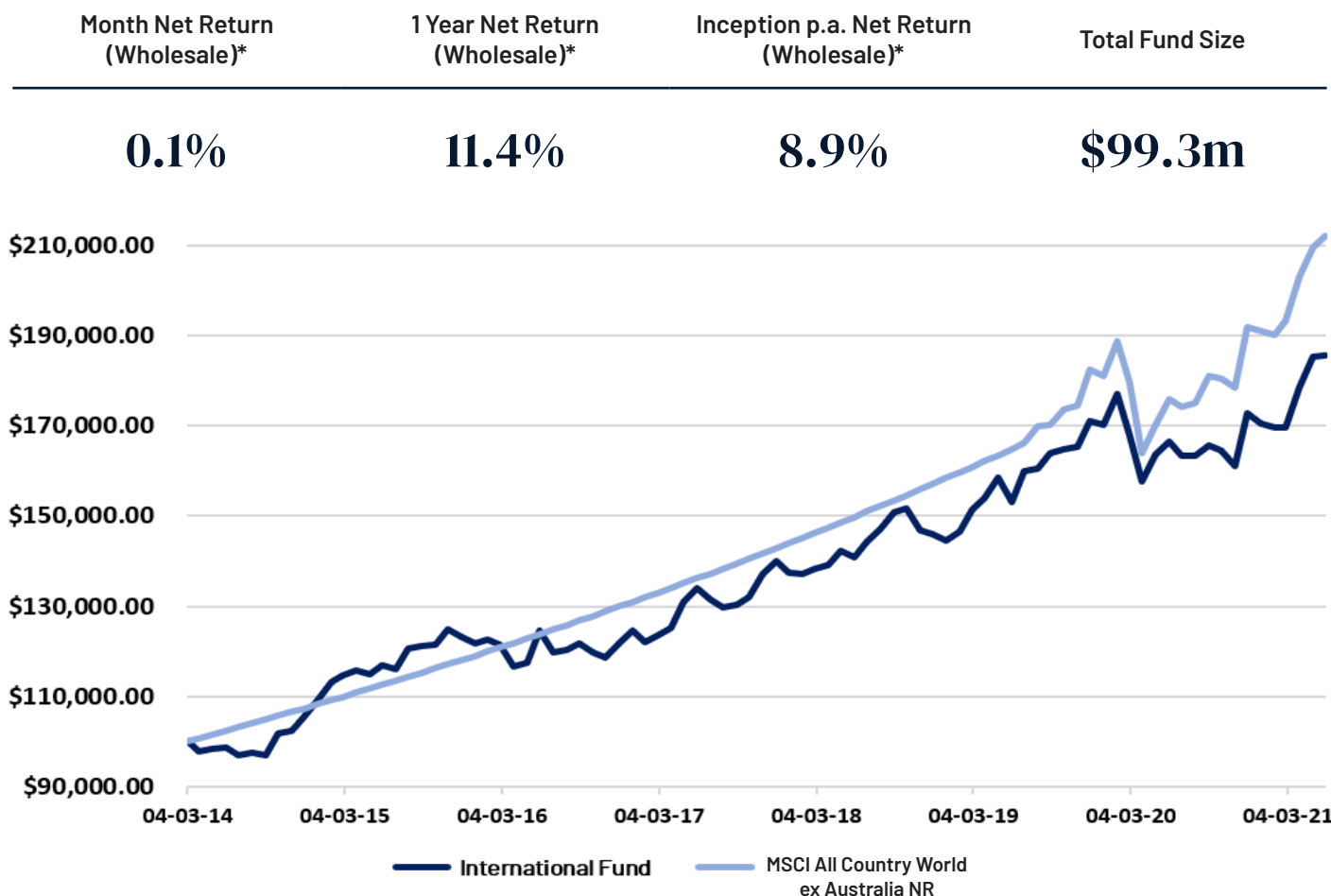


Clime International Fund (Wholesale)



