth Group Inc.	1.9
Eli Lilly and Company	1.3

Regional Allocation



Asset Allocation by Industry

Industry	Weighting (%)
Communication Services	5.2
Consumer Discretionary	12.6
Consumer Staples	4.5
Energy	5.6
Financials	12.7
Health Care	13.2
Industrials	11.3
Information Technology	21.8
Materials	7.1
Real Estate	1.6
Utilities	2.0
Cash	2.4

Performance

	1 month	3 months	6 months	1 year	3 years p.a.*	5 years p.a.*	7 years p.a.*	Since Inception p.a.*
Net Portfolio Return (Wholesale)*	2.7%	5.7%	4.0%	-7.3%	3.8%	6.4%	6.5%	7.7%
Benchmark ^	2.8%	5.7%	4.4%	-6.7%	6.9%	9.3%	9.5%	9.6%

Inception: Wholesale Units: 4 March 2014.

*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 shown above are reflective of the Wholesale class only. Returns for the Retail class will be lower due to the higher fees associated with this investor class.

^10% p.a. from the 4th March 2014, the MSCI World Net Total Return Index in AUD from 30th June 2019, the MSCI All Country World ex Australia Net Total Return Index in AUD from 30th April 2021

Past results are not a reliable indicator of future performance and results.



Market Commentary

Over November, equities and other growth assets maintained positive momentum from October. The main driver of improved investor confidence in November was a better than expected US inflation reading, which strengthened hopes that monetary tightening may slow down later this year and into 2023. The overall economic outlook remained soft, however, with purchasing manager indices remaining in contraction territory, and layoffs increasing. Developed market equities had their second positive month in a row.

The equity rally was even more noticeable outside the US. Major developed markets such as Australia, the UK, and Europe enjoyed stronger returns. Much of the outperformance was due to the sharp decline in the US dollar over the month, which sold off. Emerging markets performed best over the month. In local currency terms, they outperformed both the US and other developed market equities by a considerable margin. This was almost exclusively driven by a rally in Chinese equities and currency over rumors that COVID-19 restrictions would be scaled back.

The AUD depreciated against the US Dollar (-0.5%), the Euro (-1.4%), and the Pound Sterling (-3.6%) while appreciating against the Japanese Yen (2.1%).

The MSCI All Country World ex-Australia Net Total Return Index returned 2.8% (gross) for the month. The strongest performing sector was Materials (8.9%) whereas the worst performing sector was Energy (-1.1%). Other global share markets saw the MSCI All Country World Small Cap (NR) Index (1.7%) higher and MSCI Emerging Markets (NR) Index (9.6%) higher, following a strong resurgence in Chinese equities for the month, all in AUD terms.

Portfolio Commentary

Over the month, the Fund returned 2.7% (after fees), marginally underperforming its benchmark by 0.1%.

Royal London

Over the month, the Ironbark Royal London Concentrated Global Share Fund (Royal London) performed in line with the benchmark.

Key contributors and detractors include:

Contributors	Comment
Anglo American	A leading global mining company saw its shares gain in November as commodity prices rallied.
TSMC	The semiconductor business saw its share price strongly rally after Warren Buffett's Berkshire Hathaway acquired a 1% position in the company.
Lithia Motors	After having sold off in October the share price rebounded strongly in November. Whilst there are challenges within the business, profit margins remain attractive.
Detractors	Comment
Suncor Energy	The company's shares pulled back on weaker oil prices.
Amazon	The share price underperformed as the company's quarterly results were taken badly by the market with a slowdown in the cloud business a notable concern.
UnitedHealth Group	The share price underperformed over the month having been a strong performer this year. The company remains well positioned to help manage the challenge of rising healthcare costs.



William Blair

Over the month, the William Blair Global Leaders Fund performed in line with the benchmark.

Key contributors and detractors include:

Contributors	Comment
Infineon Technologies	The company's shares advanced on improved Q3 2022 earnings results.
TSMC	The share price has risen amid a broad tech rally and in particular following Berkshire Hathaway's investment during the month.
AIA Group	The slowdown in China has been impacting the leading insurer's growth but with an easing in restrictions, this had a positive impact on the company's share price.
Detractors	Comment
Atlassian Corp	The share price declined with the downtick in cloud guidance. Additionally, layoffs and the slower pace of hiring among customers is leading to slower growth at Atlassian.
Autodesk	The software company's share price declined following poorer Q3 2022 results, despite underlying trends remaining strong.
Fidelity National Information Systems	The payment services provider's share price declined as the company lowered its guidance due to macro impacts, inflation and cost pressure, and sales timing and execution.

Portfolio Activity

BUY	Comment
No buys	
SELL	Comment
No sells	



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All statistics and information referenced are sourced from Clime, or the named Company's relevant securities exchange announcements, share prices, website, or discussions with Clime, unless otherwise stated.

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