Fund Performance | May 2021

The Clime International Fund (CIF) 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 predominately in developed markets it may also have an allocation to shares in emerging markets.



| | 1 m | 3 m | YTD | 1 y | 3 y p.a.* | 5 y p.a.* | Inception p.a.* |
|---|------|------|-------|-------|-----------|-----------|-----------------|
| Fund Net Return (Wholesale)* | 0.1% | 9.4% | 7.4% | 11.4% | 9.6% | 8.3% | 8.9% |
| MSCI All Country World ex Australia NR ^ | 1.3% | 9.8% | 10.6% | 20.7% | 12.3% | 11.4% | 11.0% |

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.

^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

Fund Facts

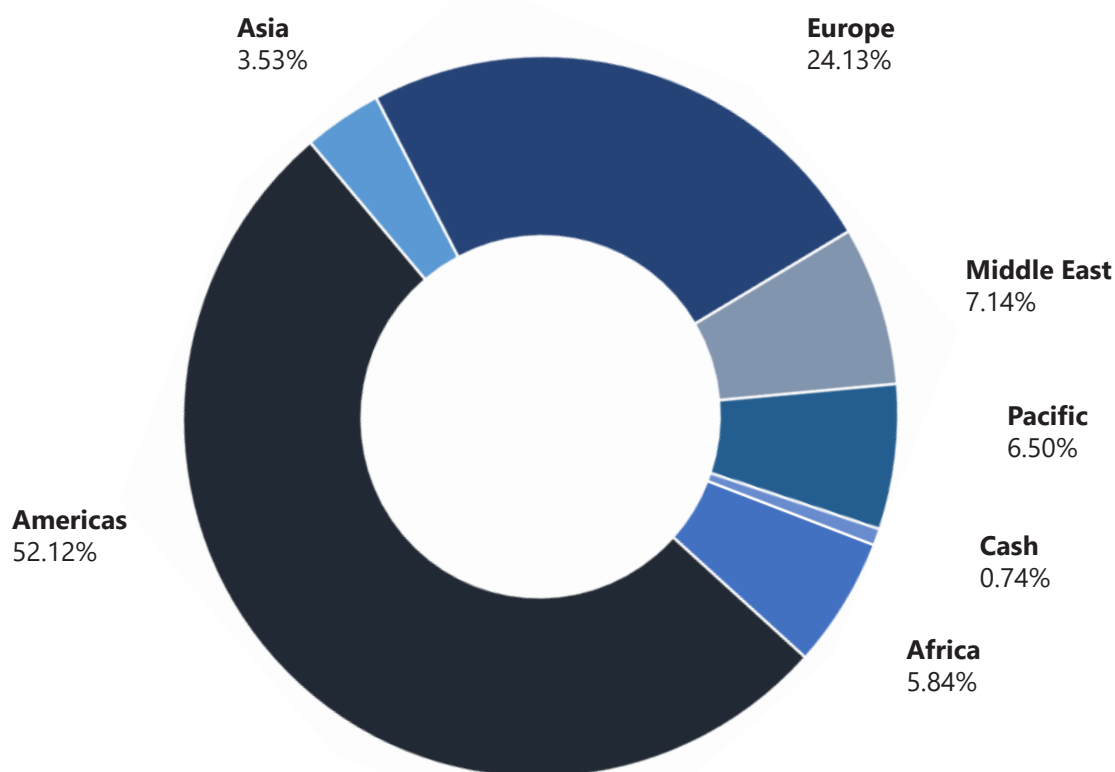
| | |
|---------------------------|------------------|
| Portfolio Managers | Mercer Australia |
| Fund Inception | March 2014 |
| Fund Size | \$99.3m |
| Cash Distributions | Annually |
| Eligibility | Wholesale |

Top 5 Holdings

| Company | Weight % |
|-----------------------|----------|
| Microsoft Corporation | 3.2 |
| Amazon.Com, Inc. | 2.6 |
| Apple Inc. | 2.0 |
| Alphabet Inc | 1.9 |
| Naspers Limited | 1.7 |



Asset Allocation



Asset Allocation by Sector

| Industry | Weighting |
|-------------------------|-----------|
| Communications Services | 8.09% |
| Consumer Discretionary | 12.20% |
| Consumer Staples | 3.98% |
| Energy | 4.80% |
| Financials | 17.74% |
| Health Care | 9.91% |
| Industrials | 11.51% |
| Information Technology | 18.30% |
| Materials | 9.58% |
| Real Estate | 1.52% |
| Utilities | 1.58% |
| Cash | 0.74% |
| Excluded | 0.05% |



Portfolio Commentary

Throughout May the global economic recovery continued. Many developed economies reopened as the vaccine roll-out continued to surprise on the upside but 'variant' scares put the future of complete reopenings as well as the revival of international tourism on which many economies rely into doubt. The US added fuel to this recovery fire in March with another large \$1.9 trillion fiscal stimulus program while an even larger infrastructure program is being discussed. The MSCI All Country World ex Australian Net Return Index returned 1.3%. The index saw some volatility over the month, which was driven by inflation fears. Value sectors outperformed growth sectors with energy and financials being the top performers, while tech performance was negative. Although interest rates were flat in May, a reflationary/inflationary environment should continue to benefit value stocks, especially if the Fed refrains from tightening. Emerging markets returned 2.3% in May, benefiting from a strong rebound in commodity exporting countries such as Russia and Brazil. However, China weighed on the index amid a regulatory crackdown on its tech sector and continued credit tightening.

Over the month, the Clime International Fund returned 0.1% (net fees) unfortunately underperforming the MSCI AC World ex Australia Net Total Return Index. Over May the Fund transitioned its assets from Sanlam Private Investments UK Limited to the new multi manager fund structure managed by Mercer Investments (Australia) Limited. The impact of the timing and number of transition tranches that occurred over May, resulted in the underperformance over May.

The Ironbark Royal London Concentrated Global Share Fund's exposures to Steel Dynamics, Reliance Steel and Legrand were strong contributors to returns in May. Steel Dynamics, the US steel producer that is in the 'Slowing & Maturing' category of the corporate Life Cycle, performed strongly as US steel prices maintained their strength, with multi-decade highs driven by strong demand. A possible change in import regulations remains a cloud on the horizon. While Steel Dynamics is currently valued like a 'typical' steel company, it has a higher return and more resilient business model and has been gaining market share. Reliance Steel ('Slowing & Maturing') has benefitted from the strong cyclical recovery and its ability to access inventory for customers. Meanwhile, Legrand (Slowing & Maturing) gained on the back of the cyclical recovery in construction, especially in the US which has been a big growth area for the firm. It has managed to beat the fade through its strong value proposition to customers.

Within the Ironbark Royal London Concentrated Global Shares Fund, Amazon, Ocado and Apple detracted from returns over the period. As the US opens up, there is the potential for a fade in online demand for Amazon ('Compounding'). Meanwhile, Amazon announced its purchase of MGM to add to its content capabilities. Ocado ('Accelerating') during the period under review saw less demand for online groceries as the UK vaccine roll out made strong headway. Meanwhile, Apple ('Compounding') detracted from performance amid its ongoing trial that threatens to upend its control over its App store. Ironbark Royal London remain focused on investing in wealth-creating companies at attractive valuations, as they believe that this will deliver superior risk-adjusted returns for investors over the long term.

The William Blair Global Leaders Fund's underweight allocations to Financials, Consumer Discretionary and Energy had the most significant negative impact to relative return. Stock selection within Industrials also hurt relative results, within the William Blair portfolio, led by weak performance of Nihon M&A Center and Daikin Industries. Over the month, William Blair increased exposure to the Communication Services sector. The increase was primarily offset by a reduction to Consumer Discretionary. From a geographic perspective, William Blair made a notable adjustment to its country allocation with an increase to Europe ex UK that was offset by decrease allocations to Japan and the US.

